

No. 2 - August 2013

Contents

Upstream-downstream project boosts Iraqi oil sector	1
Editorial	3
Kurdistan's real estate sector booming	4
Ministry of Electricity pledges to solve electricity challenges by end of year	5
New national environmental initiative launched with UN	6
Iraqi Health Care Conference in Erbil	7
Master plan for Basra International Oil and Gas Free Zone approved	9
German Federal Minister of Transport visits Baghdad	11
USD 2.7bn allocated for water investment programme by the Kurdistan Regional Government	12
Iraqi Stock Exchange enters into NASDAQ partnership	12
Plans to refurbish Basra ports	13
Iraqi cultural heritage calls for financial investors	14
Spotlight: Karbala	15
Iraqi foreign trade with Germany and the EU	16
German Ambassador to Iraq visits Basra province	18
First ever journalism contest for Iraqi women	18
Iraq plans water re-injection project to improve oil production	19
Growing Iraqi car market	20
Retrospective and future objectives: UN economic aid in Iraq	21
News	22
Tenders	24
The EU-Iraq partnership and cooperation agreement	24
Business enquiries	25
Fairs 2013	
Registering companies in Iraq, Public Holidays in Iraq and Germany	27
NUMOV Services	28
Application form for membership	28
Useful links	29
Imprint	30
Board of NUMOV	30

Iraqi German Business Dialogue
 c/o NUMOV
 Jägerstr. 63 D
 D - 10117 Berlin
 Phone: +49 (0)30 - 206410-0
 Fax: +49 (0)30 - 206410-10
 E-mail: info@iraqi-german-business-dialogue.com
 Internet: www.iraqi-german-business-dialogue.com
 E-mail: numov@numov.de
 Internet: www.numov.de

Upstream-downstream project boosts Iraqi oil sector

by David Gibson



Iraq's economy is expected to continue growing in the coming years, mostly thanks to its oil and natural gas reserves. Despite a high rate of unemployment and ongoing security challenges, Iraq's GDP is increasing at a consistent rate of over 8% per year, following a steady post-2007 upturn. According to current IMF predictions, this trend is projected to continue into the foreseeable future, with Iraq forecast to have one of the greatest GDP percentage growths in the entire Middle East region. In positive news for the primarily hydrocarbon-based economy, where crude oil accounts for 84% of export commodities, total oil exports are also anticipated to keep rising year upon year, marked by a considerable increase from USD 38bn in 2010 to USD 151.7bn by 2018.

In the last year alone, production has increased from under 3 million barrels per day (mbpd) in 2012 to 3.3mbpd in 2013. Encouraging oil pro-

ceeds were largely responsible for the reserves of the Central Bank of Iraq (CBI) reaching USD 70bn by the end of 2012 as well as for a budget surplus of approximately 4% of GDP in 2012. Meanwhile, the Development Fund for Iraq (DFI) has accumulated USD 18bn.

An innovative project that promises to revolutionise the Iraqi petroleum industry is the proposed Nassiriya refinery project and associated development of the 4bn barrel oil field in the southern Thi-Qar province, which would merge the upstream and downstream sectors into one integrated contract for the first time, necessitating sophisticated project management and operational capability. In combining the producing and refining stages, the plans would see the successful bidder undertake the refinery project in conjunction with the acquisition of the last remaining oil fields, which have been producing around 35,000 bpd since 2009. The refinery

continued on page 8



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The capital of Azerbaijan has around 2 million inhabitants today, a figure which will rise to around 3 million in the year 2025. To cope with this growth, Baku's metro is being extended to a total of five lines. Today, more than 180 million passengers travel on the two existing lines.

Since August 2011, a Herrenknecht EPB Shield (Ø 6,250mm) has been working on the new construction of line 3 in the north-west of the city. The originally defined tunnel route of 2,100 meters has already been completed. Now, it has been decided to extend the tunnel to a total length of 3,600 meters.

The Azertunelmetro tikinti construction company ordered the tunnelling machine as well as an integrated solution package with additional equipment and service from the Herrenknecht Group. This included machine and tunnel conveyor belt (H&E), navigation system (VMT), segment moulds (Formwork), vehicles for the transport of grout and segments (MSD) as well as specialists for tunnelling support. In addition, Herrenknecht delivered further site installation components – from the cooling tower and the grout mixing plant to locomotives and ventilation systems to high-voltage cables.

BAKU | AZERBAIJAN

PROJECT DATA



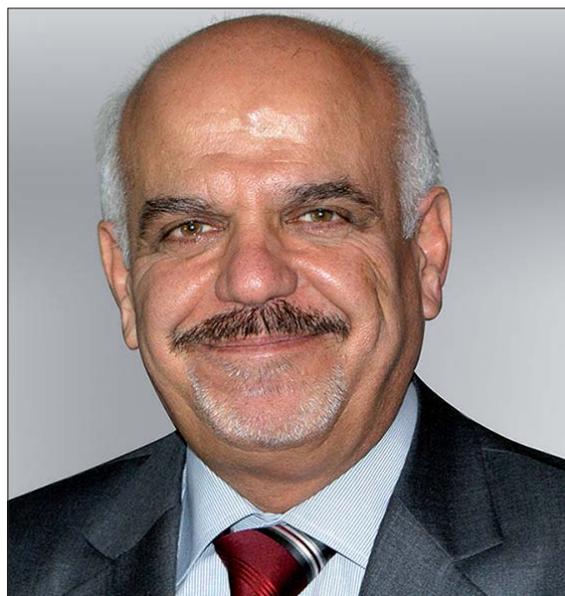
S-599, EPB Shield
 Diameter: 6,250mm
 Cutterhead power: 945kW
 Tunnel length: 3,600m
 Geology: limestone, silty clay and sand

CONTRACTOR

Azertunelmetro tikinti



Editorial



Dear Readers,

I am delighted to present to you another brand new issue of the Iraqi German Business Dialogue, which provides you with the most up-to-date information on matters of business and economy related to our two countries, Germany and Iraq, from the first half of this very eventful year.

Despite the numerous issues which still lie ahead of us, things are looking very promising for the Iraqi economy indeed. In recent years, a steady growth rate has been recorded, which is expected to continue to last for the foreseeable future, making Iraq one of the fastest growing economies in the entire MENA region. This positive trend is mainly associated with Iraq's powerful hydrocarbon sector, which is undoubtedly the main pillar of the nation's economy. As the cover story of the present issue illustrates, the launching of a new venture project involving the Nassiriya refinery project and a 4bn barrel oil field in southern Iraq is expected to substan-

tially contribute further to the growth of the hydrocarbon sector and the national economy.

However, other sectors are showing equally promising signs. At the last Health Care Conference, which took place in May, the government expressed its determination to undertake big changes in the present health care system, promising to increase staff and improve the quality of medical training and facilities. Similarly, due to rapid demographic and economic expansion, the Kurdish region is reporting a record high demand for property and real estates. It goes without saying that foreign investors and companies, and especially our German partners, who are internationally renowned for their technical and industrial expertise, will play a central role in all these developments. More specifically, the visit of H.E. Dr. Peter Ramsauer, German Federal Minister of Transport, Building and Urban Development, to Iraq has

been an important milestone which emphasised the amicable state of German-Iraqi bilateral relations. I am sure that the visit will bear fruitful results in the near future.

Apart from these highlights, you will find many more informative articles and special reports, including news of the Iraqi finance and maritime sector, a regional report of the Karbala region and an article highlighting the development of the water sector in Kurdistan Region for example.

I am sure that you will find this issue of IGBD informative and stimulating and wish you a pleasant reading and a nice summer.

With kind regards,

Dr. Hussain M.F. Alkhateeb
Ambassador of the Republic of Iraq to Germany

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Kurdistan's real estate sector booming

by Edgar Zedler

The dynamic Kurdistan Region in northern Iraq is experiencing an average annual population growth of 3%, with the population expected to reach 5 million by the end of the year 2013. Through economic expansion, Erbil, Iraq's fourth largest city, located in Kurdistan, is facing incisive changes. Its population of 1.4 million has also seen a growth of 5% in 2012. The city is one of the biggest business and tourism hubs of Iraq and already has a good transportation system and very few safety

In the commercial sector, current demand for the 89,000 non-government office workers amounts to 770,000 sq.m of commercial space, most of which is office space. In this regard, the city is undersupplied, and several new projects are highly anticipated, with rental rates also increasing. The city also lacks shopping centres; with one major mall under construction, the supply only reaches 0.079 sq.m per capita, compared to, for instance, 1.4 sq.m in Dubai.

housing demand, there are also multi-purpose residential and tourism mega-projects in the pipeline, such as 'Empire World'. This major USD 2.3bn, 750,000 sq.m mega-project is located in Erbil; construction was initiated in 2007 and completion is due in 2017, with approximately 70% of the works already completed. The complex will contain a luxury hotel, apartments and several attractions for tourists as well as other residential amenities, including 88 towers and 300 villas. Total residential space



Multipurpose residential megaproject 'Empire World'

issues, leading to increasing local and foreign investment in various sectors. Yet both economic and population growth generate an urgent need for more space, whether in the residential or commercial real estate sector, as the city has serious residential and office space shortages. According to a leading international real estate company, vacancy rates in Erbil are essentially at 0%.

The Regional Government of Kurdistan estimates that the city will need 112,000 housing units over the next five years to satisfy the demand, excluding demand from buyers from other parts of Iraq or possible expatriates. With only around 5,000 units currently under construction, it is likely that rents and house prices will increase.

However, the sector provides huge opportunities for foreign and local investment. As reported by experts, the annual gain, excluding capital accretion, is estimated between 8.3% and 10.14% and annual total returns could reach 15%.

Being aware of the challenges of the region's real estate sector, the local government has taken several steps to promote existing and start new projects. For example, the Kurdistan Investment Authority has recently opened up a project that includes the construction of 650 housing units through private investment companies. The scheme is located in the Governorate of Sulaymaniyah and features a residential complex for local physicians with a total area of 22,000 sq.m as well as additional facilities, such as children day-care centres. Each housing unit will cover a space of between 120 and 150 sq.m. The complex is estimated to cost around USD 60m.

Alongside these projects for those with a high income, the Ministry of Housing of Kurdistan has been promoting the construction of housing units for limited-income families since 2011. For this purpose, USD 240m was allocated in 2012 and 2013 to build 5,000 housing units. Low-income families also have the option to apply for long-term financing of their respective housing units. Aside from relatively small projects for local

will cover 307,500 sq.m along with green spaces and roads. In the remaining area, a commercial complex, a medical centre, a fire station, a childcare centre and a mosque will be developed. Through this project the government wants to further promote the tourism sector of the region.

Erbil is already Iraq's prioritised tourist destination and has developed into one of the important business travel and tourism hubs of the Middle East. Aiming to develop the tourism sector in Kurdistan with modern projects, the Ministry of Finance of Kurdistan has recently announced that it will give out tourism loans. The loan will be given to citizens who are implementing tourism projects, renovating tourist sites and attractions or purchasing equipment necessary for tourists.

As stated by experts, despite the severe undersupply in the real estate sector at the moment, this situation will soon lead to another boom in the construction and real estate sectors of the Kurdistan Region in the near future. With a combi-

continued on page 19



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Ministry of Electricity pledges to solve electricity challenges by end of year

The Ministry of Electricity of Iraq has announced that it is determined to resolve the ongoing electricity challenges by the end of this year and to meet the ever growing demand for electricity in the country.

In order to achieve this, the government of Iraq has set aside an annual budget of USD 4.5bn to be spent on the production and supply of electricity. Overall, a total of USD 75bn will have been invested in electricity by 2030.

This undertaking is no small task. The current overall electricity output accounts for 8,500 MW, which is more than 150% of the pre-2003 output of 3,300 MW. At the same time, however, the thirst for electricity has tripled to 14,000 MW, a gap of more than 60%. This rise is mainly correlated with the increase of living standards of the popu-

lation. Part of the challenge will be to upgrade the technology of the working power plants. The majority of Iraqi power plants were built in the 1970s and 1980s and are still operating on the facilities and equipments of the same period. Experts have suggested that by simply upgrading some of the technology by converting single cycle plants to combined cycle plants for example, the overall capacity can be increased by 40%.

Another step is to improve the maintenance and repair services for existing power stations. 81% of Iraq's electricity is generated through fossil fuels, which as such require an extensive pipeline network. It is estimated that a substantial part of the pipeline network is in poor condition due to minor or non-existing maintenance services, which constrains potential output. If the government is able to start keeping the situation in

check, the electricity output will also rise significantly

Overall, the ministry, which has been working effectively since 2008, has already come a long way. It is currently overseeing 42 projects related to energy production, out of which all have reached the 50-90% margin of completion. Spokesmen for the Iraqi government have confirmed that for every month until the year 2014 at least two projects will be finished and operating.

