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## Rösler meets Al Attiyah

### First international visitor for Germany's new Vice Chancellor and Minister of Economics

by Julian Tucker



H.E. Abdullah bin Hamad Al-Attiyah, Deputy Prime Minister and Chief of the Emiri Diwan of the State of Qatar and H.E. Dr. Philipp Rösler, German Federal Minister of Economics and Technology and Vice Chancellor

German Vice Chancellor and Federal Minister of Economics and Technology, **H.E. Dr. Philipp Rösler** held his first meeting with a foreign guest together with **H.E. Abdullah bin Hamad Al-Attiyah**, Deputy Prime Minister and Chief of the Emiri Diwan of the State of Qatar, on 24<sup>th</sup> May 2011. The focus of the meeting was to strengthen bilateral economic relations as well as concentrate on questions surrounding energy.

H.E. Dr. Philipp Rösler commented that Qatar is a dependable partner for Germany. He also commented on Qatar's ambition to host an emission-free World Cup in 2022. Here, he believes Germany, as a leading technology producer, can make a considerable contribution. In addition he noted that the bilateral cooperation is mutually

beneficial as the first deliveries of Liquefied Natural Gas (LNG) from Qatar will help diversify Germany's gas supply. Both sides wish to use the Joint Economic Commission as a committee for bilateral economic cooperation.

Following this, H.E. Abdullah bin Hamad Al-Attiyah, together with Ernst Burgbacher, Parliamentary State Secretary at the German Federal Ministry of Economics and Technology, opened NUMOV's / the German Near and Middle East Association's Annual Conference, which took place at the Ministry of Economics and Technology in Berlin (see page 6).

On the evening of May 24<sup>th</sup> 2011, H.E. Abdullah bin Hamad Al-Attiyah was the guest of honour at

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**NUMOV**  
  
**NAH- UND MITTELOST-BERLIN E.V.**  
 GERMAN NEAR AND MIDDLE EAST ASSOCIATION  
 Jägerstr. 63 D, D-10117 Berlin  
 Phone: +49 (0)30 - 206410-0  
 Fax: +49 (0)30 - 206410-10  
 E-mail: numov@numov.de  
 Internet: www.numov.de

# German Near and Middle East Annual Economic Conference 2011

by Daniel Geyer and Jakob Pupke

The German Federal Ministry of Economics and Technology hosted this year's annual meeting and the NUMOV Near and Middle East Annual Economic Conference that took place on 24<sup>th</sup> May 2011. While the ministry's director general, **Dr. Karl-Ernst Brauner**, acted as the moderator of the first panel, the conference featured numerous interest-



*H.E. Ernst Burgbacher, State Secretary, German Federal Ministry of Economics and Technology; H.E. Abdullah Al Attiyah, Deputy Prime Minister and Chief of Amiri Diwan, the State of Qatar; Martin Bay, Chairman of NUMOV; Erich Staake, Member of the Board of NUMOV, Chairman of the Board of Duisport; Bernd Romanski, Dep. Chairman of NUMOV, Member of the Board of HOCHTIEF Solutions AG*

ing and well-versed speakers from Germany and the Middle East and North Africa region (MENA). They dealt with subjects that have become important within the past year, such as the growing population of the MENA region and



*H.E. Ernst Burgbacher, State Secretary, German Federal Ministry of Economics and Technology*

the need for better health insurance systems and infrastructure. As one could have predicted, another common theme that was raised was the Arab Spring, with its implications, challenges and opportunities for the region's national economies. However, there were two countries the performances of which attracted particular attention: Qatar and Turkey.

**H.E. Ernst Burgbacher**, State Secretary of the German Federal Ministry of Economics and Technology, spoke on the foreign trade support and the foreign trade policy of his ministry. According to H.E. Burgbacher, Germany's export-oriented economy, which was badly hit by the global eco-

nomics crisis, has recovered well. This development was strongly supported by a rise in foreign trade, including the MENA region, which is Germany's fourth largest overseas export market. H. E. Burgbacher presented the five relevant points of his ministry's foreign trade and investment policy, which consists of the provision of information and political backing for trade and investment partners, a faster decision-making process for export credits and insurances, ensuring a sustainable and constant supply with raw materials, the prevention of protectionism, and, finally, avoiding the risk of a skills shortage by making use of the international pool of labour. Burgbacher pointed out that all of these points are of great importance for the MENA region.

