THE GREATEST ACHIEVEMENTS ARE ALWAYS ACCOMPLISHED TOGETHER

At United Development Company, we create opportunities. We believe that only together, we can turn the ordinary into extraordinary. We constantly challenge ourselves to find the right elements, creating a winning formula and that’s how we start partnerships that help shape our nation and enhance our daily lives. This is who we are, and this is what we do. And then we offer it to you.
# Table of Contents

<table>
<thead>
<tr>
<th>Page</th>
<th>Name and Title</th>
</tr>
</thead>
</table>
| 2    | His Highness Sheikh Khalifah bin Zayed Al Nahyan  
President of the United Arab Emirates |
| 4    | His Majesty Hamad bin Isa Al Khalifa  
King of Bahrain |
| 4    | His Royal Highness Prince Sultan bin Abdulaziz Al Saud  
The Crown Prince of the Kingdom of Saudi Arabia |
| 8    | His Highness Sayyid Fahad bin Mahmood Al-Said  
Deputy Prime Minister for the Council of Ministers, Oman |
| 10   | His Highness Sheikh Hamad bin Khalifa Al Thani  
The Emir of the State of Qatar |
| 12   | His Highness Sheikh Sabah Al-Ahmad Al-Jaber Assabab  
The Emir of the State of Kuwait |
| 15   | Her Excellency, Sheikha Lubna bint Khalid Al Qasimi,  
Minister of Foreign Trade - United Arab Emirates |
| 17   | H. E. Dr. Hassan Abdulla Fakhro  
Minister of Industry & Commerce - Kingdom of Bahrain |
| 21   | H. E. Abdullah bin Ahmad Zainal Ali Reza  
Minister of Economy and Commerce - Kingdom of Saudi Arabia |
| 25   | His Excellency, Maqbool bin Ali Sultan  
Minister of Commerce & Industry - Sultanate of Oman |
| 27   | H.E. Abdullah bin Hamad Al Attiyah  
Deputy Prime Minister & Minister of Energy & Industry - State of Qatar |
| 37   | H.E. Ahmed Rashid Al-Haroun  
Minister of Commerce and Industry - State of Kuwait |
| 41   | H.E. Sheikh Saleh Abdullah Kamel  
Chairman of the Federation of GCC Chambers |
| 45   | H.E. Khalil bin Abdullah Al Khonji  
Chairman of Oman Chamber of Commerce and Industry,  
First Deputy Chairman of the Federation of GCC Chambers |
| 47   | H. E. Sheikh Khalifa bin Jasim Mohamed Al Thani  
Chairman of Qatar Chamber of Commerce and Industry  
Second Deputy Chairman of the Federation of GCC Chambers |
| 53   | H.E. Eng. Salah Salem bin Omaiz Al Shamsi  
Chairman of the Board of Directors |
| 61   | H.E. Dr. Esam Abdulla Fakhroo,  
President of the Bahrain Chamber of Commerce & Industry |
| 69   | H.E. Ali Mohammed Thunayan Al Ghanem  
Chairman of Kuwait Chamber of Commerce & Industry |
| 73   | H.E. Abdul Rahman Rashid Al Rashid  
Chairman of Asharqia Chamber |
| 77   | H.E. Abdul Rahman bin Hamad Al Attyiah  
The Secretary General of the Cooperation Council for the Arab States of the Gulf |
| 79   | Mr. Abdulrahim Hasan Naqi  
Secretary-General of the Federation of GCC Chambers |
| 85   | H.E. Adnan Al Kassar  
President of the General Union of Arab Chambers of Commerce, Industry and Agriculture |
| 87   | Introduction |
| 91   | Chapter One  
The Federation of Gulf Co-operation Council Chambers (FGCCC) |
| 103  | Chapter Two  
Achievements |
| 107  | H.E. Alessandro Barberis,  
President of EUROCHAMBRES |
| 113  | H. E. Harvey Chang  
President CACCI |
| 115  | H.E. Wan Jifei  
Chairman - CCPIT |
| 115  | Mr. Jialin Liu  
FGCCC Representation to China |
| 116  | H.E. Rifat Hisarcıklıoğlu  
President (TOBB) |
| 117  | H.E. Dr. Amit Mitra  
Secretary General of (FICCI) |
| 119  | Chapter Three  
The Federation Activities |
| 122  | H. E. Omar Derraji  
Chairman of CPCCAF |
| 131  | FGCCC issues and concerns of the common economic action between the GCC countries |
| 141  | Chapter Four  
Objectives of the Federation of Gulf Cooperation Council Chambers and working strategies during the upcoming stage |
| 147  | Appendix |
| 155  | Acknowledgements |
His Highness Sheikh Khalifah Bin Zayed Al Nahyan
President of the United Arab Emirates (May God Protect him)
I
t gives me a pleasure to praise the initiative launched by the Federation of GCC Chambers, as it celebrates its 30th anniversary, to document the accomplishments of the private sector institutions in the GCC countries. This will help to create an economic and statistical database that serves, reinforces and pushes forward cooperation programs among GCC countries.

Highlighting cooperation among the institutions of the Gulf’s private sector is in line with the approach of member States of the GCC to give the private sector a greater role and broader possibilities. This role forms a fundamental component of the joint endeavors of the Gulf.

With the available resources, the private sector in the Gulf States managed to aptly confront foreign competition, through the financial and banking alliances that the Gulf markets witnessed in recent years. This is accompanied by the developments in the movement and flow of funds and investments among member States, let alone the great improvement in interface trading, especially following the establishment of the GCC Customs Union. The Union paves the way towards creating a Common Gulf Market.

Furthermore, the Gulf’s private sector managed to operate in foreign markets, thanks to the massive improvement of its mechanisms and its entrepreneurship. In a short period of time, the private sector was able to establish financial and economic partnerships with prominent foreign institutions and companies. These partnerships served as strategic resources for the national development process, and constituted a new source of national income. They also contributed to diversify investments and distribute any risks that may arise.

We have monitored the efforts of the Federation of GCC Chambers in building bridges for communication and cooperation among businessmen in the GCC countries, introducing to them the available investment opportunities, and pushing for developing and unifying laws and legislation that regulate economic activities. These efforts constituted a significant addition to the efforts of the GCC’s General Secretariat, and a valuable contribution to the attempts of the GCC countries to achieve economic citizenship, the cornerstone of the Gulf’s unified action as a whole.

Finally, we salute the efforts spent to prepare and coordinate this book. Let us hope that this work will serve not only as a testament to accomplishments, but also a light on the path of future generations in their mission to achieve the goals and objectives of the Gulf’s joint efforts, and the aspirations of the region’s citizens for a secure and stable life.

His Highness Sheikh Khalifah Bin Zayed Al Nahyan
President of the United Arab Emirates
His Majesty Hamad Bin Isa Al Khalifa
King of Bahrain (May God Protect him)
We are particularly proud to celebrate with the Federation of GCC Chambers the 30th anniversary of its foundation. We are also deeply satisfied to see the private sector’s institutions in our countries, and in particular the Chambers of Commerce and Industry, play their role and participate effectively in the growth and development of the various economic sectors, side-by-side with the governments of GCC countries.

The GCC countries have made great strides in the path of economic and social development, striving to occupy their position among the nations of the world. They succeeded with God’s help in building modern societies with up-to-date infrastructure, developing economies, and advanced communication means using top-notch technology. All this has been achieved without compromising the heritage of our nations built on genuine Arab Muslim principles that stress the Gulf citizen’s sense of civilization and humanity. There is no doubt that the foundation of the Gulf Cooperation Council in 1982 consolidated these successes at all levels, putting the first stones to build the comprehensive economic union that our peoples have continuously aspired to achieve and harvest its fruits.

There is no need to stress again that our Government was aware since the beginning of the role of the private sector in the field of economic development. Therefore, this sector was always present in mind in the policies and the steps of the economic path, in order to prepare a fertile environment for its growth and development. The monetary policy and the Government spending in our States were the basic engine of the economic growth during the first years of the development process; it was a necessity imposed by the reality of those times, particularly in the fields of providing the indispensable infrastructure and legal frames to any modern State. Our Government worked to prepare the private sector to be a full partner in the growth and development process and to occupy a leading position in moving the economy, allowing thus the Governments to play their basic role consisting of organizing, monitoring, and supervising, as well as building the principles of integrity, transparency and competitiveness in the markets. This consolidates the position of our States in international forums.

The Gulf citizen is proud today of the high levels reached by our States in the field of development, and in particular the economic one. He is proud as well of the share of the participation of the private sector and its sustain of the government policies’ plans in various fields of development, in particular those related to industry, commerce, and services. It is the proof of the progress of the private sector practices, the maturity of its institutions, and its sense of responsibility. All those factors allowed it today to be a worthy partner in the economic march of GCC countries.

In the Kingdom of Bahrain, we aspire to a greater role of the private sector through the Chambers and through your respected Federation, especially that we are at the start of a new era in our march towards union. Completing the economic union and achieving full citizenship in all fields is indispensable to GCC countries. It allows our countries to be a unique economic entity more able to achieve the development and more powerful to face the challenges imposed by the great and quick world changes, in particular in these times of communication and technology revolution that created a new world reality and transformed our world into a small house, or “a small village” as they say.

We are confident in the wisdom of GCC leaders, and in their sincere efforts to achieve the best welfare to the Gulf citizens. We are also aware that this can be achieved only by improving our economic performance until it reaches the best international standards. Therefore, we will not spare an effort in order to reach our objective, and we also rely on your institutions, in particular the Gulf Chambers and the Federation of GCC chambers, to be the best sustainers to our policies and our march towards achieving our common goals. We are most sure that you are worthy of our confidence.

May God help you and guide you on the right path.

His Majesty Hamad bin Isa Al Khalifa
King of Bahrain
His Royal Highness Prince Sultan bin Abdulaziz Al Saud

The Crown Prince of the Kingdom of Saudi Arabia (May God Protect him)
It is a source of joy to be asked to introduce my country and its distinguished relations with all nations of the world. It is also a great opportunity for me to speak to our partners in the European Union who have an interest in building strategic partnerships with the Kingdom of Saudi Arabia. Such partnerships achieve the interests of all parties and create more opportunities for our states to establish and widen their strategic interests. Having a distinguished place on the international economic and investment map, Saudi Arabia always calls for more partnerships and providing suitable atmospheres for the success of investment projects. No doubt, investment is so vital in preserving our security and enhancing the world’s trust in our national economy. This will also open for Saudis the opportunity to gain more experience, to be competitive and to transfer modern technology to the Kingdom. Additionally, it will create secure, profitable and successful projects for foreign investors.

The economic policy of the Kingdom of Saudi Arabia since the time of the late King Abdulaziz has been established on the principles of free economy, supporting development projects, creating modern economic institutions and proving incentives for investment and production. Added to this is to provide an environment for citizens to learn and be trained in order to occupy vacant jobs available. The Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz is pursuing this path of comprehensive and balanced development throughout the Kingdom.

The new regulations of the financial market and cooperative insurance and other ones expected to come, God willing, show the keen interest in enhancing the role of the financial sector in the national economy. This also will make the Saudi economy more attractive for foreign investment. As a result of this tendency, issues like diversifying sources of the national income, transparency, integrity, fighting corruption and balanced and sustainable development occupy prominent positions in our current economic plan.

Strong will and sure desire in development is an established tradition for the Saudi leadership. The Kingdom has achieved much in building a diversified economy in order to lessen its dependence on oil. This came through enhancing its productive capabilities in other sectors. The non-oil national production has increased in the last few years more than four times with a high growth of the annual average.

The non-oil sectors’ contribution to the national production has increased due to the tangible growth in petrochemical exports. The petrochemical products are being marketed with the rest of the Kingdom’s exports in more than 148 countries. This became a reality after the Kingdom joined the World Trade Organization (WTO) in November 2005. Being a member of the WTO will amply provide more job opportunities for citizens and will open world markets for Saudi products and services benefiting from low ceiling customs and various economic and trade policies.

The Kingdom has taken practical steps to improve the environment of investment. Some of these steps are removing obstacles facing private sector investors and expediting the procedures for granting foreign investors’ permits. Such procedures made the Kingdom the favorite place of investment by a number of international investing corporations.

Saudi Arabia has made great steps in correcting its economic course as part of its comprehensive economic reform.

Today, we are keener to make our development, industrial and investment programs environment friendly.

The new economic cities, launched by King Abdullah and are being constructed, are a quality transfer in the history of the Saudi economy. The aim is to jump forward in translating the objective of diversifying the national income into a reality and to meet the need of the accelerating size of the population for job opportunities.

The Kingdom of Saudi Arabia invites you to take advantage of the investment opportunities in the various economic, industrial and service-based domains. So, welcome to the land of secure and thriving investment.

His Royal Highness Prince Sultan bin Abdulaziz Al Saud
The Crown Prince of the Kingdom of Saudi Arabia
His Highness Sayyid Fahad bin Mahmood Al-Said

Deputy Prime Minister for the Council of Ministers, Oman (May God protect him)
Previous experience has shown that the success of GCC’s career is a clear evidence of the achievements at various economic, social and security levels for all GCC nations.

GCC’s institutions have effectively contributed to the fulfilled achievements. But the latter imply for sure some challenges that we all endeavor to overcome, for the sake of the higher interest. The world witnesses accelerating progress in sciences and technologies, consequently we have to develop our own abilities and intensify our efforts to keep pace with such progress. GCC countries should be developed towards knowledge-based economies, and achieve a comprehensive economic and social development.

GCC countries future vision in the economic field, through the Gulf sector and the Federation of GCC Chambers, assumes the responsibility of contributing to the development and progress, together with the efforts exerted by governments in this regard. A special focus is dedicated to overcome the hurdles that hinder commercial exchange, mutual investments and joint gulf projects… Further efforts are directed to develop programs that may increase competitiveness of the Gulf private sector firms, and to allow a high quality integration into global economy.

GCC leaders strongly believe in the role of the private sector in the comprehensive development path of the Council. Leaders realized the importance of involving the private sector in drafting economic laws, regulations and decrees. They would involve also the Federation of GCC Chambers, as a representative of the Gulf private sector, in the free trade negotiations with other countries and economic unions, and in attending GCC’s specialized technical committee meetings, in fields relevant to the Gulf private sector.

The Federation of GCC Chambers and the Gulf private sector surely deserve such precious trust. It reflects the appreciation of the Federation’s efforts in supporting the Gulf path, in order to achieve the aspirations of developing this leading experience of cooperation.

**His Highness Sayyid Fahad bin Mahmood Al-Said**  
Deputy Prime Minister for the Council of Ministers, Oman
His Highness Sheikh Hamad bin Khalifa Al Thani
The Emir of the State of Qatar (May God protect him)
With the appearance of a globally-oriented economy that is growingly interlinked and connected in investments, production and distribution, the majority of the world countries realized - at the beginning of the 21st century - the importance of the private sector’s role in driving the national economic development. The Arab Gulf countries considered the private sector a main partner in the sustained development process, and allowed it a major role in all economic fields. Hence, they relied on it while diversifying their economic base, in order to get out of the single-merchandise economy.

Therefore, the governments of the Arab Gulf States are keen to develop legislations that create an appropriate business environment, and to offer material and moral incentives that consolidate the private sector, strengthen its position and allow it to compete in national, regional and international markets.

The governments of the Arab Gulf States expect that the private sector leads the organizational and technical modernization and creativity processes in the fields of business, industrialization, and services. This should raise the economic capabilities and have positive effects on the citizens’ welfare. The Gulf States expect also from the private sector to lead internal and foreign investments operations with the appropriate know-how, avoiding high risks investments.

The governments of Gulf States countries will take the appropriate measures to implement the decisions of the Higher Council of the GCC, in its twenty-eighth meeting, held in Doha the 3rd and 4th of December, 2007 and related to the Common Gulf Market. They will act to reinforce the economic integration among its members, including a better coordination and cooperation between enterprises and companies of the Gulf private sector, and the removal of constraints that obstruct internal commercial exchanges.

We are fully confident in the future of GCC economies because they rely on huge natural resources, a modern infrastructure, skilled and advanced national human resources, important financial reserves, and large and diversified investments.

We hope that the information and data published in this book will constitute an incentive to the private sector for cooperating with the public one, spending more efforts to develop our common economy, and achieve the ambitions of our nations, looking for progress, prosperity and a safe future at all levels.

His Highness Sheikh Hamad bin Khalifa Al Thani
The Emir of the State of Qatar
His Highness Sheikh Sabah Al-Ahmad Al-Jaber Assabah
Emir of the State of Kuwait (May God protect him)
It is our pleasure and joy to share with our brothers, the Chairman and the members of the Federation of GCC Chambers of Commerce and Industry, the ceremony of the thirtieth commemoration of the foundation of the Federation. We highly appreciate the significant and effective historical role that the Gulf private business sector plays, by servicing business and financial actors, and by investing great and valued efforts to present the investment environment and opportunities that are available in the GCC countries.