The most recent additions have been four turbine stations, which will ensure that at least 12,000 MW will be generated during the course of this summer. In the meantime, fourteen other turbine stations are being built around the country, which will hopefully allow the country to cut the 14,000 MW margin upon completion.

New national environmental initiative launched with UN

by Mirko Macke

The launch of Iraq's National Environment Strategy and Action Plan (NESAP) will have far-reaching consequences for the country's handling of its water and agricultural resources. Known for its abundance of oil and gas – Iraq has the fifth-largest share of proved crude oil reserves and stands in 13th place worldwide when it comes to proven natural gas reserves – it has another resource that has become more and more precious in recent years: water.

The NESAP, which aims to combine and introduce several measures supported by the Government of Iraq as well as the United Nations Environment Program (UNEP) and the United Nations Development Program (UNDP), was implemented on June 17th, 2013. It was welcomed by the United Nations, which has also been celebrating June 17th annually since 1995 as the World Day to Combat Desertification. It is traditionally a date for promoting activities against the effects of desertification and all the effects it entails: droughts, floods, rural exodus and the necessity for food imports.

Martin Kobler, the Special Representative of the United Nations Secretary-General for Iraq, declared that the NESAP would be the first national strategy for the environment as well as a blueprint for sustainable development in Iraq. He emphasised that water scarcity and drought pose a realistic threat to Iraq, especially considering the water reserves at risk of depletion. He added that the waterways running dry would be an unthinkable future. Iraq would have to combat desertification in order to sustain its rural and urban population, its arable land and to avoid crop failure. The launch of the strategy and action plan would also integrate several already existing regional initiatives led by the UNEP and UNDP, thus ensuring a sustainable management of Iraqi resources and a future for the second-largest provider of labour opportunities to the Iraqi population: the agricultural

sector. The sector provides work opportunities for 21.6% of the labour force, surpassing the industrial sector. The priority of the strategy is on investments that focus on infrastructure and institution building that supports environmental stability. In addition, the UNDP and UNEP will work directly together with the Iraqi Ministry of Environment.

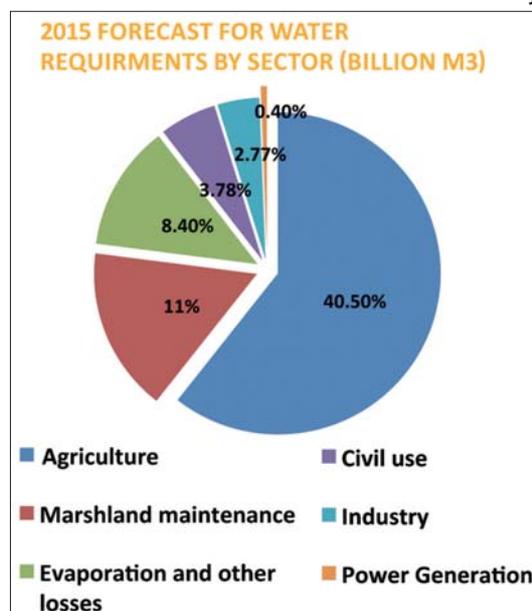
Environmental damage poses a risk to food security in Iraq, which is, according to the definition of the Food and

crops. This is achieved through the use of drip irrigation. It is hoped that the introduction of the NESAP will result in the widespread usage of progressive agricultural techniques, not only to support the once outstanding agricultural sector of Iraq but also to combat desertification.

The UN fears that up to 92% of Iraq is at the risk of desertification. Also, the number of sand storms has risen in recent years, putting even more pressure on plants and soil. Unfortunately, the loss of arable land and the ensuing desertification entails even more negative effects. Uncultivated soil cannot store as much water as cultivated land, and as a result floods now occur more often in Iraq than in the past.

These effects all take place against the backdrop of an ever-growing population, which is expected to reach 42 million by 2020; the current population is 32 million. A growth in population will in turn lead to a higher demand for water, both for drinking and agriculture. Neighbouring countries of Iraq such as Turkey and Syria also play an influential role in the availability of water, as the Euphrates and Tigris flow through them. Iran has also implemented projects that influence water availability in Iraq, with the UN thus highlighting that it is of paramount importance that all countries in the region agree on their mutual interests and reach a fair division of resources through agreement and treaties. Last but not least, the decreased availability of water is having a negative impact on Iraq's hydroelectric power plants, which together account for a fifth of the country's electricity.

Consequently, the NESAP will focus on the interconnectivity of food security, agricultural productivity, sustainable environmental management and climate change. Furthermore, UNESCO and the Government of Iraq are implementing a database mapping the country's groundwater, hoping to counter the effects of droughts.



Source: UN Iraq

Agriculture Organization of the UN, the permanent provision of sufficient, safe and nutritious food to all people. 5.7% of the Iraqi population are deprived of food, and 14% of the population are vulnerable to food insecurity. Iraq, once an agricultural powerhouse, has long felt the effects of drought and desertification on its food sector, which is also a result of the continuous extraction of water from the ground without giving the reserves time to replenish themselves.

In 2010, the Ministry of Environment reported that 31% of Iraq's surface is desert. Obligated to import 3 to 4 million tons of wheat per year, Iraq also imports 60 to 70% of its vegetables from its neighbours. In fact, irrigation techniques in Jordan, for example, use only a quarter of the water for the same yield in

Iraqi Health Care Conference in Erbil



The construction of Basra's new 400-bed-hospital is expected to be completed by the end of this year

From 27th - 28th May 2013, the Iraqi Health Care Conference was held alongside the 4th International Iraq Medicare Exhibition in Erbil. In order to return Iraq to its position as the regional leader in the medical sector through increased investment in education, training and infrastructure, regional and international health care experts convened to review the current state of the Iraqi health system and to target strategies to strengthen this sector. Opportunities, experiences and the latest market updates were discussed, covering all aspects from medical education and hospital management to health insurance. Plans were elaborated on how to modernise the health care sector, including the expansion of healthcare facilities, investment in high quality equipment, a large procurement programme and advances in facility management and human resource development.

In particular, the structures and functions within the Ministry of Health and the Governorates were reviewed. Even though the Iraqi government allocates around 5% of its total budget to the health sector every year, the Ministry of Health only spends around 60% of it. The remaining 40% goes back to the Iraqi government. A greater number of doctors and health care specialists in key positions could minimise this waste of resources. Furthermore, conference participants weighed in on the lack of

quality of medical education and hospital standards as well as the lack of expertise and leadership skills. Regulations and proper legal frameworks and accreditation have been missing, but they are necessary for setting and implementing international quality standards in surgeries and hospitals. In order to respond to the increasing demand, the date for the next conference has already been set: from 27th - 28th May 2014, the Iraqi Health Care Conference will once again be held in Erbil.

Meanwhile, the construction of a USD 350m medical complex in Baghdad has begun and should be completed within three years. The new 100,000 sq.m medical city is under construction on the site of the former al-Rasheed hospital and will include eight buildings, each with 12-20 floors, gardens, restaurants, meeting and training halls, and modern laboratories. To counter the growing demand to specialise in cancers, neurological disorders, spinal cord problems and contagious diseases, the 1,200-bed medical city will include 12 medical stations, among others also a special children's section and a psychiatric clinic. This facility is one of various hospital projects throughout the country. The construction of ten 400-bed hospitals is expected to be completed by the end of the year – even if a few of them are currently facing delays. One of these will be

located in Basra, with a total building area of 57.960 sq.m. To sum up, the Iraqi health care sector remains appealing for German engagement and provides good opportunities for business cooperations. The current inability to provide special health care services indicates the need for foreign and local investors to enter the sector. The construction of private hospitals could fulfil this growing demand. The shortfalls of recent years, the growing population and the expected redevelopment of Iraq could all be considered beneficial to future business relations. Since 2010, the government has boosted its efforts in this sector; at that time, USD 4bn was being spent on the development of the health care sector, whereas by 2011 this had risen to USD 4.5bn. Last year, the Iraqi government allocated USD 6bn of its total budget of USD 112bn to this end.

Overall, pharmacies received the highest public spending share: 26.6% of the total health care expenditure in 2010. This was followed by primary health care centers, which received 25.2%, while 22% was allocated to administration costs and salaries, 14.6% to general hospitals and 10.3% to private pharmacies. The Iraqi Ministry of Health remains determined to get more foreign companies and investors on board to participate in developing additional hospitals and health care centres. ●

continued from page 1

would process crude oil from the Nasiriyah, Gharaf and Rafidain fields, eliminating the need for feedstock agreements through the unification of upstream and downstream elements.

The Nassiriya project is the largest of a number of downstream facilities planned by the government post-2009, following the enablement of private sector investment in the refining sector with the passing of Law 64 in 2007. The successful completion of the venture would see the first refinery built in Iraq since the mid 80s, after financing considerations prompted the last minute cancellation of a deal with a Japanese consortium in 2009. Its effect would be felt across the Iraqi economy, reducing the need for imported refined products which has afflicted the Iraqi market since 2003; more pressingly, it would also modernise the downstream sector – bearing in mind the deteriorating state and the operational issues of some of the existing refineries – and improve the product quality in a country where 82 octane and lower is the current standard of locally produced gasoline. Current estimates of the scheme's value range from USD 12bn to over USD 15bn, approximately a third of which would be spent on field development and two thirds on refinery construction.

According to initial plans, the USD 4.4bn field and the 300,000 bpd refinery would have been developed simultaneously, with cost recovery and remuneration calculated from throughput, i.e. the barrels of refined products. The cost recovery was to start once production had risen 10%, and the field developer's revenue would have hinged not on oil production, but on the sale of refined products to the Iraqi government, described as a "revenue-sharing" rather than "production-sharing" system.

However, after the bid submission deadline expired in March, the first draft model contract was finalised at a workshop at which companies, developers and investors shared proposals with ministry officials in individual meetings, hoping to tweak the model. The technical service contract granted to success-

Major Oil Fields in Iraq		
Major Oil Fields in Iraq	Location / Operation	Reserves (billion barrels)
West Qurna (I & II)	South / IOC	21.50
Rumaila	South / IOC	17.80
Majnoon	South / IOC	12.6
Kirkuk	North (State managed)	8.00
East Baghdad	Middle (State managed)	4.10
Halfaya	South / IOC	4.00
Zubair	South / IOC	2.50
Maysan	South / IOC	2.50
Bai Hassan	North	0.90
Najmah	North / IOC	0.80
Gharaf	South / IOC	0.90
Qayarah	North / IOC	0.80

Source: EIA

ful bidders from previous rounds has since been updated as a preliminary draft contract, with alterations to investor costs and the pay per barrel remuneration fee, since investors prefer production-sharing conditions.

The new compromise will offer companies a proportion of the project revenues – a more appealing proposition to investors – with the caveat that production must have already started before recovery costs begin to be paid out. The profit tax remains unchanged at 35%, as do the other fundamental underpinnings of the project. The refined end products have been earmarked for local consumption in metropolitan Baghdad, rather than for export, and fuel demand in southern Iraq will also be met. The Iraqi government will subsidise the local market which establishing the payment of the contracted consortium on the basis of international prices, guaranteeing both a stable domestic market and an attractive remuneration agreement.

The Oil Ministry's initial tender protocol will be followed by a final tender protocol and contract to be issued on 15th November. The final auction will take place on 19th December and hopes to prove a watershed for downstream investment. According to **Abdul Mahdy al-Ameedi**, Head of the ministry's Petroleum Contracts and Licensing Directorate (PCLD), a total of 52 interna-

tional oil companies will have the opportunity to take part in the bidding round. The 45 confirmed firms were joined by seven new companies: Russia's Zarubezhneft and OAO LUKoil Holdings, Japan's JGC and Tonen General, India's Reliance Industries, France's Total, China's CNPCI, and Brown Energy from the USA. A further five bids are still being processed with a view to qualification, namely from Daelim, Essar, GS E&C, Pak-Arab Refining and Maurel et Prom.

The Iraqi economy has received a further boost this year with the announcement of a 5% increase in the estimated total oil reserves in the country. Discoveries at sites including the Dima oilfield in Missan province have raised the presumed volume from 143 to 150 billion barrels, highlighting the enormous potential benefit of tackling the infrastructural challenges of Iraqi oilfields. These new finds are the fruits of exploratory work by the state-owned Missan Oil Company and the Iraqi Drilling Company, who started work after detecting the field in January 2012, completing the first exploration in a record time of 210 days, by February 2013.