Furthermore, H.E. Burgbacher commented on the upheavals in the Arab world, which have an economic dimension too. According to Burgbacher, there are two main opportunities for the MENA region. First the tourism industry, which is an important factor for the economy because it creates jobs and ensures the survival of many small companies. The



*Dr. Karl-Ernst Brauner, Director General, German Federal Ministry of Economics and Technology*

second lies in the fact that the Arab world is one of the most important regions for the world's oil and gas supply. For this reason, the German government plans to expand its strategic energy partnership with the key supplier countries. In addition, Germany supports cooperation in the field of renewable energies such as the Desertec Industry Initiative, which will contribute both to the local and to the European power supply. Therefore, Germany aims to build up a long-term energy partnership with the North African countries.

**Martin Bay**, Chairman of the German Near and Middle East Association highlighted the FIFA World Cup 2022 in Qatar. He called the country an outstanding example for the entire region because it will be the first Arab state to host such a big and prestigious international event. In order to fulfil the FIFA's transportation requirements, the groundwork for one of the world's most advanced and environmentally friendly transportation systems has been laid, in cooperation with Deutsche Bahn. Martin Bay also commented on the recent upheavals in the Arab world, which were especially driven by the young generation. He pointed out that these young educated and highly motivated people present a large potential for the economies in the Arab world.

He added that potential growth areas are located in the renewable energy sector, healthcare, construction and wastewater sectors. Martin Bay explained this with a general economic growth and a population increase, which results in a rising

demand for energy and sustainable water management. Bay stressed the investment opportunities for German companies and the high demand for German products in the Arab world.

The guest of honour, **H.E. Abdullah Al Attiyah**, Deputy Prime Minister and Chief of Emiri Diwan of the State of Qatar, presented a very authentic speech about the current economic situation of his country. H.E. Abdullah Al Attiyah explained how his country became the biggest energy supplier in the world. Qatar is the leading producer of Liquefied Natural Gas (LNG) tankers, which can transport liquid natural gas up to a volume of 7.3m cubic meters. In addition, Qatar is developing more efficient fuel mixtures, yet the country is also investing in alternatives and promotes the development of renewable energies, in particular solar energy. In this context, H.E. Abdullah Al Attiyah also mentioned the two main limiting factors for the development of solar energy in his country, which are dust and a lack of suitable locations for the solar plants. H.E. Abdullah Al Attiyah emphasized the good relationship between Germany and Qatar and praised the quality of German products. German companies are among the biggest partners for the FIFA World Cup 2022.

**Erich Staake**, Member of the Board of NUMOV and Chairman of the Board of Duisport, which is the largest inland port in the world and one of the most important hubs in Germany, informed the audience about his company's achievements. As an inland port, the port of Duisburg is an integrated service provider which offers logistic services and consulting. Duisport Independent Consulting (DIP) supports port operators and logisticians within and outside Europe in the development and implementation of projects related to infra- and super-structures. Erich Staake gave examples of successful projects of DIP



*H.E. Abdullah Al Attiyah, Deputy Prime Minister and Chief of Amiri Diwan, the State of Qatar*

around the world. Among the projects in the Near and Middle East were the development of Khalifa Port & Industrial Zone in Abu Dhabi and the reconstruction of the Umm Qasr container terminal in Iraq, showing that the logistic concept of an inland port is transferable to a seaport. This is why DIP is an interesting partner for countries in the Arab world.