Beforehand, and all along the last three decades, the pioneering founders took the responsibility of laying the foundation for the rise of a private sector. The latter was led by businessmen who followed the main developmental changes of the GCC countries’ economies, and took part with force and dedication in building the development and the urbanization of their countries.

The establishment of the Federation of the GCC Chambers of Commerce and Industry occurred amidst local and regional changes that took place in the Gulf region in the last three decades. The protagonists of the Federation were able to deal with these circumstances, bearing in mind the general policies of their countries. In parallel, the Gulf countries supported them continuously and provided the adequate consulting, allowing thus this Federation to carry out adequately its commercial and industrial responsibilities.

It is our pleasure in this occasion to extend our congratulations to the Chairman and the members of the Board of Directors of the FGCCCI and all its staff, praising their efforts and their role in bringing this Federation to high and distinguished levels in the field of services, as well as commercial and investment initiatives.

On this occasion, we would like also to remind with respect and pride the efforts and the historic great roles and the sincere dedication of the pioneering founding generation of this Federation, and especially their excellencies the former Chambers Chairmen and members of the Board of Directors who alternated on its presidency along the last thirty years. Without their benevolent efforts, the Chambers would have never reached this superior and distinguished level in the field of the achievements, initiatives and services offered to the financial and business sector and to the investors; it would have never acquired its current regional and international reputation. Actually, the Chambers have a distinctive role in addressing all the hasty environmental and technological changes in the new economic world order, and in tackling its consequences on the GCC countries’ economies with merit and ability.

We invite, on this occasion, all the businessmen in these Chambers to participate energetically and efficiently in the sustainable development projects of the region and the world, and to support the path towards well-being, generosity and prosperity in the GCC countries today and in the future.

We look forward to see everyone spending their best efforts to convert the Gulf system into active commercial and financial centers throughout the region and the world, and to act simultaneously to provide the most attracting environment for Arab and foreign investments. This comprises also to allow the private sector in the Gulf countries to consolidate its partnership with the public one. Such endeavor would put our countries on the right path towards progress and development, and create productive job opportunities for our citizens.

May Allah guide us all, and may He assist you towards the paths of good, in the benefit of our countries and their prestige!

His Highness Sheikh Sabbah Al-Ahmad Al-Jaber Assabbah  
The Emir of the State of Kuwait
The Arabian Gulf
On this special occasion, I would like to extend my congratulations to the Federation of Gulf Cooperation Council Chambers for the launch of “The GCC Perspectives Magazine.” This groundbreaking publication is a testament to the dynamism and proactive contributions of the region’s business leaders towards achieving our common goal of securing long-term economic stability in the GCC.

I am particularly pleased with this new venture and all other successful programs initiated by FGCCC. I believe that private sector initiatives such as this help increase the impact of the development programs of the UAE and other GCC governments and open new opportunities for growth and prosperity.

In line with this, the UAE implemented a key measure that I believe has led to better cooperation between the public and private sectors. The UAE Government Strategy was launched last year as part of a long-term plan to ensure the socioeconomic sustainability of the UAE. The primary goal of the UAE Government Strategy is to raise the quality of services across all levels of the government. As such, I personally feel that the UAE Government Strategy will have a significant impact on public and private sector cooperation, as by focusing on quality and excellence, the UAE government will gain greater leverage to maximize the business value of its strategic relations with the private sector.

I would also like to point out that cultivating a strong, independent and forward-thinking private sector organization such as the FGCCC will always remain an important government policy, as it helps strengthen the reputation of the UAE and the entire GCC as business-friendly and secure investment destinations. In this context, I am pleased to announce that foreign direct investments in the UAE have steadily increased over the last years.

In addition, trade volume has achieved dramatic growth rates over the past few years. From our trading partners in the European Union, for instance, total trade exchange grew by 42 per cent in 2008, sustaining a growth trend during the period 2005-2008. Total exports, on the other hand, were up 66 per cent, while imports rose by 40 per cent.

Indeed, with the private sector serving as our ambassador of goodwill – bringing our message of cooperation, prosperity and economic stability to all corners of the world – a great number of investors have been encouraged to take advantage of the excellent business opportunities in the UAE.

I would like to congratulate the FGCCC once again for the launch of this excellent business resource material. Be assured that the government will continue to be highly supportive of all your projects and initiatives that promote and encourage economic growth in the region.
Sanofi-aventis

A diversified global healthcare leader, focused on patients’ needs

Key assets of sanofi-aventis

- A broad portfolio of pharmaceutical products: prescription medicines, consumer healthcare (OTC) and generics

- World leader in vaccines

- A major player in animal health

- Well-balanced presence between traditional and emerging markets, n°1 in Europe and in emerging countries

For more information:

www.sanofi-aventis.tv
The global and local challenges facing the GCC countries, together with the growing responsibilities of governments and specialized institutions, have highlighted the importance of enhancing GCC joint action, especially in the areas of economic development.

The Bahraini government, as clearly defined in “Vision 2030,” has positioned the private sector as the engine of future economic growth, and articulated appropriate economic policies and support mechanisms to enhance its sector performance in order to deliver on the national aspirations detailed in the National Economic Strategy.

For its part, the Ministry of Industry and Commerce, through its industrial and commercial policies and initiatives, is focused on the national strategy and encourages and supports all other private sector initiatives that add to the industrial and commercial environment, either in terms of infrastructure, export development, job creation or general education and awareness building.

In my view, “The GCC Perspectives” is an important reference for those interested in economic affairs, not only in the Gulf region, but around the world. It documents important events and changes in the Gulf region, and provide information, facts and figures required for a proper assessment of economic development in the region.

“The GCC Perspectives” Magazine is the outcome of efforts by the Union Chambers of the Gulf Cooperation Council to enhance small- and medium-enterprises in the GCC and to facilitate procedures to obtain new information about GCC institutions.

I would like to thank all those who have contributed to this important economic magazine.

His Excellency, Dr. Hassan Abdulla Fakhro
Minister of Industry & Commerce - Kingdom of Bahrain
IBERDROLA Engineering & Construction was founded in 1995 to group all IBERDROLA’s engineering activities and since then it has become one of the top companies in the construction of electrical power generation, distribution and control facilities. Its services include project management in all of its stages, engineering, supply, construction and commissioning, turnkey projects and operational support.

IBERDROLA Engineering & Construction’s distinctive feature is its capability of carrying out work for all network industries (gas, water, communications and power) with special emphasis on the power sector. This capability is the result of high-level technologies developed by IBERDROLA through its continuous research & development program.

The Company has experienced a fast increase in its activities outside Spain with projects in more than 30 countries and the establishment of corporate offices in Mexico, Brazil, Venezuela, United States, United Kingdom, Germany, Latvia, Poland, Russia, Slovakia, Bulgaria, Greece, Qatar, Kenya, Tunisia and India.

BUSINESS AREAS

THERMAL POWER GENERATION / GAS
IBERDROLA Engineering & Construction has acquired extensive experience in this field from its participation in developing power plants with different technologies and sizes, which range from 10 MW to 2000 MW, using traditional fossil fuels, coal, gas-oil, fuel-oil, natural gas and renewable biomass fuels. The company has the necessary knowledge how to participate in a diverse array of activities within a project; from consultancy work to turnkey supply of plants and execution of remodeling and improvements in existing plants. The power plants that IBERDROLA Engineering & Construction has developed add up to 16,276 MW of installed power.

HYDRO POWER GENERATION
IBERDROLA Engineering & Construction has gained experience in all aspects of hydro power generation projects as it has carried out large infrastructural works including the design of different types and sizes of reservoirs, dams, tunnels and canals in addition to the construction of hydroelectric plants. The Company has developed 10.444 MW of installed power in hydro projects.

RENEWABLE ENERGY
IBERDROLA has become one of the top energy companies in the world based on its commitment to sustainable development and care for the environment. As part of the group, Iberdrola Engineering & Construction is also devoted to developing renewable energy solutions such as wind farms, solar power, photovoltaic energy and fuel cells.

Since the year 2003, IBERDROLA Engineering & Construction has built more than 40 photovoltaic installations on fixed structures on land, rooftops, with trackers and concentrators, using all kinds of module technologies: monocrystalline, polycrystalline, thin film and high-efficiency cells for concentration.

The company has developed more than 2,500 MW of wind power, 70 MW of photovoltaic power and over 50 MW in thermo solar power. Currently, other projects are underway.
NUCLEAR POWER GENERATION
In Nuclear Power Generation, IBERDROLA Engineering & Construction offers a wide range of services for nuclear power plants that encompass conceptual and basic engineering, including system and process definition, turnkey projects and operational support. The Company has a highly specialized, multidisciplinary service engineering team for the different technologies within the nuclear field.

POWER TRANSMISSION & DISTRIBUTION
IBERDROLA Engineering & Construction builds an average of 35 substations per year with a capacity range from 132 KV to 400 KV. In 2008, 3,000 MVA were installed. Our company is the world leader in totally underground V.H.V GIS modern installations. It has also provided 450 km of 132, 220 and 400 kV power lines over the last two years as well as installed, with associated communication equipment, 15,200 km of fiber optics.

TELECOMMUNICATIONS, METERING & TELECONTROL
IBERDROLA Engineering & Construction presents a competitive offer for telecommunication, automation, telemetering (remote metering) and telecontrol (remote control) systems targeting the market sectors of electricity, gas and water public utilities and telecommunications.

IBERDROLA INGENIERIA Y CONSTRUCCION IN THE GULF
In September 2004 our company opened a commercial office in Doha (Qatar) that has played a crucial role in securing projects in the region. More than 200 employees are at currently working for IBERDROLA Engineering & Construction in the Gulf.

OPEN CYCLE POWER STATION IN FUJAIRAH
The consortium formed by IBERDROLA Engineering & Construction and Arabian Benco was awarded in 2006 the construction of an open cycle power station (225 MW) in Fujairah (United Arab Emirates) for an amount of 144 million dollars. The facilities were handed over to the client in March 2009.

COMBINED CYCLE PLANT IN MESAIEED
IBERDROLA Engineering & Construction was awarded in 2006 an Engineering, Procurement and Construction (EPC) contract to take charge of the project to build in Mesaieed (Qatar) one of the largest combined cycle plants in the Middle East for an amount of over 1,630 million dollars.

The IBERDROLA subsidiary is responsible for the turnkey construction, within a period of 42 months, of a new electricity generating plant that will have six gas and three steam turbines and an installed power of 2,000 MW.

SOLAR THERMAL PLANT IN KURAYMAT
In consortium with Japanese company Mitsui, IBERDROLA Engineering & Construction was awarded in September 2007 a 150 million dollar turnkey contract to build a 150 MW ISCC solar thermal plant in Kuraymat (Egypt).

IBERDROLA Engineering & Construction will be responsible for this 33-month project, which includes design, equipment purchase, construction and assembly.
WE HAVE MANAGED TO GO FURTHER THAN ANYONE ELSE
I would like to emphasize here on the effective role of the industrial development in achieving a comprehensive economic development, and building a balanced economy. It allows us in fact, to compete globally by means of diversifying income resources and reducing dependence on oil.

In order to increase the participation of the industrial sector to the GDP, and exploit the comparative advantage of the Kingdom, our vision was based on building a globally competitive industry that relies on innovation, creativity and the transformation of national resources into sustainable wealth. Our means were the development and optimization of these national resources in the Kingdom, and their investment in building a productive human wealth, and a manufacturing industry with high added value.

This vision achieves a globally competitive sustainable position. It aims at the exploitation of national resources (human and natural) and their investment in the long term. This would transform them into a national treasure appreciated by the community. In addition, this vision entails continuity in the process of national sustainable development, and brings prosperity to the citizens of Saudi Arabia through the improvement of their life standards, and the creation of job opportunities. The industry emerges as the basic tool of the society to achieve the targeted position in the long-term development strategy. Its objective is to invest all the available national resources and opportunities to reach industrial development, and place the Kingdom on the map of world industry. It also works to transform the national industry structure into developed industrial platforms, according to successful international practices, and spread them throughout the Kingdom. It will offer job opportunities that satisfy the national ambitions through efficient and strong national and international partnerships.

The national strategy for the new industry aims at clarifying the role of the industrial sector in the growth, development and diversification of the economy. The Kingdom resources and its comparative advantages should be exploited to achieve higher incomes, used in turn to localize the skills. The national strategy will also clarify the policies that are implemented, and the means used to achieve their goals.

The success of the partnership between the government and the private sector constitutes an important challenge in the industrial development. It is built in the light of the objectives set by each community, and the resources allocated to achieve them. Hence, for higher objectives, a stronger partnership between the State and the private sector is required. The national strategy for industry in the Kingdom will adopt a level of strategic partnership that is relative to the state of the concerned industrial sectors. This choice is considered a major challenge that the strategy should address.

When the State enters into partnership with the private sector in the industrial choices, the economic development will be achieved, through the adoption of numerous initiatives, nationally and regionally. This is illustrated by the development of industrial zones complying with modern international practices, such as the creation of development platforms in these regions, technical industrial areas, local and regional clusters, etc. In addition, a number of investment opportunities will rise from strategic alliance channels.

A strategic target has been set up for 2020A.D./1441H. By then, the contribution of the industry to the GDP should reach 20%, attaining a unique position on the global industrial map.

This main target should be reached by achieving a number of limited objectives applied to the main industrial variables, and significant to industrial performances, mainly:
1 - Double the industrial value-added by three-fold;
2 - Double the proportion of technology-based products from 30 to 60% of Gross Industrial Production;
3 - Double the proportion of industrial exports from 18 to 35% of gross exports;
4 - Double the proportion of national employment in industry from 15 to 20%, and increase its number by five-fold.

The recently approved document of the national industrial strategy consists of three basic parts and six chapters. The first part discusses the importance of the strategy, its necessity and the current data on which it relies. The second defines the strategy itself, its objectives, concepts,
We learn through experience that with hard work come rich rewards and with sound decisions results are even higher. Your financial partner should be strongly aligned with your plans to ensure that your expectations are surpassed.

With BBK, there’s a wide range of financial solutions based on knowledge and experience, all designed to enable you to prosper.

BBK . . . The Brighter way!

For more information call 17 20 7777

www.bbkonline.com
foundations and the policies of its implementation. While the third part addresses the implementation of the strategy through eight topics with several major national programs for each.

As for the six chapters, the first discusses the importance of the growth and the development, their interrelation and their relationship with the industry. The second is concerned with the current state of the industry within the Kingdom in terms of performance, compared with a group of countries accurately selected. The third provides outlooks for industry to exploit available opportunities, and find solutions for the ongoing issues. The fourth deals with the national strategy starting from its vision, its aims and its foundations, and studying then its general objectives and the ways to achieve them. The fifth expresses the eight action lines that would achieve the desired objectives through five-year plans, consistent with the development plans in the Kingdom. The sixth and final chapter discusses the necessary ways to provide financial and human resources to achieve the strategy.

With regard to small and medium enterprises, we believe they are the most important sectors at the macroeconomic level. Therefore, we paid considerable attention in order to settle and develop them, in order to achieve the desired objectives. These SMEs can benefit from their small size to provide rapid response to the changing requirements, unlike larger enterprises that would be difficult to restructure according to demand. A great number of SMEs would allow rapid imports, and a quick adaptation to the technological progress that the world witnesses. Providing the correct support to SMEs is a way to put a keystone in an industrial future that sustains the national economy.

In this sense, the SMEs are getting the required attention and support in order to raise their productivity and competitiveness, by means of training them on unique production and marketing systems, and offering training programs to labor force in order to raise their skills and productivity. They get also the required financing, and they profit from exchanges with larger companies.

The third of the eight action lines in the national industrial strategy aims at developing an industrial business environment, including encouraging PMEs and distributing the tasks according to the five following programs:

- Program of support to small and medium enterprises;
- Program of incubators for small and medium enterprises;
- Program of business resource centers;
- Program of competitiveness and industrial modernization centers;
- Program of industrial financing mechanisms.

This strategy clearly shows its trend to trigger the role of these small and medium enterprises within the industrial clusters, and to launch business incubators to foster their development in the various regions of the Kingdom. Scientifically, we have advised the officials in charge of implementing the strategy to profit from the experience of the developed countries. In this optic, they have activated and developed collaboration with universities, research centers and technical education faculties, and they have created centers of technological, industrial and marketing information, easily accessible by these enterprises. Also, we issued directives to provide them with the latest information and communication technology in management, production and marketing.