Alongside these bright signs for Iraq's future there are still challenges to be met. This was the conclusion reached by a recent IMF mission in Amman, Jordan, headed by Carlo Srdalevich, which met in March with an official Iraqi delegation of government officials and CBI representatives, headed by the Acting Minister of Finance, **H.E. Dr. Ali Al Shukri**. Despite a difficult security environment, high oil growth and production are projected to continue, and non-oil activity has been robust, with the mission praising Iraq's maintenance of macroeconomic stability and its strong economic growth in 2013. The importance of sustainable fiscal growth and careful budget management in improving living standards was stressed, as was the need to create long-term defences against the volatility of the oil market, building up both the small non-oil sector and the private sector whilst using the large oil revenues with the greatest of transparency. ●

Master plan for Basra International Oil and Gas Free Zone approved

by Edgar Zedler

Basra International Oil and Gas Hub (BIOGH) recently announced the approval of the master plan for the Basra International Oil and Gas Free Zone. According to BIOGH officials, the plan has been formally endorsed by the Consulting Bureau of the College of Engineering at the University of Basra and by the Iraq General Commission for Free Zones.

BIOGH was established in 2009 to develop a hub dedicated to oil and gas in the Khor Al Zubair free zone. In September 2012, BIOGH started to form a joint venture with the Free Zone Authority of Iraq (FZA), an independent authority under the Ministry of Finance of Iraq.

The Public Private Partnership between BIOGH, as the developer, and the FZA, favours BIOGH on the basis of a 50 year agreement and development permit. The scheme is expected to contribute greatly to the economy of Iraq by attracting foreign direct investment, technology transfer, educational opportunities, job creation and training.

As stated by BIOGH, the project will employ about 10,000 Iraqi nationals over a period of 10 years once it has been completed. The Basra International Oil and Gas Free Zone marks one of the most important investments of the Iraq General Commission for Free Zones. It will be Iraq's largest high security free zone, covering 11 sq.km, strategically placed in southern Iraq within the major oil and gas production area of the country, close to Basra International Airport and near the port of Khor Al Zubair. It will contain mixed use industrial facilities, infrastructure and logistics for the transport and storage of oil and gas, modern IT and security as well as commercial and residential accommodation, including banking services, hotels, a business



Location of Basra International Oil and Gas Free Zone

centre and sport facilities. A customs area and a landing strip are also planned. In order to open the free zone as soon as possible, temporary utilities for near-term delivery will be used.

In recent months the scheme has made significant progress: for example, as the implementation of pre-construction works and the execution of geotechnical and topographical surveys. The calculation of prices for the first phase of the key construction works has also already been finalised according to BIOGH. Regarding banking and financing for companies, the zone will feature no capital gains or corporation taxes, no value added tax, no foreign exchange restrictions, the free repatriation of capital and profit as well as significant cost savings through centrally-provided services.

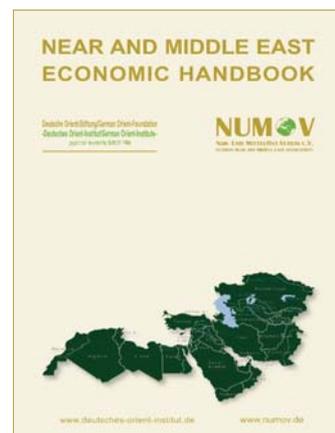
There will be no customs on imports into the free zone; in order to get permission to operate companies, can be either foreign-owned or local. It will not be a requirement to establish a company in Iraq or to have a local partner. In the future companies will also have the freedom to employ foreign workers since the

free zone will include a dedicated immigration office and foreign employees will be exempt from taxes.

BIOGH and FZA have taken a proactive step in creating and building a new model for positive change and growth for Iraq's economic future by establishing the schemes for Basra International Oil and Gas Free Zone.

The free zone will play a vital role in the Iraqi government's ambitions to provide appropriate facilities for international companies to promote foreign direct investment, increasing production capabilities of oil and gas, and thereby securing further long-term economic growth.

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German Federal Minister of Transport visits Baghdad

by Sonia Khawaja

In order to develop new economic relations, German Federal Minister of Transport, Building and Urban Development, **H.E. Dr. Peter Ramsauer**, travelled to Iraq with more than 50 high-ranking business representatives from the transport industry, construction industry, transport and logistics, and the urban planning sector. On the agenda were talks with the Iraqi Prime Minister, **H.E. Nuri Al-Maliki**, and with the ministers of his cabinet.



Meeting of the German Delegation headed by H.E. Dr. Peter Ramsauer, German Federal Minister of Transport, Building, and Urban Development, with Prime Minister of Kurdistan region H.E. Nechirvan Barzani

H.E. Dr. Peter Ramsauer, who has been opening doors for German enterprises on trade missions abroad since 2010 within the scope of his foreign trade initiative, highlighted German expertise and quality, which are internationally recognised and sought after. Travelling to Iraq his intent was to supply German companies with information about the varied opportunities for investment in infrastructure, housing and city planning. Through their globally-renowned expertise and quality, German enterprises have the opportunity to work with governments and companies all over the world, and Germany is able and willing to assist in the reconstruction of Iraqi infrastructure. H.E. Dr. Ramsauer discussed the most urgent projects: the new construction of ports, the re-establishment of rail transport, the rehabilitation of the Mosul dam and housing construction. He also stated that the Iraqi long-term investment for these would amount to USD 700bn.

As part of the trip, an Iraqi-German Investment Conference was held in Baghdad by the Iraqi National Investment Commission, which has embarked on a mission to rebuild Iraq by attracting Iraqi, Arab and foreign capital investment. Such investments play a vital role in developing the state of knowledge and technology of the economic sectors of Iraq, which are currently undergoing a transformation from a planned economy to a market economy.

More than 300 Iraqi governmental and economic representatives attended this conference.

During the inaugural address of the Iraqi-German Investment Conference, German expert knowledge on reconstruction and high technology was underlined by the Prime Minister's representative, Deputy Prime Minister of the Republic of Iraq, **H.E. Dr. Rowsh Shaways**, the Iraqi Minister of Transportation **H.E. Hadi F. Al-Amiri**, and the Head of the National Investment Commission, **Dr. Sami Al-Araji**; they declared Germany to be an ideal example and an absolutely reliable commercial partner to carry out the reconstruction ambitions in Iraq.

Thomas Bauer, Chair-man of the Management Board of Bauer AG and one of the company representatives accompanying H.E. Dr. Peter Ramsauer in Iraq, expressed his optimism regarding the biggest contract in the field of underground engineering at Mosul Dam. The Mosul Dam is the largest dam in Iraq, and different measures are being taken to ensure the project's success. In the short term, the US Army Corps of Engineers has contributed USD 27m in order to support the maintenance and mending repair of the dam. In the long term, the Iraqi government will undertake further steps, including the construction of 67m deep walls around the dam.

In the course of H.E. Dr. Peter Ramsauer's visit, he also met Prime Minister the Kurdistan Province **H.E. Nechirvan Barzani**, discussing talked about the relationships of Germany and the Kurdish Iraqi region. Furthermore, an economic forum in Erbil took place with the Kurdistan Federation of

Chambers of Commerce and Industry. The Minister of Housing and Reconstruction from the Kurdish Regional Government, **H.E. Kamaran Ahmed Abdullah**, and about 120 company representatives took part in this meeting. All Iraqi speakers called on German companies for a stronger involvement in Iraq in order to invest in the modernisation and diversification of the Iraqi economic system. Regarding the security situation in Iraq, H.E. Dr.



f.l.t.r.: Deputy Prime Minister of Republic of Iraq H.E. Dr. Rowsh Shaways, H.E. Dr. Peter Ramsauer, German Federal Minister of Transport, Building and Urban Development and Dagmar Wöhr, Member of the German Parliament

Peter Ramsauer advised all companies to pay attention to the recommendations of the respective embassies in Germany and in Iraq, highlighting that there is a difference between the regions in a strained position and those that have a developed security situation, improving day by day.

All in all, Iraq is becoming increasingly attractive for western countries, especially now that it is rebuilding and the security situation in its regions is gradually improving. Germany is maintaining its relations with Iraq, and high governmental level visits show that the governments are actively cultivating their bilateral relations, thereby assisting Iraq in the rebuilding process. ●

USD 2.7bn allocated for water investment programme by the Kurdistan Regional Government

With the disclosure of a USD 2.7bn investment programme for the water and sewage treatment sector by the Kurdistan Regional Government (KRG), efforts have received a massive push in the right direction, with plenty of opportunities for businesses in all development stages of the water sector.

In particular, eastern Sulaimaniyah and the Region's biggest city, Erbil, are to profit immensely from the plans. The Director of Water and Sewage in the KRG's Municipality and Tourism Ministry, **Sahand Ahmed**, has recently unveiled plans for the building of four sewage treatment plants, with a capacity of 210,000 m³/day, as well as a sewerage system in Erbil. The two endeavours will involve costs of USD 960m, roughly 35% of the total programme. These investments are vital for the future of the city since its current population of 1.4 million

is growing by 5% annually. Also, in order to secure the access of potable water from the river Zab in Erbil, a treatment plant with a capacity of 25,000 m³/hour as well as 120 km trunk lines and two ring pipes with a length of 106 km will be built around the city. For this project, USD 600m are allocated.

In Sulaimaniyah, three sewage treatment plants are scheduled, one with a capacity of 300,000 m³/day the other two with a capacity of 150,000 m³/day, respectively. Another project, worth USD 300m, is also planned for the city, where a water treatment plant with a capacity of 10,000 m³/hour will be built as well as a 85km trunk pipeline. In this case, the water for the water treatment plant will be drawn from nearby reservoirs.

The investment sum for the villages, where several smaller water projects are



Water treatment plant at the bank of river Zab

planned, will amount to USD 585m. For the financing of these projects, the KRG is favouring soft loans from international development agencies. Normally, these agreements – while involving favourable interest rates for the borrower – entail certain other advantages for the lending institution. Also, as a part of the water investment program, 17 new dams will be built. ●

Iraqi Stock Exchange enters into NASDAQ partnership

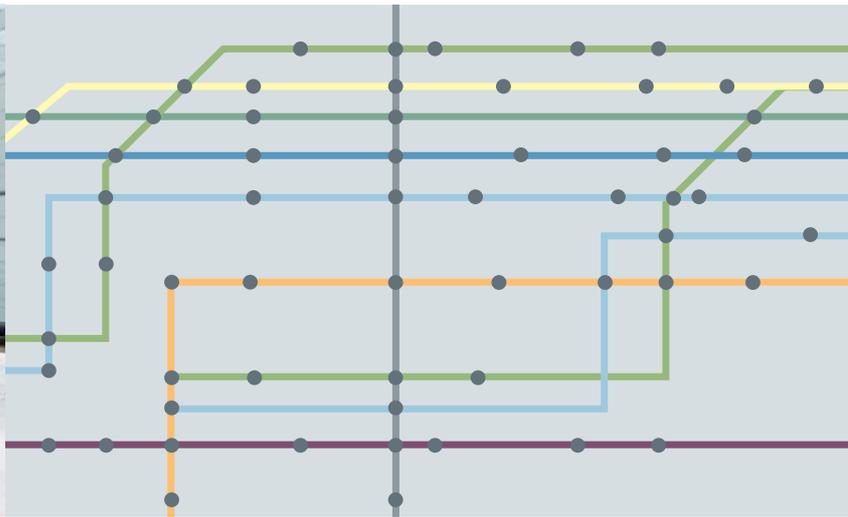
In July 2013, the Iraq Stock Exchange (ISX) signed a deal with the NASDAQ OMX Group to improve its existing trading technology, with the new system hoped to be in place by early to mid-2014. This change will see the current NASDAQ OMX platform replaced by an upgrade that is powered by X-stream technology, indicating how far the country's stock market has come since the 2003 invasion. Less than a decade on, traded shares on the ISX have increased by a factor of almost 10, to an estimated total of over 1.2 billion shares in 2013, with the average daily volume of shares traded having increased exponentially from USD 14bn in 2004 to USD 600bn in the first half of 2013 according to NASDAQ figures. At the same time, market capitalisation is now more than seven times greater, rising from USD 1.4bn at launch to USD 12.17bn for the first two quarters of 2013 alone.

Taha A. Abdulsalam, CEO of the ISX, emphasised the commitment to becoming an "innovative and groundbreaking" exchange, claiming that this technology

upgrade will send out a clear message to investors, regulators and other exchanges that Iraq "will continue to become a financial centre for more regional and global businesses". From the other perspective, **Michèle Carlsson**, Head of Business Development, Middle East and Africa at NASDAQ OMX, predicted that the new Nasdaq OMX system will increase investor involvement in Iraq and impart specialist knowledge, with the ISX benefitting from experience in running a modern, technologically advanced exchange and establishing a "well-recognised marketplace in the region". These steps will, according to **Lars Ottersgard**, Senior Vice President, Market Technology, NASDAQ OMX, put the country at the "technology forefront of exchanges in the Middle East".