**Bernd Romanski**, Deputy Chairman of NUMOV and Member of the Board of HOCHTIEF Solutions AG, which pools all solutions in the field of construction, real estate and related services, reported on selected projects in the Gulf region implemented by his company. Among these projects were the Khalifa Tower in Dubai, which is currently the tallest building in the world, and the construction of the Bahrain International Airport, as well as the Barwa Commercial Avenue in Doha and the Qatar Bahrain Causeway. Romanski

stressed the opportunities for German and Qatari companies which will arise from the FIFA World Cup in 2022. The current construction volume within this football event amounts to EUR 6-7bn per year. However, the total volume by 2022 is believed to reach EUR 120bn, he concluded.

**Othman Al Molhim** of the Saudi Fund for Development, a state financing programme established in 1975 with the objective of funding international development projects, especially in Africa, briefed the audience on the financing possibilities provided by the Saudi government. In his speech, he drew the audience's attention to the Saudi Export Programme (SEP). Since its establishment in 1999, the programme has successfully financed 430 projects in Saudi Arabia. An amount of USD 8bn, boosting exports to 73 beneficiary countries, has been spent during this period, said Al Molhim. The financing of the Saudi Arabian export sector aims especially at diversifying the Saudi economy, minimizing the dependency on crude oil in the process. He further told the audience that the fund also supports foreign, Saudi-based companies in exploring and entering new markets outside the Kingdom. With a repayment period of up to 15 years the SEP is a remarkable programme.

**Dr. Martin Herrenknecht**, Deputy Chairman of NUMOV and Chairman of the Board of Herrenknecht AG, gave a review of his company's worldwide activities with particular emphasis on the Near and Middle East. Being an international leader of mechanized tunnelling,



*Participants of the NUMOV German Near and Middle East Annual Economic Conference 2011*

Herrenknecht AG maintains subsidiaries in Saudi Arabia, Abu Dhabi. With special regard to the considerable population growth and the subsequently expected urbanization, Dr. Herrenknecht highlighted the high business potential of the region. He particularly stressed Turkey's ambitious economic development, which has generated great opportunities for his company within the last 10 years, such as the Ankara-Istanbul high speed train railway. On the subject of train ways he reported that Herrenknecht AG machines are also constructing metro lines in Cairo and Tehran. Another important field is sewage systems, with projects ongoing in Baghdad and Kuwait, he said.

**Dr. Matthias Koehler**, Head of Division for Export Financing, Export Credit Guarantees at the German Federal Ministry of Economics and Technology, provided an overview of export credit guarantees (Hermes cover) for the



*Günther Mull, Member of the Board of Numov and Managing Director of DERMALOG Identification Systems; Saifuddin N. Zoomkawala, President and CEO of the Pakistan German Business Forum (PGBF)*

MENA region. In recent years there has been a consistently growing demand for Hermes cover. However, he pointed out that, because of the current turmoil in many Arab countries, there were some restrictions that had to be imposed in places like Libya and Syria. On the whole, he said, these constraints are kept within a tight limit calling the Near and Middle East a "very attractive region". Concerning the expected decrease in demand for Hermes cover in 2011, he noted that "we expect the decline to be temporary" as further diversification of MENA's economies is needed. In this regard, he deems the modernization of the power generation sector as a prerequisite for further growth and the main field for export opportunities.



*H.E. Dr. Gerhard Schröder, the former German Chancellor and Honorary Chairman of NUMOV and H.E. Abdullah bin Hamad Al Attiyah, Deputy Prime Minister and Chief of the Emiri Diwan of the State of Qatar*

**Burkhard Dahmen**, Member of the Board of NUMOV and of the Board of SMS Siemag AG, showcased his company's activities in the Near and Middle East. SMS Siemag AG is a leading enterprise in steel transformation and production, employing 9,000 people worldwide. There are currently major investments ongoing especially in the Gulf region and Iraq. Referring to the current political unrest in the Arab countries, Mr. Dahmen said that one ought to avoid premature decision-making in order to stay successful. Thanks to a considerable demand for new infrastructure, the MENA region offers many business opportunities for steel producers, he said. Having pointed this out, Mr. Dahmen added that he was glad about the football world cup being held in Qatar in 2022. Giving useful advice for the successful positioning of a medium-sized company, **Günther Mull**, Member of the Board of NUMOV and Managing Director of DERMALOG Identification Systems, informed the audience about his company's development, with special reference to its activities in the Near and Middle East. DERMALOG has delivered Automated Fingerprint Identification Systems (AFIS) to Saudi Aramco Oil Co., covering 2 Million persons. Furthermore, it has installed a Biometric Border Control System in Kuwait and an

AFIS for civil servants in Yemen. He particularly highlighted the importance of patience and the maintenance of long-term personal relationships for doing business, which is especially the case in Arabic countries.