Undoubtedly, the weakness of industrial integration among the industrial sectors of the GCC hampers the growth of small and medium enterprises in the Gulf. We should bear in mind that SMEs represent 80% of the total number of factories according to the standards of invested capital, and about 65% according to the standards of employment scale. Here is then a reality that requires that we pay attention to this pair of important development factors in today’s world: industrial integration, and small and medium enterprises.
Art, Science and Technology merge in our work, with highest levels of quality assurance, reliability in performance, completion of projects on time and to budget, constantly ranking high on the world list of the Top International Contractors.

BUILDING TODAY THE WORLD OF TOMORROW

QUEEN ALIA INT.AIRPORT, AMMAN, JORDAN
AL SAFFA’A INTERCHANGE, SHEIKH ZAYED RD, DUBAI
RION ANITRRION ROAD BRIDGE, GREECE
INTERCONTINENTAL HOTEL, DOHA, QATAR

A DYNAMIC PRESENCE IN THE BUILDING INDUSTRY

Airports, Roads Bridges and Highways, Hospitals, Hotels, Housing Complexes, Power Stations, Energy and Industrial projects, Oil and Gas Pipelines, Oil Industry facilities and infrastructure, Dams & Irrigation Projects and other important and demanding works have been entrusted to our proven expertise in the Gulf, the Middle East, Africa, Asia and Europe

Joannou & Paraskevaides Group
Building & Civil Engineering Contractors

1, Byron Avenue, P.O.Box 21178, CY-1503 Nicosia, Cyprus, Tel: +357 22 868600, Fax: +357 22 818868,
E-mail: jandp@spidernet.com.cy  Website: jandp-group.com
Also offices in: Dubai, Abu Dhabi, Riyadh, Doha, Muscat, Karachi, Addis Ababa, Tripoli Libya, Cairo, London, Athens
Oman Vision and Policies Towards The Private Sector

It gives me great pleasure to participate in the first issue of the GCC Perspective Magazine by reflecting on Oman’s vision for and policies towards the private sector.

First, I wish to extend our congratulations and best wishes to the Gulf Federation of GCCC Chambers (FGCCC) on the occasion of their 30th anniversary. Since its inception, the FGCCC has been vigorously advocating and furthering the interests of the Gulf private sector. Now with the start of the Gulf Common Market, the FGCCC is determined to proceed with greater vitality in pursuing its new obligations of facilitating the free movement of capital, pushing inter-Gulf trade and giving support to expanding Gulf joint ventures.

The Role of the Private Sector

Fostering the role of the private sector is a basic pillar of economic development strategies and plans laid out by the Sultanate of Oman. Persistent and varied efforts are being made by the Omani Government in support of the private sector.

Among the prominent measures being undertaken in that regard are the following:

- Giving emphasis to the development of infrastructure, utilities and services.
- Enacting positive business laws and regulations.
- Implementing the Privatization Program.
- Developing the financial sector
- Oman Chamber of Commerce and Industry (OCCI) and the Omani Centre for Investment Promotion and Export Promotion (OCIPED) directing efforts towards the encouragement of investments, export promotion, support for the Omani products and other issues of importance to the private sector.
- Utilizing the innovative advancements taking place in the field of IT for introducing greater flexibility and simplification to the business formalities. This is reflected in the two important processes of the re-engineering of the Ministry of Commerce and Industry, and the One Stop Shop.
- Directing attention and support to Small and Medium Enterprises (SMEs). This has manifested in the creation of the Directorate General for the Development of Small and Medium Enterprises through Royal Decree 19/2007.

The Omani private sector has reacted positively to those measures, as can be seen in its increasing involvement in the new investment initiatives and the tangible contribution it is making in the various production and services fields.

Oman’s strong commitment to the policies of trade and investment liberalization and openness was behind the country’s accession to the WTO, the signing of the Free Trade Agreement with the United States, its membership in the Greater Arab Free Trade Area and its signing of economic and trade cooperation agreements with a number of countries.

Such liberalization measures have permitted greater market access for Omani exports and laid the foundation for a healthy investment environment. The private sector however, while enjoying such benefits, is getting prepared for meeting the challenges associated with the extended liberalization, particularly the forthcoming foreign competition resulting from the free trade agreements.

During the past few years the Omani private sector has shown signs of confidence in its development. It has gained good and diverse experience in the areas of investment and foreign trade. Here we cite some of the important activities and functions in which the Omani private sector has been involved:

- Through OCCI, Omani businessmen participate with the concerned government organs in discussing plans and important economic policy issues.
- Representatives from the private sector join the Omani delegations to the Joint Commissions concerned with the follow-up of trade and economic cooperation agreements with other countries.
- Through the membership of OCCI, the Omani private sector is taking part in the execution of the cooperation protocols signed between OCCI and its counterparts in countries of trade and investment importance to Oman.

Coordination within GCC

In compliance with the basic objectives of the Gulf Cooperation Council (GCC), the Sultanate of Oman maintains a high level of coordination with its sister GCC member states. As a result, Oman is proudly associated with the remarkable success that GCC is making in the various economic fields. Prominent here are the establishment of the Gulf Custom Union and, of late, the Gulf Common Market.

The Omani private sector, through Oman Chamber of Commerce and Industry, is playing its role in cementing the mutually beneficial ties between GCC and other regional and international trading organizations. It is also taking part in the functions organized by FGCCC with the private sector from different countries and economic groupings.
KHARAFI NATIONAL CULTURE OF EXCELLENCE

More than Three Decades of Success in the Middle East & North Africa

www.kharafinational.com
The Federation of the Gulf Cooperation Council Chambers (FGCCC)

Introduction

The Ministry of Energy and Industry is focusing on ensuring the welfare of future generations and has provided all necessary means to pursue the country’s economic diversification policy. Taking into consideration the limited oil reserves compared to other countries in the region, we have focused on the optimal utilization strategy, which naturally includes utilizing Qatar’s huge natural gas reserves. The country, therefore, has set up a healthy climate for foreign investment, underpinned by transparent regulations and laws.

Industrial development is an issue of overriding concern in the drive of the Ministry of Energy & Industry towards the acquisition, adaption and localization of modern technologies and adding to the welfare and national pride of the country.

Within the framework of its strategic orientation, the Ministry asserts the pivotal role that the private sector plays in the overall industrial development process. To this end, it has provided generous incentives aimed at encouraging the private sector’s active and effective participation in the industrial development of the country and provide a better investment climate for local as well as for foreign investors.

Before analyzing the Ministry’s strategy to enhance and support the private sector, we will provide a brief overview of economic growth in Qatar.

Growth Record and recent Economic Development:

Qatar has had the Middle East’s best performing economy over the past ten years. Fuelled by a doubling in liquefied natural gas (LNG) production and robust oil prices, during 2000-2008 GDP jumped from US$17.660 billion in 2000, to US$42.463 billion in 2005 and to more than US$ 100 billion in 2008.

GDP per capita has increased from US$17,660 in 2000 to US$49,655 in 2005, to over US$ 70,000 in 2008.

As a result, economic fundamentals have improved over the past several years as GDP growth has been exceptionally strong, fiscal and monetary policy has both been supportive of balanced, robust growth.

This robust economic growth coupled with improving debt and ongoing political reform; improve Qatar rating capital Intelligence (CI) raised sovereign long term foreign and local currency rating from A3 to A1+ in 2008. The outlook for Qatar’s rating is stable.

Capital intelligence stated that the upgrade reflects the increasing Strength and flexibility of the governments balance sheet and Qatar external finances as well as the scale of hydrocarbon production supported by high level of energy prices. CI further stated that the rating also takes into account the good progress made in diversifying the economy and the expanding role of the private sector.

According to the World Economic Forum 2008-2009 reports, Qatar is the most competitive Arab Economy, ranking 26th worldwide.

The Qatari market is dominated by the Oil and Gas sector, with downstream processing forming many of the major industrial companies in Qatar. During the last ten years, Qatar has witnessed the laying of the foundation stones and the coming on the stream of a number of various gigantic projects, including ethylene and polyethylene, urea and urea formaldehyde, methanol, reinforcement bars and billets, a condensates refinery, an aluminum smelter, and two GTL plants.

Qatar is proud to have been able to create a healthy partnership environment and attract a large number of leading international companies with advanced technology and substantial financial strength to joint efforts and engage in mutually beneficial long-term relations. Such partners include: Exxon Mobile, Total, Royal Dutch Shell and Conoco Philips.
The inflation rate in 2007 is estimated to be 13.7%. Rising inflation in recent years has been fuelled by higher rents caused by shortage of housing for imported labor. This is expected to ease as new housing comes on stream and non-oil commodity prices stabilize. Declined inflation levels for 2008 are anticipated to be in the limit of historical norms.

The future trend of economic growth will register substantial growth due to strong increase in production and export of LNG, which is expected to jump from 42 million tons in 2008 to 77 million tons in 2010, while oil prices will remain above the average rate of the past ten years as well as oil production will increase from 850 thousand barrel per day in 2007 to (1) million barrel per day in the near future.

Investment Environment in Qatar:
The Qatari government is seeking to diversify the country’s economy into non the oil and gas sector, with particular attention being paid to encouraging domestic and foreign small and medium sized non-energy firms to setup in the country in order:

1- To broaden the country’s economic base (more downstream industries).
2- To stimulate employment of Qatari nationals.
3- To encourage profitable private sector involvements in industrial as well as economic development.
4- To encourage the development of viable small and medium size industrial projects which enjoy comparative advantages.

In the light of the above, the Qatari Government has established a business environment including active motivation and encouragement to the private sector to invest in viable economic industries which:

- Ensure optimal utilization of locally available raw materials and feedstock.
- Enjoy a large market in Qatar.
- Are complementary to existing industry.
- Support local industries:

The focus also covered those industries related to the basic industries in Qatar, either to produce or manufacture some of the inputs needed by these industries, or that consumes and transforms the various petrochemical and metal products manufactured locally and convert them into finished industrial products thus adding value and benefiting from the available synergies and favorable business environment.

The favorable business environment includes:

1. Investment Incentives
The Government offers several attractive incentives to SMEs, such as:

- Natural gas priced at a nominal and subsidized rate
- Electricity at a very nominal rate
- Developed infrastructure
- Industrial land at a nominal rent starting at 10 Qatari Riyals per square meter per year (Note: Land rent can differ from area and also from the public and Private Sectors).
- No customs duties on imports of machinery, equipment and spare parts.
- No export duties.
- No taxes on corporate profits for pre-determined periods.

In addition to the above, the government also offers the following incentives:

- No quantitative quotas on imports.
- No income tax on salaries of expatriates.
- No exchange control regulations. The Qatari Riyal is freely convertible at a parity of US$1 = 3.64 Qatari Riyals; an exchange rate which has been stable for over the past two decades.
- Excellent medical and educational facilities.
Aamal Company is one of the GCC’s fastest growing diversified conglomerates, offering high quality exposure to the Qatar growth story, running operations across 16 business units with market leading positions in key sectors: property management and development, industrial manufacturing, retail, managed services, medical equipment and pharmaceuticals.

Aamal Company diversified sources of income provides strength, stability and a higher return on investment. Aamal Company aims to build a solid industrial base, utilizing the best know-how and expertise to fulfill the market needs through international partnerships and ventures.
Easy access to world markets with first class air and sea connections.

Excellent telecommunications facilities.

Liberal immigration and employment rules to enable import of skilled and unskilled labors.

2. Foreign Investment:
Qatar welcomes foreign participation in joint ventures through technology supply. Market administration and equity participation. Government initiatives to attract the flow of foreign capital into the state can be attributing to various incentives provided. The states commitment in this direction was further witnessed thought the passing of the foreign investment law by an Emir decree in mid-October 2000, the setting up of the Investment Promotion Department at the Ministry of business and trade, law establishing the Qatar Science and Technology Park, the law establishing the Qatar Financial Center, and the new commercial law in 2006.

Foreign investors may invest in all sectors of the national economy provided they have one or more Qatari partners whose share shall not be less than 51% of the capital. It is however permissible by a decision from the Minister of Economy and Commerce for foreign investors to exceed the percentage of their participation up to 100% of the projects capital in the sectors of agriculture, industry, health, education, tourism and the development and exploitation of natural resources or energy or mining.

The law offers several incentives for foreign investors including the allotment of land through long-term lease agreements for a period up to 30 years, which may be renewed.

Foreign investors are permitted to perform whatever is required for the establishment, operation and expansion of the project.

The Ministry may grant foreign Investors:
- Exemption from income tax for a period not exceeding ten years
- Exemption from custom duties with regard to imported machinery and equipment necessary for the establishment of the project
- Exemption from custom duties with regard to primary or semi-manufactured materials necessary for production, provided such materials are not available in the local market.

Foreign investors have the freedom to transfer investments to and from abroad without delay.

Foreign Investment Finance: There are no restrictions on foreign using their own funds to participate in Qatari businesses. If foreign investors own funds are insufficient to finance the business, the investors may approach a Qatari, GCC, or indeed any bank for finance. Bank financing in Qatar is granted on normal commercial terms.

3. Qatar Financial Centre (QFC)
opened its doors on May 1, 2005, under Law No.7 of 2005, to attract international financial institutions and multi-national firms to establish themselves in Qatar. Qatar’s vibrant economy and an estimated capital investment programmed of over US$130 billion in the next five years provided vast opportunities for international financial institutions. The QFC has been designed to attract the primer international financial institutions and corporations to share in the wealth of Qatar and the region and to share in the vision of a long-term mutually beneficial partnership with Qatar. The QFC provides a world –class business environment for undertaking financial services and also promotes revenue generating opportunities internationally. The QFC provides a familiar international legal business infrastructure that is separate from the host Qatari systems. Qatar Science and Technology Park.
Total is France's largest corporation and one of the world’s largest oil and gas companies. It operates in more than 130 countries and has 96,000 employees.

Thank to a 70 years presence, Total has built a strong presence in Qatar and has today the most diversified interests. It is active in all stages of the energy industry, from upstream (oil and gas exploration and production) to downstream (refining and marketing). Total is also a leading player in petrochemicals, as well as intermediate and specialty chemicals.

Total operates the offshore Al-Khaleej oil field, discovered in 1991, where the group uses highly innovative technologies to optimise the recovery rate of a very complex reservoir.

Total was one of the founding partners of Qatargas 1, the first liquefied natural gas (LNG) project developed in Qatar. Qatargas 1 started operations in 1996 and has a current capacity of 10 million tonnes per annum of LNG. Total holds a 20% interest in the upstream part of the project and a 10% interest in the liquefaction plant.

In 2006, Total expanded its involvement in the LNG industry in Qatar taking a 16.7% equity interest in Qatargas 2 Train 5. Total also signed Sales and Purchase Agreements for the purchase of up to 5.2 million tonnes per year of LNG from Qatargas 2 for a period of 25 years for four destinations (France, the UK, the US and Mexico).

In addition, Total is one of founding partners of the Dolphin project, the largest natural gas project ever developed between three countries in the Gulf. In 2001, Total, jointly with Mubadala Development Company of Abu Dhabi, entered into a Production Sharing Agreement with Qatar Petroleum (QP) for the sale of 2 billion cubic feet per day of North Field gas to the United Arab Emirates (UAE) and Oman.
In downstream activities, Total is involved, with a 10% equity share, in the Laffan refinery project, a 146,000-barrels-per-day refinery in Ras Laffan to process condensate produced from North Field gas.

Total Petrochemicals, the group’s chemicals branch, holds a 20% stake in Qatar Petrochemical Company (QAPCO), a major producer of ethylene and low density polyethylene (LDPE). In 2007, QAPCO successfully completed an expansion of its ethane cracker in Mesaieed Industrial City, bringing its total ethylene production capacity to 720,000 tonnes per annum.

Total is further expanding its petrochemical activities in Qatar through Qatofin, a joint venture between Total Petrochemicals (36%), QAPCO (63%), and Qatar Petroleum (1%), which has built a 450,000 tonnes per annum linear low density polyethylene (LLDPE) plant in Mesaieed. Through Qatofin, Total Petrochemicals is also participating in the construction of a new world-scale ethane cracker in Ras Laffan, with a capacity of 1.3 million-tonnes-per-annum.

Concurrently, Total is looking to play a leading role in knowledge transfer through its scholarship and training programs for Qatari students and staff, and through the establishment of Total Research Center – Qatar (TRC-Q), which started its activities in 2009 within Qatar’s Science and Technology Park.
4. **Qatar Science and Technology Park (QSTP)** was set established as an Internationally-renowned centre for research excellence and commercialization. The QSTP is part of Qatar foundation and aims at being a home for technology–based companies from around the world, and an ideal location for start-up companies. The QSTP operates as a free-zone providing favorable investment incentives and access to world-class international research universities present at the « Education City. The QSTP has been successful in attracting leading world-wide business establishment and current tenants include European Aeronautic Defense and Space Company (EADS), Exxon Mobile, Gartner Lee, Microsoft, Rolls –Royce, Royal Dutch Shell and Total.