The upgrade to X-stream will bring the ISX in line with international standards, deploying a high-end multi-asset trading platform and helping Iraq become a financial hub in the Middle East, with the ability to support and assist other region-

al markets. Lars Ottersgard confidently stated that this new development will ultimately equip ISX with "a sophisticated and robust trading platform that increases investor involvement both in the Middle East and internationally". Echoing these sentiments, Michèle Carlsson also added that, by upgrading to X-stream technology, the ISX "will be running a resilient market place that will attract both Iraqi and international investors", having already implemented one of the most successful IPOs in the region: an IPO with Iraqi mobile phone company Asiacell in February raised more than USD 1bn in a single day. This new, independent Iraqi stock market was established in June 2004, following the fall of Saddam Hussein, replacing the government-run Baghdad Stock Exchange. It became an electronic trading system in April 2009, also making use of NASDAQ technology. Iraq is hoping to capitalise on its growth GDP, which reached 9% last year, and to reconstruct the country as well as encourage international business, in the financial services sector. ●



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Plans to refurbish Basra ports

One of the main transport routes in Iraq is the waterway, with the major rivers of the country, the Euphrates and the Tigris, leading ultimately to its 70km coastline. The district Basra is home to all of Iraq's ports, including its only deep-water port, and is thus the major transportation nexus in the southern part of the country. Four of the ports are for trading purposes or passenger transportation: such as Umm Qasr, al-Magal, Abu Flous and Khor al-Zubair. Furthermore, Iraq holds three ports that are exclusively used for the export of oil. These are the ports of al-Bakr, Khor al-Umaiya and al-Faw.

The most important city in this area is Basra, with the port al-Maqal on the Shatt-al-Arab waterway. The port has a long tradition and was founded in its current incarnation 93 years ago, gaining importance and becoming one of the most significant bases in the country. The port of Umm Qasr has 21 wharves and good connections via rail and roads

to the major cities of the country. At the same time, it is the only commercial deep-water port of Iraq that is able to handle Panamax vessels. Around 6 million tonnes of goods are transhipped in this harbour yearly. Opened in 1979, the terminal Khor al-Zubair is the newest port in Iraq. It has twelve quays and is located approximately 60km south of the city of Basra. In addition to the loading of food, cement and fuel, oil and dates are also exported from Khor al-Zubair. Iraq's smallest port, Abu Flous, is located approximately 20km from Basra. The main port of Iraq and one of the five busiest ports in the world is the harbour called al-Bakr or Basra Port. In operation since 1977, this port is built on an artificial island in the Gulf and is of the highest importance for the export of Iraqi oil.

Iraq's ports play a crucial role in economic development, and their operation is gaining momentum. In 2012, Iraqi ports achieved their highest rate of unloading cargo since 2003. Besides

that, the General Company for the Ports of Iraq (GCPI) has the ambition to develop an alternative transport corridor for logistics and trade from the East into Europe. GCPI wants to offer a world-class port at Faw on the country's southern tip, which will be connected to a regional rail network. The port of al-Faw is the biggest priority for GCPI and involves the construction of a 17-metre deep port, allowing the world's largest vessels to dock, and 7,000 metres of quayside. Last year GCPI signed a formal agreement on a USD 14m deal with North America Western Asia Holdings (NAWAH).

Plans are also in the advanced stage for the port of al Maqal. The logistical capacity of the port is to be modernised and the Shatt al-Arab channelled to 9 metres, thus increasing the size of vessels that can access the port. This will bring both heavy-lift crane and container handling capabilities to the 93-year-old port.

Iraqi cultural heritage calls for financial investors

by Sham Jaff

Iraq, with its rich history dating back to the beginning of civilisation, has the potential to eventually be recognised as a major tourism destination. The country is home to some of the greatest ancient sites in the world. The Kurdistan Region in Northern Iraq in particular is becoming more and more recognised as a tourist destination distinct from the rest of Iraq, thus attracting gradually increasing tourism-related investment.

The country has over 12,000 historical sites on record, but many of these sites are in desperate need of protection, preservation work, signage and trained staff on-site. Cultural sites – specifically archaeological and religious sites – suffer from neglect, plundering and decay. Since technical assistance and tools are lacking, the quality of conservation of Iraq's heritage sites could be improved.

With Hatra, Ashur and Samarra Archaeological City, three properties have been added to the World Heritage List. Eleven have been submitted to the tentative list and are pending final recognition upon completion; amongst them is the Erbil Citadel, which rises some 30 metres above the ground level of the city of Erbil, the capital of the Kurdistan Regional of Northern in Iraq.

In Erbil alone, Iraq's fourth largest city and the Arab Capital of Tourism 2014, there are over 500 sites of ancient archaeological interest. Unmatched in the region owing to its nearly 8,000 years of history and human settlement – it is one of the few surviving citadel towns in the world and a heritage site which calls for careful treatment and restoration. Since officially opening in 2009, the Iraqi Institute for the Conservation of Antiquities and Heritage (IICAH) in Erbil has intensively trained over 125 museum staff from across the region in the art of archaeological site preservation and modern techniques

surrounding the appraisal and repair of ancient artefacts. The ultra-modern, state-of-the-art IICAH institute facilities neighbour the open-air laboratory of the Erbil Citadel.

Iraq's National Development Plan (INDP) 2013-2017, a five-year national Iraqi government document identifying national priorities and a financial readiness of up to USD 250bn, entails a cul-



Hatra 290 km northwest of Baghdad has been added to the World Heritage List

tural focus that is set mainly on the revitalisation of the tourism sector. For the first time, the new development plan pays considerable attention to the tourism sector and opens new investment opportunities in this sector, considering it an important source of revenue due to its positive effects on the economy in terms of job creation, the expansion of related sectors in the service industry, and the modernisation and development of rural areas. Thus, part of the NDP's vision is the development of an Iraqi tourism industry on par with that of other countries in the region. The protection and preservation of cultural heritage is now the subject of concerted efforts from the government, as a consciousness for its potential has not only arisen nationally, but also internationally.

Erbil is staying in regular contact with its academic links and exchanges with other states, Germany in particular, in an effort to properly educate its archaeologists and scientists. With the help of German companies, engineering bureaus, universities from Berlin,

Dortmund and Cottbus, and institutes such as the German General Consulate and the Orient-Department of the German Archaeological Institute (DAI), work is being carried out by the relatively new IICAH and the Iraqi National Museum. It is hoped that the private sector could be enticed in the future, with financial incentives given to willing investors with long-term guarantees.

In combination with further steps to increase and develop local awareness to preserve and upgrade cultural heritage sites within the region, this is an important move towards a more defined tourist industry strategy, especially within the Kurdistan Region. Indeed, according to Azzaman, more than 2.5 million tourists visited Iraq in 2012, primarily on pilgrimages to the country's holy shrines. The main

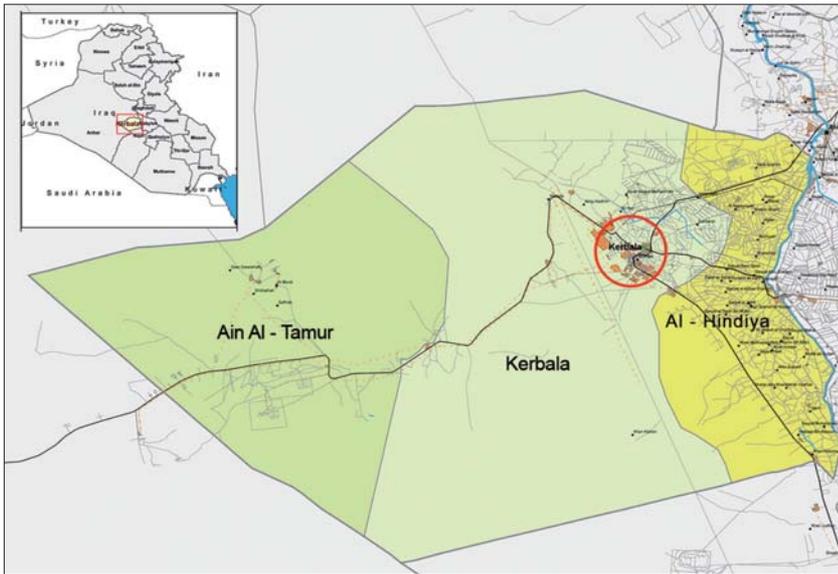
cities that benefit from tourism business are Karbala and Najaf, where Shiite saints are said to be buried.

In June 2013, Dubai-based Emaar Properties was expected to sign a contract with the Kurdish company Faruk Group Holding about developing a new USD 2bn resort in Sulaimaniya governorate, covering an area of 2.4 million sq.m and containing hotels, restaurants, residential areas, cinemas and casinos. Zawya is reporting that the Dukan tourist city has been approved by the Kurdish Regional Government and that work could begin in the coming months on the project described by the director-general of the Kurdistan Investment Authority in Sulaimaniya, **Farman Ghareb Saaid**, as "part of a master plan devised by the tourism authority for Dukan".

Sulaimaniya province is located in the Kurdistan Region of Northern Iraq and is gaining importance as a travel destination. The city is waiting for government approval for roughly a dozen proposed tourism projects.

Spotlight: Karbala

by Jan Deeg



Karbala Governorate - Iraq

Karbala is probably best known for being the setting of one of the most famous events in the early history of Islam, when Imam Hussain ibn Ali was killed in the famous battle against the troops of Yazid in 670. Imam Hussain became a martyr for the Shiite cause, and over time the city has become one of the Shiite hubs of the Muslim world, attracting millions of pilgrims every year from all over the world, who come to commemorate the death of Imam Hussein.

Today the city of Karbala is the capital of the province in central Iraq carrying the same name. It consists of three districts: Karbala, Ain al-Tamur and al-Hindiya, which cover a surface area of 5034 sq.km and are home to roughly one million people. Compared with the rest of the country, agricultural activity is below average, accounting for only 12% of regional employment. The private sector of Karbala is relatively small and remains yet to be expanded. The province has a high rate of unwaged labour, which accounts for more than a quarter of those in employment. 29% of waged work is provided by the government. However, the economic importance of Karbala comes from tourism.

As one of the most revered places for Shiites, it is not surprising that Karbala plays a vital role in this sector. The

province has the second highest number of hotels in the entire country, which accommodates roughly 30 million pilgrims per year.

Due to its religious significance, plans have been conceived to improve the railway infrastructure to facilitate travelling across Iraq; the government is planning to build a monorail which will connect the holy sites more directly with the travel network. The project has already received a number of bids from investors, and construction works are expected to start once the initial reviewing phase of the bids has been completed.

Furthermore, the Iraqi Ministry of Transport has launched a pre-qualification procedure to build the new Middle Euphrates International Airport (MEIA) also situated near Karbala. With an annual capacity of 6 million passengers, MEIA will be a domestic and international airport, whose funding will be provided by the General Federal Budget of the Republic of Iraq.

From 2008 to 2011, cement use in Iraq grew from 6% to 20%. Another figure shows that the annual production of cement rose from 3.6m tonnes in 2005 to a staggering 11.7m tonnes in 2011. Karbala Cement Manufacturing is one of the biggest and most productive cement

plants in the entire country. In 2010 it was taken over by the French company Lafarge and the British private equity group Merchant Bridge. Since then the company has produced 600,000 tons of cement per year and has recently received a USD 70m loan from the World Bank. It is hoped that the company can increase its annual output to 1.8 million tonnes a year once all the upgrades have been completed.

Another sector with a great investment potential is the petrochemical industry. Iraq is estimated to have the fifth largest petroleum resources in the world after Saudi Arabia, Venezuela, Canada and Iran. Iraqi oil fields currently yield a total of approximately 2.8 million b/d, of which 2.2 million are being exported. The remaining 586,000 are being converted into light or medium distillates at the refineries spread around the country.

Although the design capacity of Iraq's refinery is more than 900,000 b/d, production is heavily constrained by poor maintenance and lack of up-to-date machinery and adequate technology. While modern refineries elsewhere can convert 90% of a barrel of oil into refined product, those in Iraq can only manage 50-55%. The government is currently trying to counter this problem and to increase the production capacity of Iraq's refineries, which includes the construction of new refinery sites.

One of these sites will be in the province of Karbala, where the construction work of a new refinery is currently being carried out. As of June 2013, Iraq's State Company for Oil Projects (SCOP) signed a contract with the French company Technip in the second phase of the oil refinery project in Karbala, where 150,000 b/d will be produced. Technip is tasked with project management consultancy services for the engineering, procurement and construction phase of the Karbala refinery. Iraq is increasingly relying on foreign investments in order to meet the domestic demand for petroleum derivatives.

Iraqi foreign trade with Germany and the EU

by Denise Penquitt

Closer trade ties to other economies are marking an important stage of the reconstruction and development process of Iraq. Although Iraq is not yet a member of the World Trade Organisation (WTO), Germany and the EU strongly support its WTO accession request. A membership would enhance Iraq's reintegration into the multilateral trading system. Further German and EU investments would have a highly beneficial effect on Iraq's development.