**Dirk Berg**, Deputy Head of Division for Foreign Investment, Department Rescheduling, World Bank, Regional Development Banks at the German Federal Ministry of Economics and Technology, spoke on German invest-



*Dirk Berg, Deputy Head of Division for Foreign Investment, Department Rescheduling, World Bank, Regional Development Banks; Asli Özelli of the Foreign Economic Relations Board of Turkey*

ment guarantees and bilateral investment treaties in the Near and Middle Eastern Region. Berg pointed out that the sum of German direct investment in the Near in Middle East during the years 2007-2010 amounted to EUR 1.4bn. Bilateral investment treaties exist

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between Germany and most of the countries of the MENA region. Furthermore, Berg stressed the importance of bilateral investment guarantees for the involvement of international business in the region. He also mentioned that once investment treaties with Iraq are ratified by the German parliament, the door for German investment in the country will be opened, offering many opportunities for Germans as well as Iraqis.



Othman Al Molhim, Saudi Fund for Development

According to **Christian Ott-Sessay**, Chief Development Officer of Vivantes International GmbH, the Near and Middle East offers highly promising markets in the healthcare sector. Among other things, he mentioned that many international patients from the MENA region travel to Germany to take advantage of the excellent healthcare services available there. In addition, he mentioned proposed plans to expand healthcare in the MENA region, citing the prospective construction of 200 new hospitals in Saudi Arabia. Mr. Ott-Sessay went on to stress the investment potential in the region for German companies active in the health services industry.

**Dr. Martin Kalhöfer**, Director Africa / Middle East of Germany Trade and Invest (GTI), spoke on the topic of "Foreign Trade support of BMWi". GTI mainly supports German companies with comprehensive, consistent and industry-specific information about foreign markets. Kalhöfer informed the audience that in 2011, the estimated costs for projects in the MENA region – planned and being executed – will amount to USD 4,110bn. He also identified potential growth markets in the region, which are located in the health sector, the construction and infrastructure sector,



Participants of the Conference

and the oil and gas sector with its associated petrochemical industry.

**Saifuddin N. Zoomkawala**, President and CEO of the Pakistan German Business Forum (PGBF), spoke about his organisation, set up in 1997 and comprising 200 German companies maintaining business activities in Pakistan. Mr. Zoomkawala was especially happy to note that, thanks to PGBF, business relations have been steadily increasing in recent years. During 2010, bilateral trade increased by over 10 percent reaching USD 2.16bn. Moreover, in the same year, 500 Pakistani companies participated in 33 trade shows in Germany, he stated.

However, he called for further intensification of business interaction expressing his desire to convert PGBF into a Pakistan German Chamber of Commerce. Particularly in the field of renewable energies, Pakistan would like to see greater participation by German companies. He explicitly invited small and medium-sized companies, hinting at Pakistan's advantageous business opportunities and investor friendly policies.

**Asli Özelli** of the Foreign Economic Relations Board of Turkey explained that her country is an "economic hub to the Middle East". Turkey has a unique location at the crossroads of North Africa, Middle East, Europe, Central Asia and the Caucasus. Thus it has easy access to diversified markets making it a major actor in the region. The traditionally close ties with the MENA region and Central Asia predestine Turkey as a base of operations for companies from all over the world. But "there is still a lot

to do", she added, acknowledging that 14 percent of Turkey's total trade is quite a low percentage for the MENA region. However, huge infrastructure projects like the Baghdad railway make Turkey a transitional country. Moreover, global energy projects that cross Turkey like the Nabucco gas pipe line provide great cooperation opportunities for German and Turkish companies, she noted.