5. **Establishment of modern Infrastructure, including:**
   - Excellent and modern road systems that include highways linking Qatar with other GCC countries.
   - Easy access to world markets with first class air connections through Doha International Airport and sea Connections, thought Mesaied and Raslaffan, as well as Doha Port.
   - Liberal immigration and employment and rules to enable import of skilled and unskilled labor.
   - Excellent communication facilities; Qatar has a modern telecommunication system, which gives immediate telephone, GSM, telex, facsimile and internet access to all parts of the world.
     The telecommunications sector is witnessing tremendous growth, with rising demand, especially in mobile communications.
   - Qatar industrial areas: One of the majors incentives and support to the private sector has been the establishment of many industrial areas with all the facilities and utilities needed provided to the industrial projects at very reasonable prices. The main industrial areas are as follows:
     a. Ras Laffan Industrial City (RLIC).
     b. Mesaieed industrial City.
     c. Small and medium size (Salwa road industrial area) industrial Area.

6. **Privatization and the development of private sector:**
   The privatization agenda, which began in 1998 with the sale of Qatar Telecom, followed by a number of economic projects, such as Electricity &Water Company, Qatar industries, and many other companies. There is a wide scope for this next stage, since there is a strong policy commitment to seeing this next stage through.

   The formation of IQ (Industries Qatar) was a turning point in the economic development of the country creating an important conglomerate with 30% of its capital offered to the public IQ has proved a complete success, and its impact on the private sector was very encouraging.

   As a result, the government is preparing diverse industrial projects which will be offered to the public in the near future.

7. **Qatar Intermediate Industrics Holding Co. Ltd (QIH)**
   OH was established in 2005 as a national corporation, fully owned by Qatar Petroleum (QP) Qatar Holding will provide strong support to the private sector through the establishment of intermediate industries which will creates many investment opportunities in the downstream industrial projects carries out by the private sector.

   OH has been established with the view to become a public share company, and will offer a portion of the equity holding in the holding in the company to Qatari private investors through an IPO at Doha Security Market (DSM) to support and enhance the private sector industrial investment in Qatar.

   The scope of work of the company is to identify, study, develop and implement viable intermediate and downstream new industrial projects and ventures in Qatar, based on the availability of raw material from the existing and planned industrial complexes in Qatar.
The objectives of the company are:

- To ensure the optimal utilization of the country’s hydrocarbon resources through the integration of upstream and downstream industrial projects.

- To progress upstream and downstream projects in parallel in order to make best use of the opportunity available to Qatar economy.

- To develop downstream petrochemical and iron & steel industries based on the existing and potential availability of feedback(s) from QP various facilities and resources.

- To incorporate state of the art technologies with proven technical and commercial parameters in these projects as well as to develop supportive business alignments that make the products from these projects globally competitive in a long-term perspectives.

- To carry out projects in each of the areas where QP has a significant competitive advantage.

Based on the above OH welcome cooperation and partnership from companies around the world to develop feasible and viable industrial projects in Qatar. Priority will be given to foreign participation in joint ventures through technology and knowhow supply, market administration and equity participation.

8. Other Investment Promotion Provided to SMEs:

- Established Technical Committee for the development of Downstream Industrial Projects.

Qatar Petroleum in order to promote and develop downstream business related to basic industries in Qatar, and to achieve optimal utilization of industrial integration and to fill production gaps resulting from importing significant amounts of such industrial needs from abroad, decided to set up a technical committee chaired by QP, with members from concerned affiliated companies to QP, in addition to: Department of Industrial Development, Qatar Holding Company, Department of downstream Ventures, and Mssaid industrial area.

The Committee Objectives:

The committee will study and identify potential investment opportunities related to existing, planned or in progress industries, for the manufacture of end use products to realize more value added, and to manufacture the input needed for such projects, and to promote such opportunities to private investors as companies or individuals.

Committee Activities:

- Identify and develop investment opportunities based on the raw materials and feedstock available in the country from the existing and planned complexes in the state of Qatar.

- Identify the potential investment opportunities, related to the inputs of the basic industries and based on manufacturing of some of its inputs needs.

- Preparing investment profiles which identify primary economic indication of such opportunities, including: production capacity – product’s definition – its application – size of the market available for the product – production process – raw material needed – total investment – economic indicators (IRR)

The new Committee with representatives of many QP affiliated companies will play a key role in promoting viable projects in various sectors of industry such as petrochemical and metals industries by utilizing the locally available feedback from crude oil, natural gas, refined oil products, LPG, petrochemicals, fertilizers, iron and steel, etc, with the view to produce intermediate and finished products for local, regional and global markets.
Total, one of the world’s largest oil and gas companies, is proud of its contribution to the country’s natural resources and country development of its most valuable asset – Its People. In the energy sector, Total has established various partnerships involving AL-KHALIJ FIELD, QATARGAS I and II, DOLPHIN, QAPCO, QATOFIN. In the Total Research Centre Qatar (TRCQ), research studies and training of young people of Qatar will be performed to meet the energy challenges of tomorrow. For the community Total is equally proud to be able to contribute to advancing standards in Education, Sports and the Environment. Our responsibility is to meet the increasing demand for energy on a safe and sustainable basis. www.total.com
Organizing International Conference to promote small and medium size industrial projects:

The Ministry of energy and industry will be organizing the “1st International Conference on Industrial Investment Opportunities in Qatar” during 2010 to promote viable and feasible investment opportunities to the private sector. International investors will be invited to participate in the said conference and present their own joint venture project proposals, to the Qatari businessmen.

The main emphasis in the said conference will be on new technologies, know how, market expertise, operational experience to develop small and medium industrial joint ventures in the intermediate and downstream industrial projects. We are sure that there is a great potential and larger scope for foreign investment based on transparent Government policies and fast growing economy of Qatar.

Conclusion:

It’s important to highlight the key elements and advantages that Qatar offer to world wide investors:

- Qatar’s World Class Energy Reserve Potential.
- Regional Logistical Advantages.
- Operational Credibility and supply.
- A willingness to move downstream.
- Government providing security and social stability with commitment to fret market.
- Multicultural and diverse work force.
- Access to global financial and commodity markets.
- Fairly good infrastructure port, industrial cities, in addition to world class roads and airport are been developed.
- Access to high quality education, for example, Qatar was highly evaluated in the United Nations report 2005, on the development of human recourses.

External Conditions will probably benefit Qatar significantly over the long term, not only because oil prices will remain relatively high but, more significantly, because global demand for cleaner forms of energy is expected to rise. Qatari LNG is likely to become increasingly popular, as it is a relatively clean fuel.

The government’s efforts to diversify the economy away from a reliance on the energy sector will be aided by the steady liberalization of global trade, with Qatar already pursuing a number of free-trade deals, either bilaterally or as a member of the Gulf Co-operation Council (GCC) and Arab Free Trade Area (AFTA).
The private sector partnership with the government has an important role to play in the upcoming stage. A partnership that should encourage the required investments, vital to the national economy, and necessary to shift it from the dependence on a single depleted source to a productive economy that relies on multiple resources. This is crucial to challenge the actual difficult economic conditions, experienced nowadays by all countries across the world. Taking into consideration the fierce competition in the globalization age, the State of Kuwait is sparing no effort to create the appropriate environment, and provide full support for a genuine and effective partnership with the private sector institutions.

This policy is consistent with our aspiration to transform the economy, bearing in mind that the contribution of the private sector to the growth of the Gross Domestic Product is a key indicator to assess the progress and the development of the State. It is undoubtedly a sign of its economic strength and its competitiveness in the different fields.

The private sector is a dynamic protagonist in the strategic objectives of the State of Kuwait: to be a financial and commercial hub in the world. But to achieve an effective multi-sectored partnership with the private institutions, many goals should be attained:

First: Preparing a white paper related to the strategy that is common to both the Government and the private sector institutions. The targets should be clearly set, and the scope of the participation of the private institutions clearly defined. Furthermore, there is a need to state the ways to achieve these goals in all State sectors, such as education and scientific research, services, information technology, health, human resources development, software development, infrastructure… etc.

The white paper or the planned strategy should address also the powers and rights that may be given to the private sector, allowing it to play an effective role. Such participation should focus on developing various State sectors, and create an attracting environment for investments. In this regard, both competition and integration should be taken into account.

Furthermore, there should be full awareness of the role to be played by each party and a will to build mutual trust and constructive cooperation. Interests of both parties and public welfare will be considered. The main current issues, such as integrating education output, diversifying income resources and improving government and civil services will be addressed.

Second: Enacting new economic legislations and amending the existing to achieve an effective participation of the private sector in the development and the welfare of the nation and the citizens. The State of Kuwait is indeed fully aware of the role of the private sector in the development of the national economy, and appreciates it fully.

Thus, the Government drafted a number of laws, some new and others amending existing ones. It sounds a necessary step to keep pace with the requirements of our times. There are draft-laws that were issued and already implemented, others are ongoing and will be enacted in the near future, God willing!

Among those already issued, the most important address citizens employment in the private sector, promotion of financial stability, public debt, fair competition, fraud in commercial transactions, construction, recruitment, and transfer regulations, privatization of Kuwait Airways, the third telecommunications company, tax cuts to foreign investors, and laws concerning the contribution of companies operating in Kuwait in the Zakat and public services, according to their profits.
BBK has been the pioneer in Commercial Banking for over 35 years in the Kingdom of Bahrain. As a revolutionary market leader, BBK has built a name and reputation which is respected locally as well as internationally. To maintain this reputation, BBK has been at the forefront, incorporating the latest technologies to provide the finest services. One example of which is the e-banking solutions offered by BBK, which provide new generation services through its user friendly award winning website www.bbkonline.com, along with the telebanking, Cash depository machines and ATM services. BBK is proud to be ranked in the top 10 amongst all listed companies in the GCC for the second consecutive year for their corporate governance practices, according to the BASIC methodology which was developed by The National Investor and endorsed by Hawkamah, the Institute for Corporate Governance.
Among the draft laws not issued yet, the most significant are those related to capital market, privatization, commercial agencies, companies, electronic trade. There are also some laws that will amend import provisions, patent, customs, industrial models and general tax laws.

When the mentioned laws and drafts are completed and implemented, a whole legislative umbrella system will be effective, and will serve to achieve true partnership of the private sector in the development process.

The package of laws includes in fact, appropriate solutions to the economic issues, and should encourage the private sector to play its role with high spirits, determination and full confidence. It provides it with a sense of its importance and its vital role in the development process. It also ensures that investments are protected by laws and supported by the Government, and that the private sector has its say in decision-making for the interest of the public and the State.

Third: Actions
Strategic and economic legislative packages are not enough to implement the partnership between the private sector and the State. Therefore, the latter is required to activate it by means of procedures, facilities, services, investment incentives and allocation of land properties needed for investment purposes. Furthermore, the State is required to develop the infrastructure and promote - locally and globally - the available investment opportunities in Kuwait.

On the other hand, the State should improve the organisational and institutional environment for investment and business, support it electronically by connecting the government and the private sector, establish and expand free zones, and conclude protocols among GCC countries. This is supposed to foster integration of the activities that strengthen the private sector, and avoid the pression of unwelcome competition. It is particularly wise in these times of globalization and alliances building. In parallel, marketing studies and similar business tools should also be available.

In the previous period, the State implemented executive measures in this context, and His Highness the Prime Minister made business visits to many countries. In return, the State of Kuwait hosted high-level trade visitors. And it all resulted in signing trade, financial and economic agreements.

Besides, the past period has also brought about the completion of the al-Hukuma Mall and two other key projects of storage and logistics areas, north and west of the country.

The Municipality Council has allocated four sites to be used as parking lots for commercial trucks, in order to facilitate land transport services. The Board of Directors of the Public Authority for Industry will hand out during the coming period, God willing, nearly 2000 industrial coupons in Sabhan, Al-Shedadiah, Amghara and al-Shuaiba districts. Furthermore, there is cooperation with the Centre of Excellence in Management at the University of Kuwait to re-assess the work at the Ministry of Commerce and Industry. The aim of such initiative is to contribute to the simplification of procedures, the training of staff on ministry’s laws and regulations, and the study of the notes of the Auditing Diwan in an optic of future prevention.

Hence, the availability of all these factors will achieve, God willing, an effective partnership of the private sector’s institutions in various fields of development, working thus towards the public welfare of the nation and the citizens.
Seef Properties...offering a diverse portfolio of commercial, residential, recreational and entertainment options. Owning and managing over 100,000 sq m of commercial space spread across 45 urban locations, providing long-term returns to investors standing tall as one of Bahrain’s largest real estate companies and commercial success stories!
I am pleased to express my delight and my pride for the publication of this book, in occasion of the thirtieth anniversary of the Federation of GCC Chambers. The General Secretariat fulfilled indeed during this period outstanding achievements, working hardly and assiduously to reach our honorable objectives: the enhancement of the private sector role within the economic and social development path of the GCC countries, allowing it to become the leader and the pioneer of the march.

Through their fruitful and constructive cooperation and their support of the Federation activities and events, all member chambers played a significant role in the achievements of the General Secretariat at different levels. I wish that such cooperation continues and grows in the coming period. In fact, the current economic variables oblige us to intensify our joint efforts to face the challenges and the expectations.

I am pleased to point with respect to the great support the General Secretariat of the Federation received from their Majesties and Highnesses the leaders of GCC countries. They listened open-heartedly and wisely to the private sector views about activating the private sector role in the economic integration process, from the activation of the free trade zone to the Gulf Common Market. The cooperation of the General Secretariat of the GCC was important and effective in their support of the activities and events of the Federation. This was achieved in the general frame of enhancing the partnership between the private and the public sectors, and addressing the economic issues that concern both parties.

I am pleased to extend my gratitude to all the colleagues who chaired the Federation in the last years and all the General Secretaries, for the support they provided all along. Their efforts allowed the current positive results that the General Secretariat of the Federation achieved. I hope that such fruitful support will continue in the future.

Finally, I would like to present my heartfelt gratitude to H.R.H. the Servant of the Holy Shrines for the hospitality that the Kingdom - as Government and nation - offers to the Headquarters of the General Secretariat, and the unlimited support provided all along the previous years. I also extend our thanks to H.R.H. Emir of the Sharqia Region for the support he provided to the Federation, as well as all the officials in the Ministry of Foreign Affairs, and the concerned parties in the Kingdom of Saudi Arabia - Government and nation - for easing the General Secretariat’s duties and supporting it. All this allowed the General Secretariat to fulfill its mission, servicing easily the Gulf private sector.

H.E. Sheikh Saleh Abdullah Kamel
Chairman of the Federation of GCC Chambers

Our hopes and ambitions are great, while we expect that the General Secretariat of the Federation will continue its successful and brilliant march, as well as all the efforts of the loyal actors in the private and public sectors in supporting the Federation. Hence, it will continue to play its role, offer its services, and organize those activities and events that concern the economies of the Council countries in general, and the Gulf private sector in particular.
With over ninety years of history in Spain and abroad, OHL is one of the largest construction and concessions services groups in Spain with presence in twenty one countries across four continents.

While the Group's primary business lines include construction and infrastructure concession services, in recent years, OHL has successfully broken into construction-related sectors of great growth potential, such as environmental projects, urban and infrastructure services, and social leisure developments.

The companies that comprise OHL Group have a long history of executing work abroad. In fact, the first projects carried out by the Group date back to 1912, with the construction of two docks at the Port of Lisbon.

OHL, recognized internationally as a pioneer in the international construction industry, has been responsible for completing projects throughout Europe for more than five decades. In addition, the Group has been active in Africa since 1918.

Since its creation, the OHL Group’s overseas activities have soared. To date, OHL has successfully completed major infrastructure projects and non-residential construction work in 33 countries across four continents.

Currently, OHL has permanently established roots in twenty one countries, where it boasts a vast network of local offices and subsidiaries.

**History**

OHL is the result of the merger of Obrascon, Huarte and Lain.

**Brief History of Obrascon**

*May 15, 1911*

The company is founded in Bilbao (Spain) as the General Association of Projects and Constructions Obrascón, S.A.

*1912*

Its first project consists of two docks in the Port of Lisbon (Portugal). Between 1953 and 1973 it is owned by the Bank of Bilbao, and later on by Altos Hornos de Vizcaya.

*1987*

Juan-Miguel Villar Mir, together with José Luis García Villalba and other professionals from the sector, acquires the company from its owner at the time.

**Since 1991**

The company goes public.