The Iraqi economic cooperation with Germany and the European Union has become closer and closer in the past and thus contributed to the integration of Iraq's economy into the international markets. Besides the United States and India, the European Union was among Iraq's major trading partners in 2012.

Iraqi imports from Germany increased from EUR 304m in 2008 to EUR 600m in 2009 and from EUR 899m in 2010 to EUR 1.1bn in 2011. In 2012, the imports accounted for EUR 1.3bn and were dominated by machinery, automobile parts, various processed and chemical products, electrical technology and med-

icine. Due to the global economic crisis, Iraqi exports to Germany decreased from EUR 138m in 2008 to EUR 84m in 2009. In 2010, the Iraqi exports increased to EUR 160m again and to EUR 360m in 2011. Last year, they accounted for EUR 515.6m and were dominated by Iraq's oil sector, which made up 95.8 per cent of total exports.

The economic ties between Iraq and the European Union have intensified in the last years. The EU - Iraq Partnership and Cooperation Agreement is proof of this positive development. Signed on May 11th 2013, the agreement marks the first ever contractual relation between the EU and Iraq. It covers policy sectors including trade in goods, services and trade related issues such as intellectual property rights, technical barriers and constraints, sanitary and phytosanitary issues and a dispute settlement. In addition, the agreement provides preferential elements and substantial market access for EU companies.

Iraqi imports from the EU amounted to EUR 1.7bn in 2008 and increased by 57.3% to EUR 2.6bn the following year.

The trade volume accounted for EUR 3bn in 2010 and rose by 28.9% in 2011. Last year, Iraqi imports from the EU amounted to EUR 4.7bn.

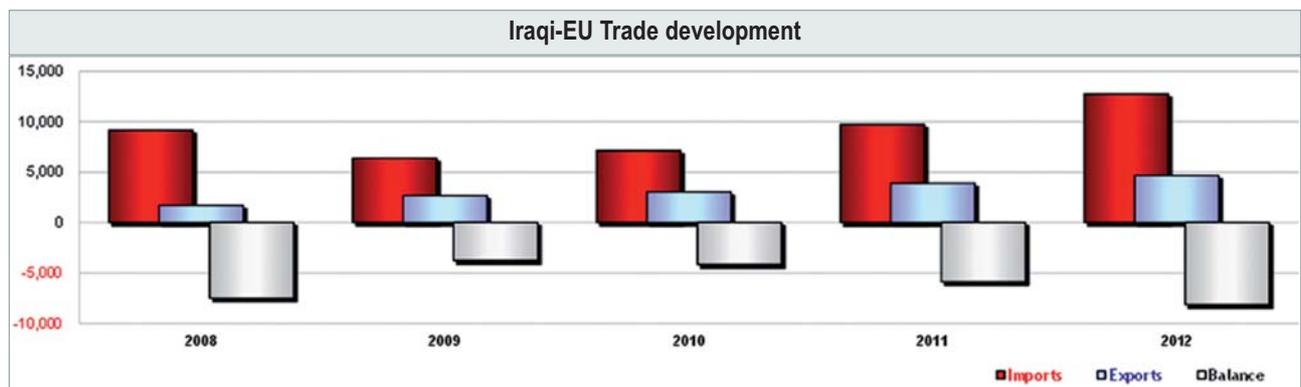
Besides the EU, Turkey, with EUR 6.6bn, the United States, with EUR 1.2bn and China, with EUR 3bn, were among the most important trading partners for Iraqi imports in 2011.

Last year, the most prevalent Iraqi imports from the EU were machinery and transport equipment with 56%, manufactured goods with 11.6% and chemical and related products with 10.6%. Iraqi exports to the EU amounted to EUR 9.2bn in 2008 but decreased by 30.4% to EUR 6.4bn in 2009. The trade volume recovered in 2010 and rose by 11.9% to EUR 7.1bn compared to the previous year and to EUR 9.7bn in 2011.

In 2012, the trade volume was EUR 12.8bn. The most important trading partners for export besides the EU in 2011 were the United States with 11.3bn, India with EUR 11.4bn, China with EUR 6.8bn and South Korea with EUR 6bn. Up to 99.7% of the trade volume last

Iraq	GDP at current prices in million EUR	GDP per capita in EUR	Real GDP growth in %	Export in million EUR	Import in million EUR
2008	66,282	2,845	9.5	36,899	14,731
2009	49,201	2,056	4.2	24,500	17,126
2010	62,132	2,531	0.8	33,860	21,368
2011	88,387	3,306	9.9	50,184	26,033
2012	n/a	3,523	11.1	67,615	43,577

Source: Federal Statistical Office of Germany



Source: EUROSTAT

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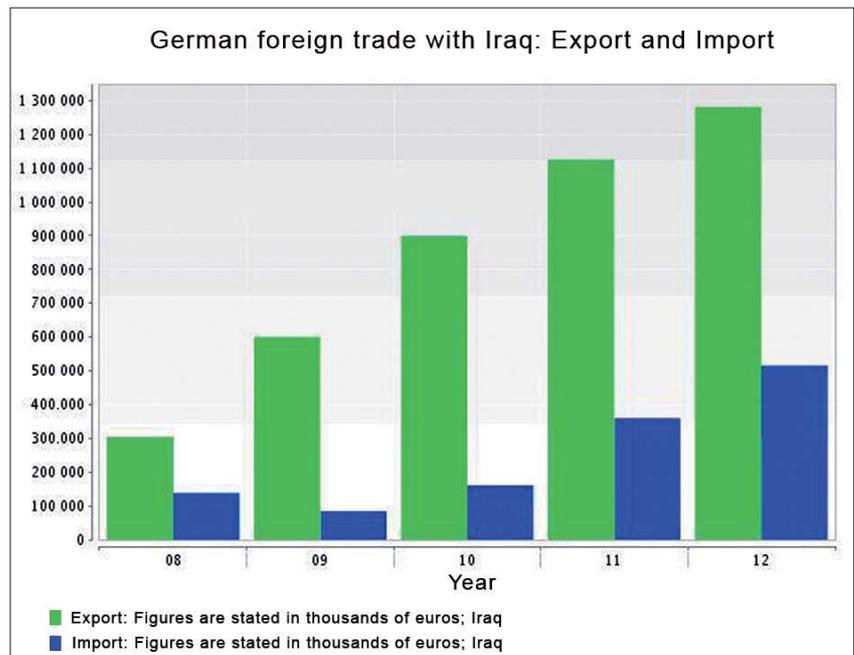


year consisted of mineral fuels, lubricants and related materials, which ranked Iraq in 10th place in this category within the list of major EU trading partners.

Not only have the Iraqi-EU and the Iraqi-German economic cooperations experienced a positive development, but so has the Iraqi economy in general. However, even though the reconstruction is making further progress, a lack of structural reforms still acts as a deterrent.

Slightly improving security environment and foreign investment are helping to spur economic activity, particularly in the energy, construction and retail sectors.

The Iraqi economy remains dominated by the hydrocarbon sector: up to 95 per cent of foreign exchange earnings and 90% of its revenues are derived from the oil & gas sector. As a result of the



Source: Federal Statistical Office of Germany

decrease in international demand for oil, and the fact that the Iraqi economy is highly dependent on the international oil

price, the Iraqi economic growth amounted to only 0.8% in 2010, but again rose to 9.6% in 2011.

German Ambassador to Iraq visits Basra province

Veronika Ertl

German Ambassador to Iraq, **H.E. Brita Wagener**, met with the Governor of Basra Province and encountered economic representatives of Germany and Iraq during her visit to Basra from 10th June to 13th June 2013. Included in the meetings were representatives of the Chamber of Commerce and the Businessmen Association. The German and Iraqi sides emphasised their commitment to strengthening economic relations between Germany and



H.E. Brita Wagener, German Ambassador to Iraq and H.E. Ali al-Adeeb, Minister of Higher Education and Scientific Research

Iraq. As part of her travel, H.E. Brita Wagener also met with the President of the University of Basra to discuss the possibility of joint educational projects. Additionally, her trip included visits to cultural sites in Basra and the port of Khor al-Zubair. The focus of her visit to the province was on a potential strengthening of relations between Basra Province and German partners in the future.

Furthermore, H.E. Brita Wagener met with **H.E. Usama al-Nujaifi**, President of Parliament, **H.E. Rouz Nuri Shaways**, Vice-Prime Minister, and **H.E. Sayyid Ammar al-Hakim**, Head of the Islamic Supreme Council, on 2nd and 3rd June 2013. The meetings with the President of the Parliament and the Vice-Prime Minister focussed on challenges for domestic politics in Iraq. H.E. Brita Wagener encouraged groups within the country to increase their cooperation efforts. Her meeting with the Head of the Islamic Supreme Council put the emphasis on bilateral relations with Germany and how to foster cooperation between the two countries. Current international and regional developments were also topics of discussion.

H.E. Brita Wagener recently also met **H.E. Ali al-Adeeb**, Minister of Higher Education and Scientific Research, on 26th June 2013 to discuss joint educational projects and scholarships for Iraqi students in cooperation with the German Academic Exchange Service (DAAD). They agreed on a timeline for the implementation of the prestigious project of the Iraqi-German university, and H.E. Ali al-Adeeb confirmed the government's



H.E. Brita Wagener, German Ambassador to Iraq and H.E. Sayyid Ammar al-Hakim, Head of the Islamic Supreme Council

firm intention to overcome obstacles for the realisation of Iraqi-German scholarships by the DAAD. The Ambassador expressed her optimism about the success of these projects and the positive effects this will have on the bilateral relations. She remarked that these effects will likely extend beyond the educational sector to also foster economic relations between Germany and Iraq.

On the same day H.E. Brita Wagener also attended a meeting with **H.E. Adnan al-Assadi**, Vice-Minister of Interior, which focussed on the current situation in the Western provinces of Iraq. Both sides emphasised the good relations between Germany and Iraq and expressed their intentions to further strengthen political and economic ties. ●

First ever journalism contest for Iraqi women

For the first time in its history, the UN Iraq organised a journalism contest for Iraqi women. Taking "challenges faced by Iraqi women in their daily life" as its main theme, women were called to submit their stories.

Ultimately, three stories were anonymously selected by an independent commission consisting of the Deputy Special Representative of the United Nations Secretary-General (DSRSG) for political affairs, **Gorgy Busztin**; the Head of UN Women, **Frances Guy**; the Head of the Public Information Office, **Eliana Nabaa**; and the Senior Political Advisor to the



Iraqi women participating at the Journalism contest

United Nations Assistance Mission (UNAMI), **Dr. Hussain Hindawi**. "The selection was difficult since the quality of the articles received was high. Most stories portrayed brilliantly the challenges faced by women in Iraq", said the DSRSG for political affairs, Gorgy Busztin. On 1st May 2013, the UN Iraq

congratulated the three winners in a special ceremony. **Suha Audah's** story tells about female athletes and their relationship to traditional values. **Enas Jabber** wrote about women subjected to abduction and **Shatha al-Shabibi's** article deals with the issue of honour in society.

The ceremony was held alongside the roundtable discussion on the role of women in the media during World Press Freedom Day. "Women should be able to exert themselves", said Suha Audah, a journalist from Mosul, regarding the importance of such contests. ●

Iraq plans water re-injection project to improve oil production

Although Iraq's internal infrastructural and construction works have been delayed in many cases or even ceased for years, as has the implementation of new technology, the revival of large constructional activities is likely going to kick-start with some major projects in the near future. H.E. Dr. Saleh Muhammed al-Mutlaq, Deputy Prime Minister of Iraq, who is in charge of reconstruction and services, revealed at the beginning of June that companies involved in the rebuilding process of the country would have high chances of winning government contracts. He stated that contractors should be encouraged to invest in the long-term. The Iraqi government recently announced a five-year infrastructure investment plan with a budget of USD 275bn.

H.E. Dr. Saleh Muhammed al-Mutlaq also stated that due to the ongoing increase in oil production, more financial resources would be available, leaving enough funds to sponsor other construction projects. To achieve a steady growth in oil production, a large mega project is in the pipeline: the Iraq Common Seawater Supply Facility, CSSF. The scheme intends to produce 2.5 million barrels a day (b/d) of treated seawater from the Gulf, with the possibility of an expansion to 12 million b/d.

One of the key obstacles facing the oil industry, which is trying to increase production at the country's oil and gas fields, is the supply of water used to maintain pressure in the fields and help keep the oil flowing. This scheme will



Oil rigs

cope with the current problem of the usage of drinking water for the re-injection process. Water for oil is in high demand in southern Iraq. According to the Ministry of Oil of Iraq, the required water re-injection supply is expected to rise from 1.6 million b/d in 2011 to 12 million b/d in 2035. Increasing levels of oil production require an increased injection of water. According to the International Energy Agency, 1.5 barrels of water have to be injected in order to fill the space in the empty part of the oil reservoir created by the production of 1 barrel of oil.