Dr. Martin Herrenknecht, Deputy Chairman of NUMOV, Chairman of the Board of Herrenknecht AG and Erich Staake, Member of the Board of NUMOV, Chairman of the Board of Duisport

Accordingly, she invited more German companies to participate in the current modernization process of the region's infrastructure and transportation sector.

**Abdurrahim Güleç**, Deputy Managing Director of NUMOV, thanked the other speakers and the audience for their attendance and the long journeys that some of them had taken. Later on, he presented NUMOV's activities in the first half of 2011 and gave an outlook on projects that are being planned and organised for the second half of the year.

Finally, he said that he was looking forward to seeing the guests at the gala event that took place in the evening. ●

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the German Near and Middle East Gala Event 2011 that NUMOV, the German Near and Middle East association.

The event was hosted by Porsche AG. Around 400 guests active in economic and political life of Germany and the Middle East took part; including the guest of honour H.E. Abdullah bin Hamad Al Attiyah, Deputy Prime Minister of the State of Qatar and Chief of the Emiri Diwan and **H.E. Dr. Gerhard Schröder**, the former German Chancellor and Honorary Chairman of NUMOV.

**Matthias Müller**, Chairman of the Board of Porsche AG as well as host of the Gala event gave a welcoming address to the gala guests on behalf of his company. He highlighted the importance of Qatar as a trading partner and valued customer for his company. He went on to say that strong international business ties between Germany and the countries of the Middle East, especially Qatar, were part of the solid foundation on which this business relationship is built, and that he hoped this relationship will continue to develop beneficially.

Abdullah bin Hamad Al Attiyah spoke in his capacity as the guest of honour at the NUMOV Gala Event. Praising the excellent bilateral ties between Germany and Qatar H.E. Abdullah bin Hamad Al Attiyah highlighted the great efforts of NUMOV's activities to intensify the partnership, and thanked H.E. Dr. Gerhard Schröder for his great engagement in the country and the region as a whole. He went on to emphasize Qatar's efforts to diversify its economy and expand upon its position as a major trading partner.

H.E. Al Attiyah also touched upon a number of diverse subjects, such as corruption, highlighting its destructive power and commenting on Qatar's efforts to help reduce the manifestation of corruption in its economy. H.E. Abdullah bin Hamad Al Attiyah also expressed his happiness at the deep relation of Germany and Qatar, which share a long-lasting tradition of friendship, and called for further cooperation and the development of the partnership. He invited all





participants to visit Qatar in order to explore the tremendous investment opportunities available, and to take part in the various levels of development taking place in the State of Qatar.

H.E. Dr. Gerhard Schröder also took to the podium to welcome NUMOV's guest of honour and express his admiration for the work being done to help advance Qatar-German bilateral relations, both in terms of diplomacy and business ties.

He also commented on the contemporary situation in the Middle East and North Africa and the upheavals taking place in the wake of the Arab Spring, expressing his belief that future developments necessitated progress in the Israel-Palestinian peace process.

H.E. Dr. Schröder went on to emphasize the role the European Union can play in the developments in the southern Mediterranean, outlining a five point plan, which he believes can strengthen relations between Germany and the Middle East, and especially with the Gulf states.

He explained that the current challenges facing the countries of the MENA region necessitated a unified policy response from the member states of the European Union, with Germany in particular taking on a leadership role, as the EU's largest economy.

The expansion of social, political and economic ties across the Mediterranean, according to Dr. Gerhard Schröder, is of great importance for the creation of transparently organised civil societies, as well as future prosperity. Accordingly, he said that the Mediterranean Sea which separates Europe from North Africa and the Middle East geographically, serves a conduit in terms of politics and civil society, effectively linking the two regions to one another.

On 23<sup>rd</sup> May 2011, H.E. Abdullah bin Hamad Al Attiyah was warmly welcomed by H.E. Dr. Gerhard Schröder, former Chancellor of the Federal Republic of Germany and Honorary Chairman of the Board of NUMOV. They both joined the dinner hosted by Deutsche Bahn. ●