**Brief History of Huarte**

*1927*

The company is founded in Pamplona (Spain) by the Huarte and Malumbres families. Led by Félix Huarte, it manages to reach a privileged position in the sector.

*1996*

Obrascón joins Huarte as an industrial partner.

*1998*

The merger becomes effective in January. The sixth construction group in the country is born.

**Brief History of Lain**

*1963*

Lain Constructors becomes a subsidiary company of the British Group John Laing Construction.

*1988*

A group of professionals acquire 90% of the company, changing its corporate name to Lain Constructions.

*1991*

The company goes public.

*1999*

The company joins Obrascón Huarte in May, thus forming OHL.
The Federation of the Gulf Cooperation Council (FGCCC)

Fernando Casares Bridge, Spain

Military Hospital “La Reina”, Santiago de Chile

Mexican Ring Road, México DF

Railway Ankara Istanbul High Speed Line, Turkey

Madrid Railway Station, Madrid, Spain

Masaryk’s university Campus, Czech
OHL has had a continuous International presence since 1912

OHL’s activities in the Latin American markets dates back to 1970 with Argentina being its initial point. Since then, the Group’s presence is continuously reinforced through its permanent delegations in various countries where the company has carried out large infrastructure and building projects. Mexico, Chile, Argentina, Ecuador and Colombia are countries where OHL’s activity is intense. In 2008 it expanded into Peru by acquiring de construction company TP SAC (formerly Tizón P SAC).

The main Projects Include the México city Beltway: Phase I, II and III (totalling 116 kms. of paved length), the Buenavista-Cuautitlán railway, the Elevated bicentenary Viaduct (which includes three lanes and connects to the Mexico city Beltway which the OHL Group built and operates), The Military Hospital, La Reina, in Santiago de Chile (the most important of Latin America), some sections of the Santiago de Chile’s Metro, 4 tunnels in Guayaquil, Ecuador, several hospitals in Argentina, or the Red Vial 4 Highway on the North Panamerican Route in Peru.

OHL’s foothold in Africa is in Algeria, while Turkey, Qatar and Azerbaijan are its chosen markets in the Middle East. OHL’s active presence in Algeria during the past years, materialized in the construction of three very relevant projects: the Alger Ring Road, the Railway line between Annaba and Ramdame Djamel and the Oran Convention Centre comprised of a Convention Hall, Exposition Centre, a five star Hotel and an underground parking. The İnönü to Esenkent section of the Ankara to Istanbul (240 km.) High-Speed Railway in Turkey is one of the most complex railways executed by a Spanish construction company.

The Group acquired its leading position in Eastern Europe in 2003 with the takeover of the ZPSV-ZS Brno Construction Group. The regional parent company, OHL ZS (formerly ZS Brno), is one of the Czech Republic’s foremost railway construction firms. OHL has also expanded to Slovakia, Bulgaria, Hungary, Bosnia and Herzegovina, and Montenegro.

Some railway projects include the Optimization of the Strabo-Planar Mariánských Railway stretch in Czech Republic and the Modernization of the Zilina-Krasno nad Kysucou railway line in Slovakia or the Reconstruction of the Mezötúr-Gyoma Railway Stretch in Hungary.

In North America, OHL International Construction has operated since 2006, in Florida (USA), through two companies: Tower-OHL Group, a construction company and Community Asphalt in civil works. In 2008 the Group expanded with the acquisition of Arellano Construction a medical facilities construction company. In 2009, OHL also established its presence in Canada.

The main projects include the SR-826 / SR-836 Interchange in Miami (USA) (the most important highway interchange in Miami) between the Dolphin Expressway that connects Miami downtown with the airport, and the Palmetto Expressway, North-South corridor through the industrial zone. Highway projects include the US-1 and I-95 in Florida and the Miami Metrorail Rapid Transit System Expansion Project. Phase I of the Metrorail, comprised of the new 39.6 km Orange Line, will expand the Miami metro to the Miami International Airport. This is the first construction contract in the US rail sector to be awarded to a Spanish company.
Since the approval of the Unified Economic Agreement between the GCC countries in 1981, and the subsequent ratification of the updated version in 2001, the GCC countries recorded several economic achievements. It includes the declaration of Gulf Customs Union in 2003, the Gulf Common Market at the beginning of 2008, and the ongoing efforts to create a unified Gulf currency in 2010. This indicates that GCC countries are actively pursuing the achievements of the Gulf nations’ aspirations, under their wise leadership.

The Gulf private sector has recorded a notable presence in the Gulf economic development path. It appears that this presence is currently more intensive and organized, assisted by the governments’ conviction of the growing role of the private sector. Therefore, they approved the principle of partnership in all development programs and plans, and offered several packages of incentives, facilities and support, in order to enrich the career of the private sector, and develop its role in the Gulf developmental activity, particularly in the economic and investment fields.

The economic activity is currently facing the challenges of the global financial crisis. This crisis is still negatively affecting world economies, including the Gulf ones, at varying rates. Consequently, it requires concerted Gulf moves to face the current and future repercussions, potentially harmful to the expected role of the private sector in the Gulf development path. It is therefore very important that Gulf governments move collectively or individually to support the private sector in this particular phase. This would allow the private sector to overcome the crisis with minimal possible losses, and contribute consequently in an effective way to revive the Gulf economies.

It is also very important also to find more effective methods to follow-up the Gulf economic decisions that have the support of GCC leaderships. When implemented, these decisions may face challenges and require major support and follow-up, in order to yield the desired results. This would clearly affect the volume of investment and the commercial cooperation and exchanges between GCC countries. Consequently, the decisions would achieve the comprehensive economic integration that will reflect positively on the Gulf citizens. The private sector aspires to be more involved in drafting the Gulf economic laws, during the upcoming phase.

The Gulf private sector is fully aware of its responsibilities and is concerned by its effective roles in the Gulf integration path. It also demonstrates a greater deal of cooperation at various levels and in all fields. Our responsibility in the Chamber of Commerce and Industry in the GCC countries makes us strive to support coordination between the public and the private public sector, enhance the efforts of the private sector in the Gulf economic development programs and plans, and promote the opportunities of integration, competition and partnership regionally and globally.
LAYING IDEAS.

Tomorrow is our arena. Our goal is to connect leading players in power and communications to whatever’s next.
The 30th anniversary of the Federation of the GCC Chambers (FGCCC) crowns the long efforts it carried out over the last thirty years. Although many objectives were effectively achieved – for the Gulf private sector, the current and future phases require new thought and mechanisms, able to address the economic developments in a more effective and positive way. It is in fact, quite easy to observe the dimension of the changes occurring in the global economic system, both locally and internationally.

The most characteristic feature of this change and development is the growing role of the private sector in the management of the development process. It is a role that prescribes, generally, to the Gulf private sector to have the necessary vision and tools to achieve a comprehensive and sustainable development, and to fill the gap left out by the governments. The latter used to fulfill and respond to the social requirements, and used to play other roles - some of which our governments still carry nowadays.

When the private sector is required to hold the reins of initiative to manage the development process, it implies a commitment to maintain the social and health advantages of the citizens, and not to achieve any economic gain at the expense of the social and human privileges of the nations.

Hence, the future vision of the chambers and their various federations must have an adequate level of social responsibility commitment. The economic trends should foster a comprehensive and sustainable development. It is an issue that imposes commitments and responsibilities on all parties, i.e., governments, civil society organizations, and chambers of commerce.

I presume that among the other variables that should be considered - while preparing this strategy and this vision - there is the need to define the regional and international economic developments, the way to deal with international economic unions, and how to establish ourselves an active economic union that is influential, both regionally and globally.
Executive Summary

Aamal Company is one of the GCC’s fastest growing diversified conglomerates, offering high quality exposure to the Qatar growth story. Focused on sustained, profitable growth and strongly diversified for balanced exposure across Qatar’s growing economy, Aamal’s operations comprise over 18 business units with market leading positions in the key property management and development, industrial, retail, managed services, medical equipment and pharmaceutical sectors. Listed on the Qatar Exchange, Aamal currently ranks in the top 10 listed companies by market capitalisation.

Aamal Company aims to strengthen its leading position by implementing a prudential strategy focusing on Diversification and Operational Efficiency, Market Leadership, Quality of Service, Business Development and Human Capital.

Aamal Company diversified sources of income provide strength, stability and a higher return on investment to shareholders and business partners.

Aamal Company Branches and Subsidiaries

Trading & Distribution Division

Aamal Trading and Distribution: one of the leading trading & distribution companies in Qatar with a diverse range of activities. Aamal trading and Distribution has three main division; Tyres, Oils & Lubricants Division, Cleaning Equipment Division and Air Conditioning Division. Aamal Trading & Distribution are agents for leading brands such as Total, Bridgestone and Karcher cleaning equipment.

Aamal Medical: Specialized in the sale of medical equipment, provide total solutions for small, medium & large hospitals in addition to medical consumables and health IT solutions.

Aamal Medical is an ISO certified branch and is considered one of the best companies in the region and are the exclusive agents for major international well known suppliers.

Ebn Sina Medical: Ebn Sina Medical is considered one of the leading pharmaceuticals organizations in the State of Qatar; holding sole Distribution Agreements with several reputed international companies and are active in the import distribution, promotion and retails of Pharmaceuticals, Appliances and Disposables in addition Consumer Products. Ebn Sina Medical is an ISO certified company and it has been recently re-certified with the upgraded version of ISO 9001:2008.

Bottega Verde: Bottega Verde is considered one of the most famous international Italian brands specialized in creating, producing and selling cosmetics based on active plant principles. Bottega Verde was introduced to the Qatari Market in 2007 with its distinguished outlet located in City Center Doha shopping mall and in 2009 Bottega Verde opened a branch in Bahrain.

Property Management & Development

City Center Doha: is considered the largest shopping mall in Qatar and one of the biggest in the region with a total build-up area of 300,000m2. City Center shopping mall is owned by Aamal Company and managed by ECE Projektmanagment, the European market leader in the field of inner city shopping management.

Aamal Real Estate: owns both residential and commercial properties located in prime locations in Doha.
Foot Care Center: Foot Care Center is considered an important addition to the local market offering several therapeutic services. There are two branches in Qatar and in 2009 Foot Care Center Branch opened in Bahrain.

Industrial Manufacturing Division

Aamal Ready-mix: one of the largest producers of quality ready-mixed concrete. Aamal Ready-mix is regarded as the preferred source of quality service for a wide variety of businesses, contractors, mega projects of the public & private sector.

Aamal Cement Industries W.L.L: specialized in the production of curb stone, interlock slabs and cement blocks. Aamal Cement Industries is equipped with the top of the line machinery.

COMETRANS Qatar W.L.L: In partnership with leading transport infrastructure company Cometrans Group of Argentina “Cometrans Qatar” will focus on the development and operation of the newly announced rail systems to be built in Qatar and the GCC and will also create a manufacturing facility for the assembly of buses and other industrial vehicles.

IMO Qatar W.L.L: In partnership with the German company IMO Group; IMO Qatar is specialized in Construction maintenance and shut down of refineries and petrochemicals and it represents a group of the top international industrial companies in the world, offering comprehensive services to its clients.

Senyar Industries Qatar Holding: Established in partnership with El Sewedy Electric Group, Senyar Industries plans to introduce several industrial projects in Qatar catering for the rising demand of the industrial sector. Senyar Industries has succeeded in establishing Doha Cables and two additional plants “Aluminum Factory” and “Transformers Factory” are under process.

Advanced Pipes and Cast Company W.L.L: In Partnership with the German Company MAN Ferrostaal Industrieanlagen, Aamal Advanced Pipes Company W.L.L specialized to manufacture water pipe systems for infrastructure and pipeline projects in Qatar and surrounding countries.

Frijns Structural Steel Middle East W.L.L: In Partnership with the Dutch Company Frijns Industrial Group, Frijns Steel Construction-Middle East specialized in the production assembly and maintenance of heavy steel constructions for petrochemicals and process industry.

C-San Trading W.L.L: In Partnership with Masraf Al Rayyan; C-San Holding will direct its operations towards potential investments in various sectors such as the Industrial, Real Estate and Trading in the local & international markets.

Doha Cables: Specialized in the production of all types of power cables, low voltage, medium voltage, high voltage and extra high voltage power cables.

Managed Services

ECCO Gulf W.L.L: In partnership with Ecco Egypt, Ecco Gulf provides several services in the ICT sector such as Contact Service Business Unit, Business Outsourcing Unit in addition to Training and Development.

Aamal Services: one of the biggest house keeping companies in Qatar, committed to deliver the most innovative, holistic, time efficient and cost effective solutions by maintaining high level of hygiene standards through using the best equipment and products.

Aamal Travel: is among the first agencies to begin operation in Qatar providing comprehensive range of travel services.

As an IATA accredited agent Aamal Travel & Tourism has access to all international Airlines reservation systems and electronic tickets stock.

www.aamal.com.qa
Al Faisal Holding

Al Faisal Holding, one of Qatar’s leading private companies is owned by His Excellency Sheikh Faisal Bin Qassim Al Thani. Al Faisal Holding played a significant role in the development of the Qatari economy and infrastructure. For more than 40 years, Al Faisal Holding has introduced many opportunities and attracted diverse foreign investments in several different sectors in Qatar.

Through internal growth, mergers & acquisitions, industry successes and international partnerships, Al Faisal Holding has proved itself as a prominent player in the fast-paced local, regional and global marketplace, equipped with the experience and vision to lead the way to the future. With the growing population and the rising industrial needs to support the economic growth, Al Faisal Holding believes there is an ample opportunity for new investments in industries and service sectors in Qatar.

Al Faisal Holding has many divisions operating under its umbrella; Property, Construction, Trading, Transport & Excavation, Entertainment, Education, Service Division and Information Technology Division.

It is important to highlight the most recent operational expansion of Al Faisal Holding; Al Rayyan Tourism Investment Company to execute the expansion of City Center Doha by building five hotels in collaboration with the top names in the hotelier industry such as Shangri La Hotel, Rotana Hotel, Renaissance Doha City Center, Courtyard by Marriott City Center, Marriott Executive Apartments Doha City Center and Grand Maritim Hotel.

Al Faisal Holding is not only considered a leading business entity, but it is also regarded as a leading player in promoting the heritage and education of Qatar. Al Faisal Holding Education Division runs the Gulf English School, one of the best English Schools in Doha offering G.C.S.E and I.B programs for its students and Stenden Hodge University, one of the top ranked universities in Netherlands. Its faculty of tourism and hospitality service management is widely recognized by the international service industry and their hotel management programs are accredited by the European Foundation for the Accreditation of Hotel School Programs (EFAH). In addition, Al Faisal Holding has recently signed an agreement with Qatar University to create Al Faisal Holding Fund for Business Administration studies.

Al Faisal Holding will continue to grow in all sectors with special focus on the hospitality and leisure sector locally and internationally, supported by strong business activities. Al Faisal Holding shall continue to move forward in step with the major developments that are rapidly taking place in Qatar and the Globe.
L E A D I N G  T H E  W A Y  T O  T H E  F U T U R E

An organization where the highest caliber of business resources and professionals come together, and leading Qatar with a world class international investment community.

Exceeding Expectations
Seef Properties BSC (Seef), formerly a wholly owned subsidiary of the Housing Bank, was established in 1999 by the Government of Bahrain as a public registered company under the Ministry of Industry and Commerce to manage the Seef Mall, Isa Town Mall and other properties. On December 16, 2001, His Majesty Hamad bin Isa bin Salman Al-Khalifa, the King of Bahrain announced an initiative to privatize the company and gifted 30% of its ownership to ‘eligible citizens’ (identified as needy families). In order to facilitate implementation of His Majesty’s directives, the shareholders resolved to transfer the company’s ownership to the Ministry of Finance (MoF).

The MoF subsequently allocated 30% of the ownership to widows and orphans and appointed a member of the Ministry of Justice and Social Affairs on the Seef Board to represent the interests of these needy families. The Pension Fund Commission also subscribed to a portion of the equity, which was offered by the MoF to selected investors on a private placement basis.

In December 2006, the shareholders decided to convert Seef Properties from a closed company into a public joint stock company in order to let the people of Bahrain share in its continuing success by encouraging them to become shareholders and own a part of the business. To meet this objective of Bahrain’s privatization initiative, MoF’s stake in Seef was offered to the public through a BD26 million (USD69.5 million) initial public offering on the Bahrain Stock Exchange in April 2007.

Today, Seef Properties is Bahrain’s largest real estate company and is one of its commercial success stories. Set up to offer cutting-edge real estate products and services that provide long term returns to investors, its primary focus is to develop commercial, retail and residential properties as well as entertainment and leisure facilities in the Kingdom of Bahrain. It owns and manages over 100,000 sq m of commercial space spread across 45 locations in the island with a portfolio of over 700 retail tenants. It also has ownership of some available-for-sale investments.