The amount of water coming from the Tigris and Euphrates rivers has fallen to almost one-third of its previous 100 billion cubic feet a day due to Syrian and Turkish water projects as well as sparse rainfall. Even without this shortage, the quantities of water required by the oil and gas industry could not be supplied using Iraq's existing facilities. The USD 10bn CSSF project will treat seawater and send it up to 100 km inland. CSSF is expected to start operations by 2017.

After putting aside plans to alternatively inject gas into the reservoirs, water injection has been prioritised by the Iraqi government, since gas is being flared.

Iraq's South Oil Company, the building owner, selected CH2M Hill earlier this year to provide project management consultancy services for the CSSF. The contract stipulates the management of the USD 4bn first phase of the project, which involves treatment, transmission and distribution of 5.2 million b/d of seawater. CH2M Hill will provide services and support via operations and maintenance, managing pre- and front-end engineering, front-end engineering design, as well as construction for site preparation and non-process building. The company took over after Exxon Mobil exited the project.

All the fields being developed by international oil companies will at some point require water injection to increase recovery. The amount of water will vary from field to field, meaning the injection project will have to be flexible enough to meet these changing requirements.

Each field will be set on a different timeline and will have different requirements. The implementation of the CSSF will be a large step towards more dynamic oil production. It will be a big improvement, aiming to meet Iraq's ambitious production targets, considering that, according to H.E. Dr. Saleh Muhammed al-Mutlaq, the Iraqi government estimates costs for the water injection project to reach approximately USD 30bn. ●

continued from page 4

nation of government- and privately-financed smaller low-income housing projects and mega projects also satisfying the demand for tourist accommodation, the economy of the region will likely grow further. In the wake of these prospects, even more foreign and local investment is expected to flow into the region's real estate sector, where large singular investments had until now most-

ly poured into oil and power projects. Statistics issued by the General Investment Commission in the Kurdistan region show that the overall volume of local and foreign investments in the region since 2007 reached USD 26bn.

Overall, 78 housing projects in the region were implemented, amounting to around USD 5.8bn, representing 42.9%

of investment capital and 44.51% of investment land in the region. A new investment law has helped this sector to try to overcome the large demand since 2003. Parallel to the challenges of the housing sector, the government also has to develop more healthcare and education facilities given that a growing population results in an increasing demand for them. ●



Germany is one of Iraq's important business partners. Companies of both countries are well advised to communicate their business interests to the German and Iraqi business community.

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Growing Iraqi car market

The Iraqi automotive market is growing rapidly. Many international players have recognised its huge potential and are competing to position themselves in the market. Amongst these players are General Motors, Ford, Volkswagen, Toyota and Hyundai. During the Saddam Hussein era, Western cars were entirely shut out of the local market by sanctions.

However, the country was flooded with Volkswagen cars from Brazil between 1983 and 1990, which it received in exchange for oil. Iraq has a population of 30 million and a growing economy, meaning that the car market has good prospects. The car ownership rate is still very low, with only one in every 20 people owning a car, a vehicles per capita rate of only 5%, whereas neighbouring countries such as Iran have a 15% penetration rate. The industry's sales have been projected to rise by a third in 2013, and the estimation for the total number

of sold cars in 2012 stands between 200,000 and 250,000. There are currently 1.35 million cars in the country; Iraq's neighbour, the Kingdom of Saudi Arabia, boasts a total of 6.5 million, even though the Saudi population is only slightly smaller than that of Iraq.

Manufacturers are hopeful for the future. American Ford for example sees a lot of promise in the market and has firmly reiterated its commitment to the development of the sector. Their sales are expected to double in 2013, having tripled in 2011, reaching a total sale of 2,000 vehicles. General Motors plans to invest in new showrooms and service centres in the country. The company initially entered the market in 2003, when they started selling to the Iraqi government, U.S. forces and aid organisations. In 2012, the company's sales rose by 68% to a total of 32,000 cars, making Iraq their second largest market in the region, topped only by Saudi Arabia.

The sector also offers educational opportunities. Given that there is a shortage of qualified personnel in service centres, new ways of educating Iraqis in this field have been introduced.

A vocational school project has been initiated for this purpose by leading brands in the sector, including Kia, General Motors and MAN. They cooperate with the Ministry of Education, the Polytechnic University of Erbil and the GIZ GmbH (German Society for International Cooperation). Within this project, Iraqis are provided with vocational training and subsequent employment opportunities in service, automotive sales and parts departments.

The future of the country is intertwined with that of the automotive sector. Thus, a flourishing of the automotive field in Iraq is a promising step not only for automotive companies, but also for the country as a whole. ●

Retrospective and future objectives: UN economic aid in Iraq

by Julia Legner

The United Nations has been active in offering assistance to Iraq through their various agencies since as early as 1955. However, many new operations have been initiated more recently, since the fall of Saddam Hussein in 2003. In regards to Iraq's economic development, the United Nations Industrial Development Organization (UNIDO) has exerted great efforts in assisting economic reform in the country since 2004. Given the facts that the Iraqi economy is chiefly dominated by the oil sector and that prior to 2003 economic diversification was hardly pursued, and also hindered by the limitation of privatisation, UNIDO's goals were set accordingly to reconstruct, privatise and diversify the Iraqi economy. These objectives were formulated to achieve long term economic sustainability and stability, i.e. autonomy from the fluctuations of the international oil price and in a wider sense to contribute to the reduction of poverty and national peace-building efforts.

In practice, this means that UNIDO renders and distributes industry-related knowledge and technical support to the private sector, which is mainly composed of Small- and Medium-Sized enterprises (SMEs) in order to vitalise it. Many of projects amounting to more than USD 54m were launched in 11 out of 18 governorates. As part of the early recovery efforts, UNIDO's community based Micro Industry Support Programme, which set out to create income and employment opportunities and invigorate productivity, trained more than 7,000 Iraqi beneficiaries in agro-industrial and manufacturing skills and has rehabilitated more than 20 vocational centres in Iraq. UNIDO's Enterprise Development Programme has been assisting more than 350 ventures and has been facilitating the creation of 200 new SMEs, therefore helping the establishment of domestic markets for goods and services. In general, UNIDO's technical assistance comprises legislative assessment, investment mapping and capacity building, and con-

centrates on sectors that further the country's reconstruction and creation of essential employment. Hence, special attention is paid to the development of the agro-industries.

Throughout the years the United Nations has drafted many fixed-term strategies under the umbrella of the UNIDO that were then able to assess the intermediate achievements and help formulate new goals and strategies. Preceding the present United Nations Development Assistance Framework (UNDAF) 2011-2014, the previous United Nations Iraq Assistance Strategy 2008-2010 documented the following results and future objectives. Improved policies, strategies and related institutional developments were recorded in terms of gender equality, social inclusiveness, Millennium Development Goals (MDGs) and pro-poor economic growth. Moreover, the chief sectors of local economy in the most deprived areas were successfully advanced and electricity and transportation sector plans for rapid economic growth were consolidated. The focus of further development was put on: job generation for the youth and women; financial decentralization to accomplish efficiency of local economic governance; and additional expansion of the private sector.

part institutions drafted. The project did create industrial zones in two predetermined areas and succeeded in partially restoring the private sector there.

In another project to rehabilitate state-owned enterprises, UNIDO organised a workshop with representatives of the Iraqi state-owned glass and ceramics company, as well as from paper, phosphate, fertilisers and petrochemical industries in the governorates of Anbar and Basra. In order to achieve a transition from production- to market-oriented enterprises, the participants analysed and discussed financial and qualitative data. These are just two of the numerous projects UNIDO initiated and supported. For more detailed information and specifics, UNIDO has screened and prepared 15 company project profiles: <http://www.iraq-jccme.jp/pdf/unido20101026.pdf>.

UNIDO's current UNDAF project denotes the institutionalisation of a universal social security system covering unemployment, health, old age, disability and other social risks as well as improved access to job and income opportunities in a more diversified and competitive market economy. Under the parameter of the UNDAF, UNIDO will continue to expand economic diversification, with the concrete aims of increasing the GDP by 9.38% annually as well as minimising poverty by 30% and boosting the contribution of agriculture to the GDP. On 15th March, Awsat al-Iraq confirmed that the Iraqi Free Zone Commission is willing to cooperate with UNIDO to create industrial zones. Besides, the IMF predicts that Iraq's economy will grow around 9% this year due to surging oil production yet, still emphasises vigilance in supporting private, non-oil business. In addition, UNIDO highlighted the possibilities for foreign investors to help introduce environmentally friendly technologies to Iraqi manufacturing firms and encourage them to shift towards renewable energy technology. ●



One venture to promote these goals was the 2001 technical cooperation project, financed with EUR 3m by the Italian government, to increase investment and improve the government's capacity to plan, construct and advance industrial zones in a sustainable manner. In this wake, interagency coordination was stimulated, with an extensive roadmap on industrial zone development and capacity building activities for counter

Qatar Airways starts operating at Basra Airport

Qatar Airways has started to launch flights to Basra, thereby making it its fourth destination in Iraq after Erbil, Baghdad and Najaf. There will be four non-stop weekly flights leaving from the airline's Doha hub for the new destination, which increases the airline's services across Iraq from 12 to 16 flights per week, accounting for a 25% increase in services.

Spokesmen for the company have stated that the city has been an indispensable addition to their long term plan to expand their flight network in Iraq. For the inhabitants of Basra, which is the second largest city in Iraq after Baghdad, the new service means a better connection to its neighbouring regions and a valuable contribution to the local economy.

Oil Ministry to release tenders for new pipeline project

Iraq's Oil Ministry is to release the tenders for the new pipeline project running from the pumping station in Haditha, in Western Iraq, to the Port of Aqaba, in Jordan, by the end of July. The prequalification rounds came to an end in mid-June, and applications are currently being reviewed by the ministry. Construction is expected to start in 2014 and will take two years to complete, with the result that the first shipments will be able to take place in 2016. The pipeline will have a transportation capacity of one million b/d over a twenty year concession period.

Kurdistan invites pre-qualification bids for dam construction

The Kurdistan Regional Government (KRG) Agriculture and Water Resources Ministry has opened the prequalification round for contracts to build seven hydropower dams. The dams vary in size and power generation capacity, with the biggest expected to generate 270 MW and smaller ones 24 MW.

As of 2012, Kurdistan has an installed capacity of 3,790 MW, and the demand for energy is predicted to rise steadily over the upcoming years. In order to cope with the rising demand, approximately 4,000 MW of additional power capacity is to be installed.

Water project in east Tigris undergoes second expansion

Baghdad Municipality has inaugurated the second expansion of the east Tigris water project, which will add an additional 180,000 cubic meters to its current volume. Upon completion, the water project will reach a daily capacity of 945,000 cubic meters. The expansion will be another step to increase the number of water products and improve their quality in line with the standards of the World Health Organization.

Most importantly, the project makes water more accessible to a wider section of a population in a country where it represents a rather scarce resource.

Iran and Iraq to cooperate on education

The education ministries of Iran and Iraq recently signed a memorandum of understanding (MoU) to exchange experience and upgrade cooperation in various educational arenas. Signed by the Iranian Education Minister H.E. Hamid Reza Haj-Babaei and the Iraqi Deputy Education Minister, H.E. Ali Ebrahim, the agreement implies the empowering of the educational staff and upgrading cooperation in the fields of publishing textbooks and exchanging experience.

H.E. Ebrahim stated that about 600,000 teachers are working under Iraq's Education Ministry, adding that women constitute 65% of the educational staff while 35% are men. H.E. Haj-Babaei told at the signing ceremony that the agreement will benefit both nations. Contending that Iraq is a neighbouring country with common education policies, he added that educational cooperation will help the two nations come closer.

Elevated metro in Baghdad to be built in 2014

Earlier this year, after long negotiations, French engineering firm Alstom secured a USD 40m deal to undertake detailed design studies for the first phase of an elevated metro in Baghdad. The contract had been the result of two years of negotiations. Consisting of several lines, the elevated metro system will be built in early 2014. One line will start from Al-Mustansiriya University and cross the river Tigris on a newly-built bridge, ending at the Baghdad Central Railway Station at Alawi. This line will encompass 14 stations

and will run for approx. 25 km. Another line will start from the depot, passing through Karkh and Bayaa until it reaches Siadiya. Finally, a third line will loop back to the depot in Alawi, starting from Saidiya and passing through Jadiriya, which is located on a peninsula south of the Central Station. The construction of the elevated metro will lead to less pressure on traffic in the Iraqi capital.

Iraqi bank sector to further prosper

According to the latest Sansar Capital Report, the Iraqi bank sector is expected to further expand in the coming years. This correlates directly with the forecasted GDP growth. The International Monetary Fund predicts an average GDP growth of about 9% between 2012 and 2016. Both this and the rising credit penetration are expected to benefit the development of the prospering banking sector. The remaining challenges are the accessibility and scarcity of bank branches and ATMs as well as the fact that the majority of banks are still state-owned. Nevertheless, many analysts are optimistic that the cooperation between the government and the private sector can overcome these challenges.

Iran and the Kurdistan Regional Government sign agreement on expansion of mutual trade

An agreement signed on 7th July 2013 between the government of the Islamic Republic of Iran and the Kurdistan Regional Government is seen as the next step in the growing ties between the two entities. Annual trade between Iran and the Iraqi Kurdistan region this year exceeded USD 4bn and is expected to increase even more through the joint economic projects in planning. Infrastructure and construction in particular are seen as possible areas of cooperation, with the potential to increase trade relations.

India and Iraq increase economic ties in the oil sector

In conclusion of the 17th round of the Iraqi-Indian Committee on 10th July 2013, a memorandum of understanding between the two countries was signed, which among other topics, covers plans for increasing cooperation in the oil sector. This includes amending the

oil contract signed in 2000, cooperating in rehabilitating oil refineries and securing India's crude oil supply. Iraq's following offer covering three oil contracts and a financial credit for India that was released on 12th July 2013 can be seen as the first step in implementing the plans for increased economic ties laid down in the memorandum. In addition, three discovered oilfields have been offered to India "on a nomination basis" and agreed to renegotiate a contract pending since 2000.

State-owned Indian firms have been offered to take Kifil, West Kifil and Merjan oilfields in the Middle Furat region in central Iraq, which has estimated reserves of 600 million barrels of oil. This is the first time in recent history that Iraq has offered fields on a nomination basis - previously it had asked Indian firms to participate in competitive bidding.

Chinese and Iraqi firms win pipeline contract in the southeast of Iraq

China Petroleum Pipeline Engineering Corporation (CPPEC) and Iraq's State Company for Oil Projects (SCOP) have jointly won a deal worth USD 317m to build a pipeline for crude oil export from Missan to Halfaya. The cabinet approved the project at the beginning of July. Both oil fields are already being developed by the Chinese firms Petrochina and China National Offshore Oil Company. The pipeline will be 272km long, with 60km of it built by SCOP.

Daewoo Engineering close to Iraq gas contract for USD 800m

Initial approval has been given to the South Korean company Daewoo Engineering for an engineering, procurement and construction deal. Of the four firms which bid for it, namely GS Engineering & Construction, Samsung Engineering, STX Industries and Daewoo Engineering, the latter's bid has been accepted. The project is located on the Akkas field, near the Anbar province of western Iraq. The final approval by the Iraqi cabinet and Prime Minister is still awaited for. Daewoo plans to build a gas processing plant that will be producing 400m cubic feet of gas a day by 2017.

Steady expansion of Iraq – Iran trade relations

Since 2003, the balance of trade between Iran and Iraq has recorded steady growth.

The trade volume of the countries stood at USD 10.8bn in 2012 and is expected to reach USD 12bn by the end of this year. Iranian products represent a large part of Iraq's imports, with imported goods such as vegetables, electronic products, building materials, machinery and cars flooding the Iraqi market. Iran is also very active in the fields of health, education and major infrastructure projects in Iraq. The Trade Promotion Organization of Iran (TPOI) reported on 24th June 2013 that 72% of Iranian exports go to Iraq and that the number of Iranian imports from Iraq this year has risen by almost 15%. Iran was therefore quick to fill the gap left by the deteriorating trade relations between Syria and Iraq, which have been significantly curbed by the political conflict in Syria.

Greek construction company METKA signs USD 1bn Iraqi Power Deal

METKA, a subsidiary construction company of the Mytilineos Group from Greece, has signed a USD 1.05bn contract with Iraq's Ministry of Electricity. The firm will deliver a new combined cycle gas turbine power plant in Anbar Province. The construction will take 32 months to complete and will result in a 1,642 MW facility, with SEPCOII Electric Power Construction Corporation also taking part in the project. The execution of the project and its final details are still under discussion. Updates on the project will be announced once the details have been finalised.

Japan offers USD 1.24bn to Iraq for oil projects

A loan of USD 1.24bn has been offered by the Japanese government to Iraq for the construction of new oil and gas infrastructure in the south of Iraq. The construction of a new gas processing plant at the Rumaila oil field would be covered by the first loan of USD 867m, while the second USD 411m loan would cover the rehabilitation of the Khor al-Zubair port. Both loans will have a term of 40 years. Japanese engineering, procurement and construction firm Chiyoda already works on the rehabilitation of the existing natural gas liquid (NGL) plant at North Rumaila. Japan has already provided financing for the construction of a subsea crude oil export pipeline previously.

Mass Global plans new power plant conversion project in Sulaimaniyah

By the end of the year, Mass Global Holding from Jordan will award a contract to upgrade the capacity at the Sulaimaniyah power plant in the Kurdistan region. The company wants to convert the 1,000 MW plant from simple-cycle to combined-cycle production, increasing its capacity to 1,500 MW. There are also plans to add another 250 MW - 500 MW of simple-cycle capacity at one of the two other plants owned by Mass Global at Erbil and Dohuk. Mass Global has three power plants in the Kurdistan region, producing 2,875 MW in total.

13 universities to be developed in Iraq

The Ministry of Higher Education and Scientific Research has ratified a nationwide plan for building 13 new universities in different regions of Iraq. H.E. Ali al-Adib, the Minister of Higher Education and Scientific Research, stated the project would include 28 faculties, specialised in different fields. It will be made use of natural resources completely. There will also be a cooperation plan with UNESCO and further plans with the World Bank and UNICEF will follow.

Extension of USD 2.4bn tramway in North Iraq

The Minister of Transport and Communication of the Kurdistan Regional Government (KRG), H.E. Salah Rasheed, signed a USD 2.4bn contract with the Italian company FGTEcnopolo. The company will be in charge of the planning of the Erbil tramway upgrade. The current tramway line stretches over 77km and is planned to be extended to 102km. H.E. Salah Rasheed said that the Erbil tramway will be the first of three urban light rail public transport projects. The construction of two other lines in Sulaimaniyah and Dohuk will follow.

New Pipeline between North Iraq and Turkey

The Energy Minister of the Kurdistan Regional Government (KRG), H.E. Ashti Hawrami, said in June that a new oil pipeline to Turkey will start operating by the end of September. The pipeline should have an initial capacity of 300,000 b/d. He added that,

Tenders

1. Supply of cost estimation engineering books.
The South Refineries Company has re-announced its requisition of cost estimation engineering books.
CD: 14-Aug-2013
2. Supply of bottom hole sampler
Midland Oil Company, Baghdad, Iraq, invites all interested and competent companies to participate in the tender. Offers should be in separate parts technical, commercial and the required document.
CD: 18-Aug-2013
3. Design and supply of 31.5 MVA 132/33 K.V.A. mobile substation
The Ministry of Electricity invites experienced firms to participate in the tender. The offer should be submitted in two sealed stamped and separated envelopes; one for the technical offer and another one for the commercial offer.
CD: 18-Aug-2013
4. Supply of test separator and well test equipment
Midland Oil Company, Baghdad, Iraq, invites all interested and competent companies to participate in the tender. Offers should be in separate parts technical, commercial and the required document.
CD: 19-Aug-2013

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with the further construction of new pumping stations, the pipeline would be able to export more than 1 million b/d by the end of 2015 and 2 million b/d by 2019.

Iraq unveils USD 198m women advancement plan

The Iraqi government has announced a plan to advance women's status in the country within the next two years. The plan that has been drawn up in cooperation with UN officials comprises the construction of cultural centres and special science and sport clubs. Deputy Prime Minister for Service Affairs, H.E. Saleh al-Mutlaq, said the plan furthermore supports local and regional women's

rights organisations, the increase of women's employment opportunities and provisions for women aiming to start private enterprises. A budget of USD 198m has been allocated for the plan.

Rail link planned between North Iraq and Turkey

The Ministry of Transport and Communication of the Kurdistan Regional Government (KRG) is planning a rail link between the border of Turkey and Iraqi Kurdistan. Minister H.E. Salah Rasheed said that the railway network with a length of up to 6,500 kilometres should connect the Turkish border via Dohuk and Erbil with the south of Sulaimaniyah province.

The EU-Iraq partnership and cooperation agreement

The EU-Iraq partnership and cooperation agreement, a legislative text and the first contractual relationship between the EU and Iraq, was ratified by H.E. Catherine Ashton and the Iraqi Foreign Minister, H.E. Hoshyar Zebari, on 11th May 2012, with the EU having been continually expanding its political dialogue with the Iraqi government since autumn 2005.

The goal of this pact, which is valid for a period of 10 years with the option for an extension beyond this time frame, is to create a solid basis for the development of EU-Iraqi relations. In particular, it should: encourage political dialogue on bilateral, regional and global issues; contribute to the improvement of the existing trade arrangements between Iraq and the EU; support Iraq's urgently needed reform efforts and development endeavours; and facilitate the integration of the country into the international economy. The agreement shows the determination of the EU to assume an important role in the transitional process; it represents the EU's most important instrument in supporting Iraq and developing the mutual relationship.

The agreement should be a further step towards the development of democracy in Iraq and the establishment of a solid market economy, while its integration into the international community will also be supported. The EU supports the reintegration of Iraq into the world economy and, more specifically, its entry into the WTO. The trading balance exceeded EUR 13bn in 2011, and 99.7% of all EU imports from Iraq were petroleum. In addition to this, the EU has already invested EUR 1bn in the reconstruction of the Middle Eastern country since 2003.

The agreement offers a comprehensive platform on which to extend the bilateral relationship and cooperate in a wide field: from political issues to trade and investment, as well as other important sectors, such as those relating to energy and services. This partnership and cooperation agreement is a non-preferential trade agreement which incorporates the basic WTO regulations – even though Iraq is not yet a member – as well as some important preferential treatment clauses, particularly with reference to public procurement, services and investments. Since 1st August 2012, Article 2 (Respect for Democratic Principles, Human Rights and the Rule of Law), Title II "Trade and Investment", Title III "Areas of Cooperation" and Title V "Institutional, General and Final Provisions" of the agreement have been in force on a provisional basis.

Business enquiries

Mass Group Holding Ltd for electrical energy, cement, steel and fertilizer

Erbil - Iraq

Phone: +964 - 2222784

Email: azadmhusen@massgroupholding.com

Internet: www.massgroupholding.com

Mass Group Holding Ltd produces electrical energy, cement, steel, and fertilizer along with other basic industrial and service products. The company's focus is on: 1. Electricity generation: Current production capacity of the company's own power stations is 2500 MW, to reach 3500 MW through converting to combined cycle by the year 2014. 2. Cement: Current annual production capacity is around 7.5 million tons, reaching 11.5 million by 2014. 3. Steel and Iron: Current annual production capacity is 1.25 million tons, which is expected to be doubled soon. 4. Urea: MHG has started constructing an urea project with an annual capacity of 1.38 million tons.

KAR Group for oil & gas

Erbil - Iraq

Phone: +964 - 7507225858

Email: kar@karbusiness.com

Internet: www.kargroup.net

KAR Group is a full spectrum oil & gas sector services company working throughout Iraq providing expertise in project design, engineering and construction, plant design and installation, pipeline design, safety and security services.

Almadaniya for engineering operation

Baghdad - Iraq

Phone: +964 - 7808000077

Email: info@almadaniya.com

Internet: almadaniya.com

Almadaniya has several production facilities inside and outside Iraq: Ready Concrete

Production facility in Baghdad suburbs, Thermal Insulation Blocks Production facility, Bricks & Pavement Blocks Production facility, Dyes Production facility in Salah Eldeen, Lubricants and Engine oil & Electrical Engine Turbines Production facilities.

The Rulewave Group for logistics services

Erbil - Iraq

Contact: Mohammed T. Al Qaisi

Phone: +964 - 662644398

Email: mtariq@rulewave.com.tr

Internet: www.rulewave.com

The Rulewave Group is a global logistic services provider and specialises in the management and movement of multi-scale tonnages, by any mode of transport to anywhere in the world. The company is experienced in the management of Project Cargoes, requiring heavy lift, oversize and urgent project requirements.

Erbil Manpower for recruitment and legal services

Erbil - Iraq

Phone: +964 - 7701449000

Email: miran@erbilmanpower.com

Internet: www.erbilmanpower.com

The company provides recruitment, payroll, real-estate, event management and legal services to international and local businesses which exist or plan to work in Kurdistan and Iraq.