Seef Properties operates Bahrain’s most popular shopping malls – its flagship Seef Mall and Isa Town Mall - that house world-class retail, fashion and jewellery brands and cater to the local and expatriate population as well as tourists, particularly from GCC countries. Its flagship family recreational facility is Magic Island, which is presently operational in Seef Mall and Marina Mall.

The company also owns Fraser Suites Seef Bahrain, a high-end serviced apartment tower located in Seef Mall.

Seef Properties has an authorised capital of BD100 million, its issued and paid-up capital at the end of 2009 being BD 46 million.
The Federation of the Gulf Cooperation Council Chambers (FGCCC)

The Federation began intensively its activities in early 1980 in its headquarters in Dammam. There were meetings, conferences, seminars, exhibitions, and exchange visits between businessmen in these countries. The Federation also participated in major events on pan-Arab and international levels, and established ties with Arab and regional federations and organizations. The GCC countries took careful steps to bolster cooperation ties, and consequently signed the Unified Economic Agreement, passed in March 1983. In the wake of the incidents that the region witnessed in August 1990, the Federation's name was amended and became: the Federation of GCC Chambers, whose members are the chambers of commerce and industry of the GCC countries.

Article 4 of the statute sets forth the Federation's goals, and the mechanisms to achieve them. The Federation's mission consists of three primary goals. The first was to achieve the Gulf’s economic integration within a comprehensive, effective and advanced framework. It is based on the strong belief that this integration is the mainstay of any true, sustainable and balanced development of the GCC countries, collectively and individually, and it would transform the GCC countries into an economic hub equipped to deal and coexist with other economic hubs.

The second goal is to represent all the Gulf sectors on Arab, regional, and international levels, from the perspective of businessmen/women in the GCC countries. It is a representation that expresses their views and coordinates their positions. It would essentially indicate that the private sector will serve as the foundation and the driving force of the development, as long as the States provide it with appropriate legislative and regulatory frameworks. The representation will indicate also that economic freedom, based on equal opportunities, encouraging...
competition and banning monopoly and exploitation, is the ideal way to achieve welfare, justice, and social balance. It is the best means to create and develop decent and viable job opportunities for citizens of the Gulf.

The third goal is to enhance the role of the member chambers and their federations, since they represent business communities and the private sector in their respective countries. It consists also in supporting their technical and administrative institutions and their technological abilities. This would allow the private sector to perform its role in the best way, and to harmonize the opinions and positions in front of other Arab, regional and international economic entities and organizations. The aim is also to support the qualitative efforts of the unions, economic enterprises and specialized organizations that serve the objectives of the Federation.

To achieve the goals stipulated in article 4 of the Federation’s statute, article 5 provides that the Federation shall seek to achieve the following:

- Economic citizenship for the peoples of the GCC countries in all member States, including the right to work, own property and invest;
- Freedom of movement for national products among GCC countries with no administrative and customs restrictions; Exploration of fields and opportunities of creating joint GCC ventures;
- Benefiting from the available possibilities to develop the agricultural sector, fisheries and livestock in the GCC countries;
- Integration and complementarity among GCC countries in banking, insurance and shipping services, as well as in the telecommunications and transportation fields;
- Harmonizing monetary policies of the GCC countries in order to reach a unified common currency;
- Harmonizing marketing policies of the materials needed by all or some of the GCC countries, especially foods and strategic materials;
- Jointly coordinating and regulating efforts to market products of GCC countries in regional, Arab and international markets;
- Disseminate and share economic information, publications and research. Provide members with data, studies, and proposals. Publish economic and legal studies to express views on economic policies and legislation in GCC countries, and publish the required periodicals, newsletters and guides;
- Organize or participate in regional and international economic conferences to promote GCC products and broaden their markets;
- Expand in the settlement of commercial disagreements and disputes that arise between businessmen and business ventures in different countries of the GCC, provided that the parties agree to settle the cases through arbitration, and refer them to the GCC Commercial Arbitration Center;
- Train and develop national workforce in the GCC countries;
- Support and reinforce efforts to strengthen economic cooperation ties between the GCC countries and other Arab countries in various fields;
- Any other steps, legislation and procedures that help to achieve the Federation’s goals and that are approved by the Council.

Article 6 provides that the Federation shall seek to achieve its goals through the coordination and follow-up with official entities in member States, and in accordance with the resolutions related to economic cooperation and integration, and adopted during the meetings of the officials.
Furthermore, article 7 of the statute stipulates that in order to achieve its objectives, the Federation shall work closely with the General Secretariat of the GCC countries and communicate and coordinate with the General Union of Arab chambers and other relevant Arab, regional and international organizations and institutions.

Members of the federations and the GCC Chambers have joined forces in the Federation since its launch in order to achieve the objectives and duties set forth in its statute. The implementation would lead to the materialization of the stated objectives through achievements, benefits and concrete steps on the path of economic integration. This is to be achieved through interaction and coordination with the General Secretariat, based on the joint meetings between the GCC’s General Secretariat and the presidents and members of GCC chambers. These meetings were held simultaneously with the periodic meetings of the Federation of GCC Chambers’ board of directors. These joint efforts seek to highlight the private sector’s role in the Gulf’s economy and its participation in drawing up and defining the economic policy. Consequently, the private sector would request to participate in the meetings of the ministerial committees of GCC countries, especially when addressing the issues related to the private sector’s interests. Through these committees, the private sector should seek to convey the views and proposals of businessmen to higher authorities and decision makers. In this regard, it is necessary to recognize the substantial role that the General Secretariat of GCC is playing through the follow-up of the enforcement of the resolutions of the Federation’s board of directors. This is achieved through the coordination and cooperation with federations and chambers in the GCC countries, through the issues raised during the meetings of the executive leadership committees of the Chambers of GCC countries, and by focusing on major topics and proposals in an attempt to harmonize views and positions. Furthermore, discussing the federation’s work program and events in detail ensures a broader participation and an accurate organization that pave the way to achieving the targeted goals.

The Federation of UAE Chambers of Commerce and Industry has actively contributed in the implementation of the Federation programs and events and contributed to its budget. The Federation of UAE Chambers of Commerce and Industry is indeed a founding member of the Federation of GCC Chambers and attended all the meetings of its technical, legal, administrative and financial committees. The UAE hosted many of its events and meetings, including seminars, conferences and joint exhibitions over the last three decades.

We highly praise the strides and accomplishments of the General Secretariat, and the goals it seeks to accomplish in coordination with the General Secretariat of the GCC. It all aims to the benefit of the common Gulf economic endeavors, and speeds up the steps to establish the Common Gulf Market. It includes as well all goals and steps that support the implementation of the resolutions reached at the summit meetings of the GCC countries’ leaders. The actual aim of these meetings is to achieve the desired economic and social integration of the GCC countries in the framework of the GCC Unified Economic Agreement, and to create a common economy based on solid grounds, capable of confronting and containing the negative impact of the serious global financial crisis affecting the private sector around the world.

Finally, we must congratulate the Federation of GCC Chambers on the 30th anniversary of its establishment, and praise all the brothers who contributed to chair the Federation, and run its activities and events. We extend our sincere wishes to all the Federation’s employees.

*May the Almighty guide us to success!*
Sanofi-aventis was incorporated under the laws of France in 1994 as a société anonyme, a form of limited liability company, for a term of 99 years. We are present in more than 100 countries on five continents with more than 98,000 employees worldwide at year end 2008.

Our legacy companies, Sanofi-Synthélabo (formed by a merger between Sanofi and Synthélabo in 1999) and Aventis (formed by the combination of Rhône-Poulenc and Hoechst also in 1999), bring to the Group more than a century of experience in the pharmaceutical industry.

Sanofi was founded in 1973 by Elf Aquitaine, a French oil company, when it took control of the Labaz group, a pharmaceutical company. Its first significant venture into the United States market was the acquisition of the prescription pharmaceuticals business of Sterling Winthrop — an affiliate of Eastman Kodak — in 1994.

Synthélabo was founded in 1970 through the merger of two French pharmaceutical laboratories, Laboratoires Dausse (founded in 1834) and Laboratoires Robert & Carrière (founded in 1899). In 1973, the French cosmetics group L’Oréal acquired the majority of its share capital.

Hoechst traces its origins to the second half of the 19th century, with the German industrial revolution and the emergence of the chemical industry. Traditionally active in pharmaceuticals, Hoechst strengthened its position in that industry by taking a controlling interest in Roussel-Uclaf in 1974 and the U.S. pharmaceutical company Marion Merrell in 1995.

Rhône-Poulenc was formed in 1928 from the merger of two French companies: a chemical company created by the Poulenc brothers and the Société Chimique des Usines du Rhône, which was founded in 1895.

The company’s activities in the first half of the 20th century focused on producing chemicals, textiles and pharmaceuticals. Rhône-Poulenc began to focus its activities on life sciences in the 1990s, which led to the successive purchases of Rorer, a U.S. pharmaceutical company acquired in two stages in 1990 and 1997, Pasteur Mérieux Connaught in the area of vaccines in 1994 and the U.K.-based pharmaceuticals company Fisons in 1995.

Sanofi-Synthélabo took control of Aventis in August 2004 and changed its registered name to “sanofi-aventis”. On December 31, 2004, Aventis merged with and into sanofi-aventis, with sanofi-aventis as the surviving company.
Sanofi-aventis is a diversified global healthcare company, focused on patients’ needs. The leading pharmaceutical company in Europe and in emerging markets, sanofi-aventis is the fourth largest worldwide (source IMS 2008). The Group’s vaccine division, sanofi pasteur, is the world leader for human vaccine production and commercialization.

A worldwide presence, market leadership in vaccines, major biological products and a strong and long-established presence in emerging markets: these are the core strengths of sanofi-aventis. Company business activities also include consumer healthcare products, generics and animal health products.

Our business strategy is based on three key themes to reach and deliver sustainable growth:

- increasing innovation in Research and Development,
- adapting our structures to meet the challenges of the future,
- exploring external growth opportunities.

Sanofi-aventis Research and Development strategy will be increasingly focused on key technologies and diseases, providing the best response to patients’ needs. Sanofi-aventis explores new avenues of research; partnerships with other companies (in the field of biotechnologies, nanotechnologies, bio markers…) to identify the best projects and bring new medicines to market.

As a healthcare leader, sanofi-aventis is concerned about global public health issues and implements a regional approach to markets to make the most of local opportunities.
Could you describe sanofi aventis latest changes in its Development strategy engaged by Mr. Chris Viehbacher to our readers?

Sanofi-aventis is committed to constantly adapt its development model to meet the world’s emerging health problems. It is our ambition to become a diversified global healthcare leader, focused on patients’ needs. Accordingly, our business strategy is based on three key themes:

- **Increasing innovation in Research & Development**
  Through focusing on patients’ needs, we aim to become the most productive R&D organization in the healthcare sector. To do this, we have carried out a complete review of our portfolio.
  Moving forward, we will evolve our decision-making process, creating an innovative and dynamic organization, developing a clear strategy to tap into the best science around the world.

- **Adapting our structures to meet the challenges of the future**
  The crucial questions facing our industry are clear: “How can we change the model? How can we create more sustainable growth?” To answer these questions, we have to identify the resources and the competencies we need to grow. We are growing in markets as diverse as the patients themselves. New technologies open new avenues of research. Vaccines, biologicals, generics and consumer healthcare (OTC) require sanofi-aventis teams to move out of the classical pharmaceutical mindset. Our company has a history of adapting to opportunity and we will build upon this strength.

- **Exploring external growth opportunities**
  The reasons why we must diversify: prescription pharmaceuticals, our core business activity, are vulnerable to patent expiry.
  We aim to build business activities like vaccines, consumer healthcare, generics, to create a basis for more sustainable growth. We will of course maintain our pharmaceutical business, but we will also reply to future global healthcare challenges with a broader platform of offerings, which are more affordable and accessible to patients with fewer economic resources.

Sanofi Aventis is present in each GCC Country, would you describe to our readers the role of these local presences and maybe their particularities of role and mission in your GCC strategy?

Being a global healthcare leader involves working for social progress, economic development and respect for the environment. Sanofi-aventis cares about the local communities, we implement tailored initiatives that are adapted to a wide variety of stakeholders: patients and patient associations, the general public, healthcare professionals, suppliers and subcontractors, NGOs, the media, shareholders and investors, government agencies and health authorities. We are dedicated to address eminent health care problems at a local level. To achieve this we work at two levels;

a) To work locally with health authorities and federal governments to adapt health care programs tailored to the specific needs of each country

b) To address regional entities such as GCC council of health ministers and regional associations to address eminent health care problems at a regional level

What is the role played by Sanofi Aventis with the Gulf Countries who have begun their policies of health diversification and independence? What will be your main role?

As a global leader in healthcare, sanofi-aventis is concerned by public health issues wherever these may be. Enhancing public health and the health care system is a complex set of issues that start with the political commitment of public decision-makers. As a global healthcare leader, we are committed to share best practices with health authorities in GCC countries to support them fulfil their health care objectives and strategies for better health outcomes. We are looking for all public and private partnerships that will open a door to new solutions for better health. For example, faced with the public health challenge that the diabetes epidemic represents, sanofi-aventis signed a 3-years agreement.
with the UAE ministry of Health to combat diabetes. Our concern about public health issues necessitates the enrollment of similar activity in all Gulf countries.

One of the principal strategy in GCC Countries is the investment for Research and Development. The State of Qatar, The UAE and recently the Kingdom of Bahrain are implementing Research Centers with International partners, How is Sanofi Aventis contributing to this strategy globally and are you developing Investment projects with private or Governmental partners in GCC ?

We are a research-based company and we invest in R&D to meet current gaps and to anticipate future challenges. Since 2005 sanofi-aventis has invested heavily in the field of epidemiological research in the GCC region. Research activities were partnered with reputable Gulf scientific societies such as the “Gulf Heart Association”. Our local research investments mounted for more than 2 million euro.

Our Main areas of research & publications:

**Diabetes**
- IDMPS study (2000 pts)
- Diabetes in Ramadan (500 pts)

**Cardiology**
- Gulf ACS registry (Gulf Race). 8000 Pts
- AGATHA study 2000 pts
- REACH STUDY 150 pts
- Stroke registry 1500 pts

The Generic’s development is another one of the major project in the coming years. What is the role played by Sanofi Aventis in order to contribute of the Generic’s development and invest in the long term development in GCC Countries?

Sanofi-aventis is a major player in generics, with Zentiva, Winthrop, Medley and Kendrick. Building a larger business in generic medicines is an important part of our growth strategy. Focusing on the needs of patients, we are adopting a local approach, working closely with the health authorities offering more quality products and making them more affordable to more patients.

What are your projects in the Gulf Countries in short and medium terms?

Diabetes represents a big healthcare burden in the region. We are committed to drive the agenda for more effective solutions for people with diabetes in the region. Given our expertise and record of developing effective solutions for diabetes patients, we are constantly working with the local health authorities in major national campaigns addressing the various stakeholders; patients, public, the health community, and the media. We routinely run awareness campaigns to highlight the importance of maintaining good glycemic control, and encourage screening, good nutrition and physical exercise. Moreover we represent a company with the best offer for patients; on top of our patient support programs, the Group offers a broad spectrum of the best in class therapeutic solutions. In the short and medium terms we are fully geared towards expanding our partnerships with health authorities to all Gulf countries in our attempt to combat diabetes and support patients with diabetes.

**Mr. Jean-Marc Voissier**
Sanofi-aventis General Manager
Growth should not have a specific ceiling...

but we’d rather let the plants decide that.

Ever since we planted the seeds of our operation in Qatar, we have never ceased to expand steadily to meet growing demand for our range of products. We are consistently increasing our facilities, knowing that there is still room for more growth ahead.
The private sector has emerged as the key player in determining the future of both States and global economies. This is justified through its significant contribution to the success of development programs and plans formulated by the States, as well as its ability to generate, diversify and attract investment opportunities, absorb large percentage of the work force and create new jobs. The private sector plays a crucial role in developing the bilateral and multilateral cooperation amongst States and groups, increasing and developing exports, commercial investments, service exchanges and more.

Undoubtedly, the private sector in the Gulf includes institutions and companies with huge financial capabilities that may be invested in multiple financial and business domains. The independence of the private sector’s management provides it with flexibility, focus and adaptation to the rapid and changing development that characterize the economic activity. Other additional features allowed it to accomplish many achievements, contribute to activate the economic situation, and expand the productive capacities of the national economies in the GCC States.