Pelepost for shipment and delivery services

Erbil - Iraq

Phone: +964 - 662223222

Internet: www.en.pelepost.com

Pelepost provides express cargo and shipment services locally and internationally. Shipment and delivery services include: International shipping (express & standard), Domestic shipping (express & standard),

Shop and Ship Services, Mail Box services, and Door to Door Services.

Federal Group for Oilfield services, engineering equipment, construction and logistics

Al Sulaymaniyah - Iraq

Phone: +964 - 533239095

Email: contact@federaldc.com

Internet: www.federaldc.com

Federal Group has four main areas of activity and each of its subsidiaries is focused on a specific area: Oilfield services, supply and support of engineering equipment, complex construction projects and logistics.

Krekar Group for oil and gas services

Erbil - Iraq

Contact: Chris Balcom

Email: chrisbalcom@krekar.com

Internet: www.krekar.com

The multinational company offers services including specialized corporate and business catering, oil and gas (upstream) and recruitment services.

Rabee Securities for financial services

Baghdad - Iraq

Phone: +964 - 7270020407

Email: info@rs.iq

Internet: www.rs.iq

Various financial services.

Kurdistan Legal Services

Erbil - Iraq

Phone: +964 - 7700474705

Email: info@kurdistanlegalservices.com

Internet: www.kurdistanlegalservices.com

The company has experience in navigating through complex laws and regulations, using established Kurdish and Iraqi lawyers to advise on both regional Kurdish laws as well as the laws designed and implemented by the Baghdad federal government.

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Location: Erbil, International Fair Ground
3. 28th – 31st October 2013 – Erbil
6th Project Iraq
Construction and environmental technology, materials and equipment for Iraq
Location: Erbil, International Fair Ground
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3rd Energy Iraq
Electricity, alternative energy, lighting, water technology and HVAC
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- I / We would like to receive further information to the following fairs:
Nr. _____
This service is for Iraqi companies and NUMOV members only.

Name, Company, Address, Phone,

Fax, Email

Registering Companies in Iraq

The Trade Law, No.30 (1984), the Companies Laws, No.21 (1997), and Public Companies Law, No.22 (1997) regulate all incorporation and trade activities for Iraqi businesses. Follow the procedures below to register a company in Iraq:

1. Determine what category the company in question belongs to, according to the Companies Law, No.21, 1997. This law divides companies into the list of Varieties of Legal Companies in Iraq.
2. Fulfill all required registration procedures:
 - a. Register a trade name with the relevant trade chamber or the union of trade chambers.
 - b. Submit a contract signed by the founders of the company, stating the name of the company, its activities, and its capital.
 - c. Deposit appropriate capital for the company, in IQD, at an authorized Iraqi bank and notify the Companies Registrar.
 - d. Pay all fees required to register the company with the Companies Registrar. Please see <http://www.motiraq.org/registration.aspx>.
 - e. For joint stock companies, submit the subscription certificate, signed by the founders, and the company's feasibility studies.
 - f. Define the commercial and technical activities of the incorporating company to be included in the contract for incorporation.
 - g. Obtain approval of the Minister of Interior for all foreign shareholders.
3. After the company is founded:
 - a. Employ a legal advisor (attorney) for the company from the Bar Association.
 - b. Employ a chartered accountant from the Chartered Accountants and Auditors Association.
 - c. Appoint an Executive Manager.

Public Holidays

Public Holidays in Iraq 2013

1 - Jan	New Year's Day
6 - Jan	Army Day (except Kurdistan)
24 - Jan	Mouloud (Birth of the Prophet Muhammad)
21 - Mar	Nouruz
9 - Apr	Liberation Day (only Kurdistan)
1 - May	Labour Day
14 - Jul	Republic Day
8 - Aug	Eid al-Fitr (End of Ramadan)
3 - Oct	Iraqi Independence Day (National Day)
15 - Oct	Eid Al-Adha (Feast of the Sacrifice)
4 - Nov	Islamic New Year
13 - Nov	Ashoura

Public Holidays in Germany 2013

1 - Jan	New Year's Day
29 - Mar	Good Friday
1 - Apr	Easter Monday
1 - May	Labour Day
9 - May	Ascension Day
20 - May	Whit Monday
3 - Oct	Day of German Unity
25 - Dec	Christmas Day
26 - Dec	Boxing Day

NUMOV - SERVICES FOR THE CORPORATE MEMBERS OF OUR NON-PROFIT ORGANISATION:

Information

- ◆ Market information on the region and on individual business sectors, general information regarding economic development and economic support
- ◆ Up-to-date monthly information, including information enquiries from the region, as well as current employment offers and applications
- ◆ HOTLINE - if the need arises, relevant information, obtained from the Near and Middle East region
- ◆ List of members

Consultation / Advisory Services

- ◆ Well-founded, individual counselling and up-to-date information
- ◆ Initiation of international contacts
- ◆ Selection and evaluation of suitable cooperation partners
- ◆ Market entry, market build-up and risk assessment
- ◆ Advice on basic economic conditions as well as on export and import promotion

Representation of Interests

- ◆ At economic events and in negotiations with government institutions in Germany and the region

Invitations

- ◆ To delegation trips to the Near and Middle East region
- ◆ To meetings with foreign delegations in Germany
- ◆ To regular country committee meetings and to meetings for the exchange of experiences between German company representatives in the region
- ◆ To an annual meeting with all Ambassadors of the region
- ◆ To the annual General Meeting
- ◆ To the annual German Near and Middle East Gala Event

Organisation in Germany and the Region of the Near and Middle East

- ◆ Selection of specialists for projects
- ◆ Providing contact opportunities and arranging exhibitions and conferences
- ◆ Lectures by high-ranking personalities
- ◆ Special one-day conferences / fairs / conventions
- ◆ Seminars, training, education

Cooperation

- ◆ With all important foreign trade-oriented partner organisations, Chambers of Commerce, Associations, Embassies, Consulates, the Ministry of Economics and Technology, the Commission of the European Union and scientific institutions

APPLICATION FORM FOR MEMBERSHIP

NUMOV / German Near and Middle East Association

I hereby apply for membership to the German Near and Middle East Association

Company/Organisation: _____

Address: _____

Telephone No./Fax: _____ Email: _____ Internet: _____

Legal form: _____ Number of employees: _____ Annual sales _____ Date of establishment: _____

Proprietor/Managing Director/Board Member: _____

Principal contact: _____ Position: _____ Direct phone No: _____

Address for invoice: _____

Field of business activity: _____

Near and Middle Eastern companies: We are particularly interested in the following services

- Identifying potential clients and business partners Establishing business contacts Consulting on business development
- Help with organising business events Establishing contacts to competent authorities Participating in or visiting trade fairs
- Visiting business and industrial sites Assistance at business meetings through interpreting and co-attendance All services which are available

European companies: We are particularly interested in the following countries

- Afghanistan Algeria Azerbaijan Bahrain Cyprus Egypt Iran Iraq Israel Jordan Kazakhstan Kuwait
- Kyrgyzstan Lebanon Libya Morocco Oman Pakistan Palestinian Territories Qatar Saudi Arabia Syria Tajikistan
- Tunisia Turkey Turkmenistan Uzbekistan UAE / United Arab Emirates Yemen **All countries of the Near and Middle East**

Membership fee per year: _____ **Euro *)**

*) You are kindly requested to classify your company under one of the following membership fees. Euro 1,000 for medium sized companies with up to 50 employees, Euro 1,900 for companies with up to 100 employees, Euro 2,600 for companies with more than 100 employees. A list of membership fee regulations is available on request.

The German Near and Middle East Association is a non-profit-making organisation. Court of jurisdiction is Berlin, Germany.

Location, Date

Signature(s) (Name)

Useful links

Republic of Iraq

Government of Iraq
www.cabinet.iq

Parliament of Iraq
www.parliament.iq

MINISTRIES

Ministry of Agriculture
www.moagr.org

Ministry of Communication
http://www.moc.gov.iq

Ministry of Construction and Housing
www.moch.gov.iq

Ministry of Culture
www.mocul.gov.iq

Ministry of Defense
www.mod.mil.iq

Ministry of Displacement and Migration
www.momd.gov.iq

Ministry of Education
www.moedu.gov.iq

Ministry of Electricity
www.moelc.gov.iq

Ministry of Finance
www.mof.gov.iq

Ministry of Foreign Affairs
www.mofa.gov.iq

Ministry of Health
www.moh.gov.iq

Ministry of Higher Education and Scientific Research
www.mohe-sr.gov.iq

Ministry of Human Rights
www.humanrights.gov.iq

Ministry of Industry and Minerals
www.industry.gov.iq

Ministry of Interior
www.moi.gov.iq

Ministry of Labour and Social Affairs
www.molsa.gov.iq

Ministry of Municipality and Public Work
www.mmpw.gov.iq

Ministry of Oil
www.oil.gov.iq

Ministry of Science and Technology
www.most.gov.iq

Ministry of Planning
www.mop.gov.iq

Ministry of Trade
www.mot.gov.iq

Ministry of Transportation
www.motrans.gov.iq

Ministry of Water Resources
www.mowr.gov.iq

KURDISTAN REGIONAL GOVERNMENT

Kurdistan Regional Government
www.krg.org

Kurdistan Parliament
www.kurdistan-parliament.org

MINISTRIES

Ministry of Agriculture and Water Resources
www.moawr-krq.org

Ministry of Sports and Youth, Minister of Culture and Youth
www.mosy-krq.org

Ministry of Higher Education
www.mhe-krq.org

Ministry of Electricity
www.krgelectric.org

Ministry of Finance and the Economy
www.mof-krq.org

Ministry of Higher Education and Scientific Research
www.mhe-krq.org

Ministry of Justice
www.mojkurdistan.com

Ministry of Martyrs and Anfal Affairs
www.momakrg.org

Ministry of Municipalities and Tourism
www.momt-krq.org

Ministry of Planning
www.mop-krq.org

Ministry of Transport and Communications
www.moc-krq.com

INVESTMENT COMMISSIONS IN IRAQ

National Investment Commission (NIC)
www.investpromo.gov.iq

Anbar Provincial Investment Commission
www.anbarinvest.net

Baghdad Provincial Investment Commission
www.baghdadic.gov.iq

Basrah Provincial Investment Commission
www.investbasrah.com

Dahuk Provincial Investment Commission
www.kurdistaninvestment.org

Diyala Provincial Investment Commission
www.investdiyala.com

Erbil Provincial Investment Commission
www.kurdistaninvestment.org

Karbala Provincial Investment Commission
www.krives.com

Muthanna Provincial Investment Commission
www.miciraq.org

Najaf Provincial Investment Commission
www.investnajaf.com

Sulaymaniyah Provincial Investment Commission
www.kurdistaninvestment.org

Wassit Provincial Investment Commission
www.wasitic.com

Federal Republic of Germany

EMBASSIES IN IRAQ

German Embassy Baghdad
www.bagdad.diplo.de

Federal Republic of Germany Government of the Federal Republic of Germany
www.bundesregierung.de

Parliament of the Federal Republic of Germany
www.bundestag.de

MINISTRIES

Federal Environment Ministry
www.bmu.de

Federal Foreign Office
www.auswaertiges-amt.de

Federal Ministry of Defense
www.bmvg.de

Federal Ministry of Economic Cooperation and Development
www.bmz.de

Federal Ministry of Economics and Technology
www.bmwi.de

Federal Ministry of Education and Research
www.bmbf.de

Ministry of Family Affairs, Senior citizens, Women and Youth
www.bmfsfj.de

Federal Ministry of Finance
www.bundesfinanzministerium.de

Federal Ministry of Food, Agriculture and Consumer Protection
www.bmelv.de

Federal Ministry of Health
www.bmg.bund.de

Federal Ministry of Labour and Social Affairs
www.bmas.de

Federal Ministry of the Interior
www.bmi.bund.de

Federal Ministry of Justice
www.bmj.bund.de

Federal Ministry of Transport, Building and Urban Development
www.bmvbs.de

EMBASSY OF THE REPUBLIC OF IRAQ
www.iraqiembassy-berlin.de

NUMOV / Nah- und Mittelost-Verein German Near and Middle East Association
www.numov.de

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📠 (+49) 030 - 206410-10

Publishing Director / Chief Editor:
Helene Rang

Head of Editorial Office:
Susen Hollmig, Denise Penquitt

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Editorial team:

Emre Aksu, Reem Al-Abali, Jan Deeg,
Peter Dingens, Veronika Ertl,
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Further assistance:

Katarina Amaljenco, Vera Dobrovolskaja,
Maik Franke, Wanda Kubrinski,
Rula Saad, Junis Sahib

Layout / Technical services:

Hui Pieng Lie

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WORK



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www.wintershall.com