Many variables justify the urge to expand the role of Gulf private sector and its involvement in the economic decision-making. It is concerned in particular - more than other actors - with the implementation of the Decisions and the activation of its provisions. But the most important regional variable is probably, the strategic trend of the GCC governments to achieve diversification of income resources, and reduce dependence on oil. The governments of the GCC States emphasize on the importance of strengthening the cooperation policy, and the joint economic action between the public and the private sectors of the GCC States. Moreover, the global economic crisis created a new reality with an urge to stimulate the Gulf economies, and recover from the effects of the crisis, by means of a greater participation of the Gulf private sector.

The private sector plays a central role in the economic and social development, it has the required advantages to address efficiently the rapid and successive economic changes at all levels. So, in light of the current world changes and taking the aforementioned data into account, we called for a greater participation of the private sector in drafting plans and programs of economic development of the GCC States. This would be implemented through the involvement of its representatives in all the ministerial, advisory, and operational committees of the Secretariat General of the GCC.

**Future Vision on the Private Sector Role in the Economies of the Gulf Cooperation Council**

H.E. Dr. Esam Abdulla Fakhroo,
President of the Bahrain Chamber of Commerce & Industry
Prior to the 29th session of the GCC Leaders’ Summit in Muscat, December 2008, the Federation of GCC Chambers prepared for the attendance visual presentations. It included its perceptions and proposals concerning the activation of the private sector’s role in the process of economic integration amongst GCC States, and the eradication of the obstacles and difficulties that slow this process. These proposals focused on several axes, and included: the legal mechanism for the promulgation of laws; the activation of the private sector’s role in the joint economic action; addressing the constraints that hinder the growth of multilateral trade; trading in services and cooperation in the industrial field; and activating the joint economic action mechanisms.

A delegation from the FGCCC had the honor of introducing these visual presentations to Their Majesties and Highnesses the Leaders of the Council, through a meeting in November 26, 2008, with His Highness Sheikh Hamad bin Khalifa Al Thani, Emir of Qatar and Chairman of the 28th session of the Council. It was followed by a meeting on March 9, 2009, with H.E. Mr. Fahd bin Mahmoud Al Said, Deputy Prime Minister in the Sultanate of Oman, whose country presides the current session of the Council. In these two meetings, the delegation introduced the perceptions of the FGCCC countries regarding the future role of the Gulf private sector. It focused also on the challenges facing the launch of the Gulf Common Market, and impeding the private sector’s participation in economic decision. The Federation showed that it was seeking to develop permanent institutional mechanisms to coordinate and cooperate with the General Secretariat of the GCC States, in order to secure an active participation in drafting and implementing economic decisions.

We believe that these visual presentations received good response from Their Majesties and Highnesses the Leaders of the Council, and from the officials and businessmen in GCC countries. They proposals drew also a wide media coverage that reflects their importance.

Certainly, we hail the resolution of Their Majesty and Highnesses the Leaders of the GCC, in their extraordinary summit in Riyadh, to involve the private sector in the committees of the General Secretariat of the GCC States. It is a historic resolution, and the natural outcome to the sum of actions led by the FGCCC in this regard.

We are also looking forward to the development of the resolution of Their Majesty and Highness the Leaders of the GCC, by establishing a supreme joint committee between the Secretariat General of the GCC and the Secretariat General of the FGCCC. Both parties will work on a common Gulf strategy that defines the objectives of the economic growth and the integration to be implemented in different fields: industrial, commercial, service, investment etc, in light of the current regional and global changes and variables.
Could you introduce Seef Properties to our readers?

Seef Properties is Bahrain’s largest real estate company and one of its commercial success stories. Set up to offer cutting-edge real estate products and services that provide long term returns to investors, its primary focus is to develop commercial, retail and residential properties as well as entertainment and leisure facilities in the Kingdom of Bahrain. It owns and manages over 100,000 sq m of commercial space spread across 45 urban locations in the island with a portfolio of over 700 retail tenants. It also has ownership of some ready-for-sale investments.

Seef Properties operates Bahrain’s most popular shopping malls – its flagship Seef Mall and Isa Town Mall - that house world-class retail, fashion and jewellery brands and cater to the local and expatriate population as well as tourists, particularly from GCC countries. Its flagship family recreational facility is Magic Island, which is presently operational in Seef Mall and Marina Mall.

The company also owns Fraser Suites Seef Bahrain, a high-end serviced apartment tower located in Seef Mall. Managed by Fraser Suites, this luxury property serves as the perfect base for business or leisure trips for families and offers a host of recreational facilities that include an outdoor swimming pool with Jacuzzi and childrens wading pool with whirlpool, well-equipped gym, and a spa with pools, sauna and steam rooms.

How did the project begin and what assistance did you receive in making it a reality?

Seef Properties BSC (Seef), formerly a wholly owned subsidiary of the Housing Bank, was established in 1999 by the Government of Bahrain as a public registered company under the Ministry of Industry and Commerce to manage the Seef Mall complex and other properties. On December 16, 2001, His Majesty Hamad bin Isa bin Salman Al-Khalifa, the King of Bahrain announced an initiative to privatisise the company and gifted 30% of its ownership to ‘eligible citizens’ (identified as needy families). In order to facilitate implementation of His Majesty’s directives, the shareholders resolved to transfer the company’s ownership to the Ministry of Finance (MoF).

The MoF subsequently allocated 30% of the ownership to widows and orphans and appointed a member of the Ministry of Justice and Social Affairs on the Seef Board to represent the interests of these needy families. The Pension Fund Commission also subscribed to a portion of the equity, which was offered by the MoF to selected investors on a private placement.

In December 2006, the shareholders decided to convert Seef Properties from a closed company into a public joint stock company in order to let the people of Bahrain share in its continuing success by encouraging them to become shareholders and own a part of the business. To meet this objective of Bahrain’s privatisation initiative, MoF’s stake in Seef was offered to the public through a BD26 million (USD69.5 million) initial public offering on the Bahrain Stock Exchange in April 2007.

Seef Properties has an authorised capital of BD100 million, its issued and paid-up capital at the end of 2008 being BD46 million.

A project like Seef is a draw for investors. How many companies have participated in its development and how many more companies do you expect to participate in upcoming projects?

As I mentioned earlier, Seef Properties is one of Bahrain’s commercial success stories and a shining example of sharing of the Kingdom’s wealth and assets with the common citizens through the government’s privatisation initiative. As a result, a significant proportion of the shareholders are widows and orphans from needy families. Other important shareholders include government agencies like the Pension Fund Commission as well as institutional investors, tenants, leaseholders and employees.
Seef Properties has entered into a joint venture with Eskan Bank to develop a BD25 million shopping complex on 20,000 sq m of land in the Saar area that would include shops, entertainment facilities, cinemas and an executive office for the mall management. There are other projects on the anvil as well and these will be announced as and when they are taken up for development.

Seef Properties has maintained its momentum of development over the years through prudent fiscal management and strategic project planning and a prime consideration in taking up new projects is stable long term returns to investors through sustainable growth.

**Could you give us more details of the different components of the Seef Properties development?**

The main components of the Seef Properties development are as follows:

**Seef Mall:** Located in Seef district, the mall is spread across an area of 135,000 sq m with gross leasable area of nearly 72,000 sq m. It is currently one of the largest shopping and entertainment destinations on the island, offering a selection of more than 300 retail units with over 155 international brands, a 16-screen multiplex cinema and more than 45 restaurants and coffee shops serving around 25,000 customers every day. A new extension of the mall, namely the West Wing, was opened in 2007.

The mall’s Magic Island family entertainment facility is spread across 4300 sq m and comprises 19 attractions, including Max Flight Simulator, The Chambor, Motion Theatre, Jump Zone, and other hi-tech games. The mall and its support facilities provide employment opportunities to nearly 2,000 Bahraini residents.

**Isa Town Mall:** One of Bahrain’s most modern malls, it attracts shoppers from Isa Town, Zayed Town, Sanad, A’ali and Riffa. With 5,500 sq m of retail space and over 115 stores offering local and international brands, Isa Town mall currently serves around 10,000 customers per week.

**Fraser Suites Seef Bahrain:** An impressive 19-storey building, it features 91 luxury serviced apartments ranging from quaint studios to large one- and two-bedroom suites and penthouses. Each of the stylish apartments boasts elegant interior design, plush fixtures and fittings, fully-equipped kitchen, state-of-the-art home entertainment system, wireless broadband internet connection and panoramic views. High-end hotel services such as 24-hour reception, concierge and security and daily housekeeping add a touch of glamour to the residential living experience, ensuring that guests can indulge in a world of relaxation and well-being.

**How do you see the evolution of Seef Properties in the medium and long term?**

Seef Properties would like to take on a significant role in the economic and real-estate development of the Kingdom. As a first step, Seef Mall would like to emphasize its position as the preferred destination for shoppers to provide top-class brands, as well as provide family entertainment and pleasure. Seef also recognizes its social responsibilities and raise awareness amongst the community through various programs and campaigns that would be actively supported in the Malls and properties owned.

Going further, Seef Properties would like to provide a sustained value and returns to its owners, stakeholders and potential investors.

**Mr. Abdul Rahman Fakhro**  
*Chairman*
Since its inception in March 1976 in Kuwait, Kharafi National has developed over the years into one of the major companies in the region. The perfect blend of a strong base coupled with vast resources at its disposal has enabled KN to undertake and play a lead role in the development of various projects in Infrastructure Project Development, Oil & Gas, Industrial & Facilities Management Services related Projects. KN continues to expand its horizons throughout the Gulf, the Middle East and beyond.

Today Kharafi National is the largest general contracting company in Kuwait with diversified fields of operations that includes planning, financing, engineering, procurement, construction, management, operation and maintenance services sectors. The Company is a leading Infrastructure Projects Developer (IPD) in the region capable of undertaking and successfully completing a wide range of challenging projects in water, wastewater treatment and reclamation, power, district cooling, solid waste management, renewable energy and enhanced oil recovery. KN actively pursues infrastructure projects on a BOT, BOO or PPP schemes.

Kharafi National is an international company with diversified operations in various fields of activity. The Company also plays a prominent role in construction and is a leading Industrial and Facilities Management Services provider to the oil & gas, power, water & wastewater and commercial sectors in the MENA region.
Kharafi National currently has a multinational workforce of over 25,000 of highly skilled and experienced employees in different disciplines, 28% of them are involved in the Management, Operation and Maintenance Services contracts.

Kharafi National owns and operates advanced fabrication facilities in Kuwait with state-of-the-art fabrication facilities for piping, structural steel, pressure vessels, skids and packages that meet international standards. The fabrication facilities are manufacturing a variety of process equipment used in oil and gas industry, petrochemical, chemical, fertilizers and power sectors such as pressure vessels, surge vessels, LPG storage vessels, separators, de-salters, skids, reactors, RO skids, storage tanks and evaporators. KN also undertakes structural fabrication for prestigious projects such as but not limited to stadiums, malls and amusement parks.

Our manufacturing facilities are equipped with sophisticated plant and equipment among these are CNC machines, a PWHT furnace, profile cutting machines, surface preparation and painting facilities, and enclosed vaults for 24-hour radiography work.

The manufacturing facilities are certified by international standard institutions such as ISO and ASME, and are entitled to impress its products with the U, U2, PP, S, NB and R stamps. It has a reputation for consistent high quality work, precise on-time delivery and moderate pricing policies, without compromising on health and safety of its manpower and environment.

The Company has an extensive Plant and Equipment Division with a fleet of company-owned heavy construction equipment exceeding 5,000 units, and plant/equipment with the value in excess of US $150 million. In addition to which Kharafi National own other support facilities such as:

- Engineering Services
- Information Technology
- Housing and Camp Facilities
- Storage and Warehouse Facilities
- Human Resources and Administration Services
- Inspection, Measuring and Test Equipment – IMTE

These facilities provide the backbone of our project support through the Gulf, Middle East and Africa.
Kharafi National listens to its clients; understand their needs; develops innovative, practical solutions that provide lasting value; work with a relentless focus on efficiency and safety; and execute plans promptly and efficiently as promised. Our understanding of business needs and innovative approach to facing challenges and surmounting them is amply reflected in our proven track record of success that has established Kharafi National as a trusted and valued business partner.

During its first three decades of operation, Kharafi National has grown steadily and now has an annual turnover exceeding US$1 billion. KN has also built strong lasting relationships with the most prominent international EPC firms and clients in the region.

Kharafi National is dedicated in its mission to continuously strive to improve its performance and efficiency, without compromising on its core values that have not changed and will never change.

Kharafi National continues on its journey of growth and in its never ending quest for perfection with renewed focus on its core businesses and an undying vigor to surpass all barriers and pave the way for optimum operational efficiency and earning more laurels in the years to come.

In today’s economy, working with a leader with a proven track record of skills and vast resources at its disposal makes more sense than ever.

The Company’s dedication to quality is reflected in being an ISO 9001:2008 company which operates in full compliance with ISO quality-assurance systems and procedures.

Kharafi National’s accreditation to OHSAS 18001:2007 provides affirmation to the Company’s full adherence to Occupational Health and Safety.

www.kharafinational.com
Qatar

Independent Mind·Body·Soul

Qatar is an independent nation with an independent spirit. It fully engages all five of the traveller’s senses with its lively, luxurious and surprising approach to leisure. Come and experience its indulgent resorts, restorative spas, exuberant sporting events, cultural landmarks, striking landscapes and spirited discussions for yourself.

Enrich yourself—mind, body and soul—with a few days’ holiday in Qatar.

www.qatartourism.gov.qa
The deep-rooted conviction of economic cooperation among any group of Arab countries is essentially a mere step towards the acceleration of comprehensive economic cooperation. This belief drove the Gulf Arab countries in the 1970s to achieve economic cooperation among them, while heeding that this drive must always remain within the framework of Arab comprehensive economic integration.

In this context, the Arab Gulf Chambers began their good offices to support the efforts of their governments and perform their role in this arena. To confirm the unity of objective and destiny, and support the Gulf economic cooperation steps, the Kuwait Chamber of Commerce and Industry (KCCI) introduced in 1976, the idea of convening a conference for the Arab Gulf Chambers to discuss the role of the private sector in promoting and accelerating the economic cooperation among the countries of the region. The KCCI was fully confident that it was reflecting the desire and the feelings of all chairmen and members of the Gulf Arab Chambers at that time. This was indeed confirmed by the immediate approval of the Kingdom of Saudi Arabia to host the conference in Jeddah, with the best sense of hospitality and capacities of organization. The success of this idea was further confirmed by the enthusiastic and rapid response of all the chambers to attend the conference.

With the same spirit of Jeddah meeting, the second meeting was hosted by Kuwait Chambers of Commerce and Industry on October 14, 1979 A.D./Dhul-Qi'dah 23, 1399H. It focused on one single target, clearly defined: to declare the foundation of the Federation of the GCC Chambers. The foundations of Federation and its goals were previously discussed and agreed. The conferees discussed the draft statutes of the Federation of GCC Chambers of Commerce, Industry and Agriculture, then it was passed and signed in the evening session of the same day.

Thus, GCC Chambers announced the establishment of its General Federation (before the establishment of the Gulf Cooperation Council in 1981) to serve as an institutional framework for the cooperation and coordination of its efforts. It would fully play its role, as a representative of the private sector, in the Gulf economic cooperation, based on three main considerations:

First: the Chambers efforts are consistent, integrated and coherent with the efforts of their governments in support of economic cooperation and integration amongst the countries of the region. Second: the achievement of economic integration amongst our countries is not only dictated by the brotherly emotions, the national feelings, the ties of history, geography, and unity of destiny, but this integration is beyond all, an economic necessity imposed by the global economic trends, the objective scientific theories, and the dire need for preserving the wealth of the region, and protecting it. Third: any effort to achieve economic cooperation amongst the Gulf states must be perceived and planned as part of a broader comprehensive vision: the economic integration at the level of the great Arab homeland.

Since its inception, three decades ago and so far, the officials and staff of the Federation of GCC Chambers did not hesitate to make every possible effort to attain the GCC coordination and economic integration in all activities and at various levels.

While fully convinced that the official government institutions in the GCC countries are growingly cooperating with the private sector, the economic and social challenges currently facing the Arab countries - including the Gulf States - require, nevertheless, provision of more public services such as health, education, social welfare, public utilities and job opportunities. No doubt that the satisfaction of these requisites...
allows the expansion of the private sector’s role in the economy, particularly as they require high degrees of flexibility, speed, innovation and advanced technology, in line with the active and creative nature of the private sector.

The consequences and the implications of the economic decisions have a comprehensive dimension. It is therefore necessary to involve the civil society organizations in decision-making, in order to gain sufficient support for its success. By its nature and in virtue of its activities, the private sector is best placed to extrapolate the dimensions of the economic decision. It is also the sector that endures its results and consequences; therefore, its participation – in our point of view – in that respect is extremely important. While we wish that the concerned officials facilitate such participation, we are simultaneously, fully aware that the private sector has to prepare the proven competencies, the documented studies and the balanced objectivity. We firmly believe that it welcomes this participation, and is fully capable to implement it.
Could you present to our readers your last results?

During 2008, IBERDROLA Engineering & Construction consolidated two key aspects of its strategic plan: internationalization and contracts awarded by third parties. This strategy has proven a success with a turnover of around 1,512 million Euros, an increase of 29% on the previous year, with profits after tax up by 44% at 79 million Euros.

This strategy has helped the Company to multiply by 4.5 its production levels during the last five years, while the order backlog has also multiply by more than 3.5 during the same period. In regards to international turnover, IBERDROLA Engineering & Construction is now the second largest energy engineering company in the world with projects in more than 25 countries.

Contracts awarded by companies not affiliated to Iberdrola Group amounted last year to 1,068 million and involved the Company’s four main business divisions: Generation, Renewable, Nuclear and Network. These contracts were awarded in Spain, Algeria, Mexico, France, Belgium, Brazil, Slovakia, Italy, Sweden, Switzerland, Ukraine, the USA and Poland. More than 80% of these new projects are located outside Spain, a clear indication of the Company’s ability to win contracts on the international market.

Iberdrola Engineering & Construction is today a worldwide company, which is involved in all the continents. What are your objectives and aims regarding the Gulf Region?

Our company is fully aware of the importance of the growing power sector in the Gulf. The region is currently experiencing important economic and social growth that should be backed by the energy sector. Countries are growing fast and steady and the authorities are making significant efforts to keep pace with the growing needs of the expanding population.

Iberdrola Engineering wants to be part of this experience and is working in participating in various power projects in the region. Currently, our company is building Mesaieed power plant (2000 MW), that will be finalized by the second quarter of next year, and has just concluded a cogeneration power station (225 MW) in Fujairah (UAE).

Our team at Iberdrola Engineering & Construction has extensive experience developing thermal and hydropower generation activities. Its knowledge on thermal power generation works has been acquired through its participation in power plants projects of all sizes and with different technologies.

But Iberdrola Engineering & Construction would also like to bring to the region some of its other expertise as we have extensive experience in renewable energy, nuclear power and networks facilities.

The development of nuclear power, as well as renewable energies, taking place nowadays in the region represents an important opportunity for Iberdrola Engineering & Construction.

Our company has strong capabilities in design engineering, construction and commissioning of renewable energy projects. Iberdrola Engineering & Construction has achieved relevant experience in wind power generation and solar generation (PV/ CSP), with a total capacity built of 4,000 MW in addition to deep knowledge of emerging technologies (wave and tidal, fuel cells) through participation in R&D programs and “first of a kind” prototypes. For example, our Company has very recently commissioned a 50 MW parabolic trough solar plant in Puertollano (Spain).

Regarding nuclear energy, Iberdrola Engineering & Construction offers a broad range of services to nuclear power plants. Currently, we are working in nuclear power projects in nine countries. There are two interesting projects; in Bulgaria, we are building one of the most advanced nuclear waste treatment plants in the world and, in Mexico, we are working in the repowering of Laguna Verde nuclear plant (1400 MW).

Our company has also completed a wide range of transmission and distribution network projects, specially substations, power lines and telecommunication. As part of Mesaieed Power Plant, we are building one of the biggest GIS substations (400 KV) in the world.

Could you please tell us how Iberdrola Engineering & Construction projects began in Qatar and in Fujeirah (UAE) and what assistance from local partners you have received in helping to make it a reality?

Iberdrola Engineering and Construction has built up its business in the Gulf in just five years. It was only in 2004 when the company opened its branch in Doha with very few employees and now we are building a combined...
cycle power plant of 2,000 MW in Qatar - a project worth 1,630 million dollars - and we have just handed over to our clients an open cycle power station in Fujairah (UAE) of 225 MW. Currently, the Company has more than 200 employees in the region. Our collaboration with local companies has always been remarkably good and regional country authorities have always shown full support for our work.

How could you define your role in order to established strong ties between Spain and GCC Countries?

Spain is linked to the Arab world through our common history and has always been one of the European countries with stronger ties to the Middle East. Even our language is full of Arabic terms.

Iberdrola Engineering & Construction is very interested in fostering good relations between Spain and the Gulf countries by working together straitening and developing the power sector in the region. Our Company wants to share its technical knowhow in the construction of power installations with electricity companies in the Middle East, helping them to achieve the best quality standards in their power facilities.

Nowadays, the environment and biodiversity are priorities. What are Iberdrola Engineering & Construction's projects involvements in order to respect this field?

Our focus on clean energy is one of the pillars of Iberdrola Group, from which Iberdrola Engineering & Construction is proudly part of. We work in furtherance of the aim that respect for our environment be perceived and recognized as a value that distinguishes and identifies us as a company.

Iberdrola Group, through its company Iberdrola Renovables, has become the world leader of the wind energy sector with more than 9,600 MW of installed power at the end of the first half of 2009.

Iberdrola Engineering & Construction, as part of Iberdrola Group policy, has established appropriate management systems that help reduce environmental risk. It obligates managers to follow strict compliance with the law, the various international commitments and internal regulations on environmental matters applicable to the activities, facilities, products and services of the Company, bearing in mind as well legislative trends and the latest international practices, and putting procedures in place that will allow the Company to know and control compliance with such commitments.

Iberdrola Engineering & Construction is compromise to ongoing efforts to identify, assess and reduce the adverse environmental effects of the activities, facilities, products and services of the company. In this aspect is very important to get all employees involved through precise information and training in the matter.

It is also important to highlight that Iberdrola Engineering & Construction fosters research and development of new technologies and processes that help to address climate change and other environmental challenges with a preventive approach, as well as to achieve a more efficient use of natural resources and progress towards a more sustainable energy model.

What are your projects in the near future in order to remain one of the leaders in your field?

Iberdrola Engineering & Construction aims to continue growing based on Iberdrola Group’s vision of “commitment to the creation of value, people’s quality of life and the protection of the environment” based on the values of corporate ethics and responsibility, respect for the environment, trust and sense of belonging from clients and shareholders.

The Company is committed to its strategy of internationalization and growth and will continue reaching out for new projects all over the World. Currently, more than 90% of its projects are in foreign markets. For that reason, at the beginning of this year Iberdrola Engineering & Construction went through a restructuring process to enhance its resources to the changing international arena and established regional divisions, one of which is Middle East, where the Company has a commercial office in Qatar.

Iberdrola Engineering & Construction will also continue working in maintaining its high standards through innovation, safety and quality management.

H.E. Joaquín Sans
Middle East General Manager
Addressing the role of the private sector in the economies of the GCC countries has recently gained much importance. It is due in particular to the current international economic circumstances, and the crisis undergone by the global economy, never occurred since the 1930s. Furthermore, many expectations concerning the crisis predicted that it “may” not slow before end 2009.

Based on the above, talking about an ambitioned role for the private sector in the economies of GCC countries may consequently lead to overpass the crisis and avoid its repercussions. Furthermore, this includes the control or the limitation of its negative effects, and the proposed mechanisms to remedy their effects on the economies of GCC countries, on both short and long terms, altogether with the efforts exerted by the countries themselves. This role is based on the growing importance attached to the private sector, its proactive action in the development process, the increase in economic growth rates within GCC countries, and its contribution to their GDPs.

In the upcoming stage, there is a call to the GCC countries’ for directing their efforts on developing, enhancing, and activating the role of the private sector in their economies. It also calls for setting long-term strategies that are especially tailored to achieve such objective. On the top of these strategies there is common vision with clear guidelines that need the approval of all parties. To fulfill said vision, work mechanisms in all areas and issues must be unified for the coming 25 years at least. But the most important is, surely, the issue concerning the role of the private sector in translating the “hopes” of establishing the Gulf Common Market into “actions”, and transforming dreams into reality.

Within this framework, it is very important to unify the visions of the private sector, and achieve harmony and consistency between them and the governmental trends in the GCC countries. These visions should also be in line with the main trends and guidelines adopted by the Gulf Cooperation Council, and agreed by the leaders of GCC countries. They should also be consistent with the call of the GCC leaders’ summit in December 2007, for speeding the Gulf Common Market process, according to the timetable endorsed by the Supreme Council. This should open the door to the pivotal role that the private sector is supposed to play, in its quality of a driving locomotive of the comprehensive development in all GCC countries.

As such, we have to highlight the major responsibilities of the Gulf Chambers as representatives of the private sector of the GCC countries. One of its key responsibilities is to activate the cooperation with other national actors, and focus on the importance of achieving the objectives stated in the bylaws of the Gulf Cooperation Council. They include the coordination, integration, and linkage between member countries in all areas, in order to realize unity and strengthen ties among their nations. They also comprise setting matching regulations in the various economic, financial, and commercial fields, unifying customs, ports, and transportation regulations, as well as educational, cultural, social, health, media, tourism, legislative, and administrative affairs. In addition, GCC bylaws provide for promoting scientific and technical advancement in the fields of industry, mining, agriculture, sea and animal wealth, and for establishing scientific research centers and joint ventures, and promoting cooperation of the private sector in GCC countries. Actually, the bylaws prompt the necessity to convert, develop, and expand such cooperation from a “bilateral” into a “hexa-lateral” framework, including all member countries.
OHL, one of the Spanish leading main contractors, launched its activity in 1911 and today is ranked 32th among the Top International Contractors.

The Group develops a wide range of infrastructure works within the construction sector:

- Transportation: roads, highways, railways (high speed railways, light railways, metro) and airports.
- Hydraulic: dams, canals, acueducts.
- Environmental: desalination and water treatment plants (carried out by Inima, 100% OHL Group’s, using its own technology).
- Marine Port and Civil Coastal infrastructure.
- Building: hospitals, administrative buildings, sports centres, schools, universities, residential.
- Piping: oil and gas pipelines.
- Energy: hydroelectric, cogeneration or alternative energy plants.

OHL Concessions, one of the Top 7 International Transportation Developers, is involved in PPP and BOT projects worldwide.

Internationalization has been a key business development strategy in OHL since 1912 with a long term permanence policy within the penetrated markets. The OHL group is currently present in 21 countries on four different continents.
On the other hand, the implementation of the Gulf Common Market, based on the Doha Declaration of December, 4th 2007 during the 28th Gulf Summit about the launch of the Gulf Common Market as of January, 1st 2008, imposes many responsibilities on governmental and official bodies. Such responsibilities aim at supporting coordination and integration between the private sectors organizations operating in GCC countries. They should also promote all forms of cooperation among business sectors, and support all efforts towards the conclusion of bilateral and multi-lateral agreements among businessmen/women in all GCC countries. Moreover, these responsibilities include the establishment of centers for businessmen/women to strengthen coordination efforts, cooperation ties, and joint businesses, and the founding of centers to develop and promote export, activating thus foreign trade. Another objective is extending encouraging facilities to the private sector in order to enhance the quality of merchandises and services through cutting-edge technologies available worldwide. This can also be achieved through decreasing cost and lowering prices to insure competitiveness in local markets, and to enter external markets. This should lead to positive effects on nationals by providing more employment opportunities and higher quality, yet cheaper, products.

The issue of directing Gulf investments towards member countries falls under the framework of freeing the Gulf production constituents. Such investments include industry, housing, and tourism sectors, consequently leading to the creation of new employment opportunities and the provision of housing services to GCC nationals. They will also result in establishing tourism projects which contribute to better communication, integration, and interaction among GCC nationals. Efforts should also target opening capital markets in GCC countries, and applying the provisions of the Supreme Council’s decision issued in its 23rd session, held in December 2002. The decision provided for the realization of the total parity among GCC nationals in the areas of stock owning and trading, as well as coordination and integration of stock and securities markets in GCC countries, and opening GCC skies to promote communication among nationals. Furthermore, the decision targets opening the door for airline companies, intensifying the number of flights between GCC countries, and promoting joint ventures among Gulf businessmen/women in the area of transport, including land transportation to facilitate the movement of GCC nationals.

The private sector in the Gulf region is looking forward to benefit from the opportunities available in the Gulf economy as one of the direct results of the establishment of such market. It also longs for enhancing production efficiency, achieving optimal use of available resources, enhancing the negotiating standing of GCC countries, and strengthening their effective and influential position among international economic unions.

In order to strengthen the role of the private sector in finding a solution for unemployment, we have to highlight the importance of implementing the decisions of the Supreme Council related to the opening of Gulf labor markets to national labor forces. This can be achieved by way of issuing legislations and giving employment priority to GCC nationals. We will need flexible legislations that take into considerations binary parameters: the needs of the private sector, and its role in employing national labor forces, as well as reinforcing Gulf citizenship, and social and economic relations among the nationals of its countries.
PROSPECTS. PERSPECTIVES. POSSIBILITIES.

It takes a certain mindset to look at what is, in the present, and visualize what may be, in the future. We see opportunities in apparent obstacles. We see endless possibilities in every pursuit. With over 50 years of such initiative we have grown from modest beginnings into a leading, powerful financial institution and today are expanding beyond Bahrain with our presence in Abu Dhabi and Riyadh. NBB. Let’s talk possibilities.

www.nbbonline.com
The foundation of the Federation of GCC Chambers constituted a powerful support to the cooperation between the public and the private sectors among the Council countries. It allowed facing the challenges encountered by the GCC countries, and preparing duly the way to contain its consequences on the economic and social situation. This required the conjugation of the efforts of both sectors in all fields and domains. Similarly, the strategic goals that their Highnesses and Excellencies, leaders of the GCC countries, work to achieve require from both sides a serious and efficient cooperation in order to translate the vision of the leaders into a real strategy servicing the citizen and the society in GCC countries.

Therefore, we are continuously looking for a real and effective role for the private sector in order to achieve the comprehensive development in the Council countries. Hence, the legislation, laws and decisions adopted by the Supreme Council of the GCC prepare the path in front of the private sector to play its role as a main component in the development process.

The birth of the Federation in its quality of active and effective entity, constituted an important pace in the common economic march. In turn, we consider in the General Secretariat of the GCC countries the Federation as an essential and effective partner in order to achieve the goals and implement the strategies. We have spared no effort to eliminate all obstacles that face the private sector and to establish all the required mechanisms, suggesting all means to reinforce the partnership between the two Secretariats in order to achieve the economic revival and the comprehensive development in the Council countries. We also follow thoroughly the efforts of the Federation of the GCC Chambers, and we are aware of the importance of its achievements. We bless all of those efforts and achievements.

The publication of this book to celebrate the thirtieth anniversary of the Federation reflects the reality of those efforts, and highlights the role that is required from the private sector, represented by the Federation of GCC Chambers. Therefore, we express our satisfaction that the private sector is today, an active partner, affecting deeply the course of the economic development and the commercial and financial dynamics. This is the role we have been expecting, and it is therefore logical that we appreciate these efforts and bless these paths.

The annual mixed meetings that gather the officials in both Secretariats, and where a selection of businessmen, commercial investors and those involved in economic affairs are present, reflect the importance given by all to support the private sector. In turn, we in the General Secretariat are keen to listen to the opinions and suggestions of the private sector officials, the investors and the businessmen. We work hard to remove any obstacles or difficulties faced by the private sector.

After viewing - with due respect - this special publication of the Federation, I am pleased to express my sincere respect for the efforts spent by the officials of the General Secretariat of the Federation of GCC Chambers, the Chambers’ chairmen and the officials in the GCC Chambers. These efforts were translated into good results that participated in supporting the common commercial and economic work. I bless those efforts!

I always expect more efforts and hard work in order to achieve the economic revival and the comprehensive development. The latter would achieve the expectations of their Highnesses and Excellencies, the members of the Supreme Council, and the aspirations of the nations of GCC countries.
Established in 1957 as Bahrain’s first locally owned bank, National Bank of Bahrain (NBB) has grown steadily to become the country’s leading provider of retail and commercial banking services. With a major share of the commercial banking market and the largest network of 24 branches and 51 ATMs, the Bank plays a key role in the local economy. At the same time, NBB continues to diversify and develop capabilities to capture business opportunities in the Gulf and international markets.

Publicly listed on the Bahrain Stock Exchange, the Bank is owned 51% by private shareholders, mainly Bahrainis, and 49% by the Government of Bahrain. Market driven and customer-led, the Bank harnesses the latest technology to people skills, enabling its employees to deliver highly professional services for retail and corporate customers, financial institutions and government organizations.

The Bank’s 2007–2009 strategic plans are ambitious and in keeping with the Bank’s long term goals of becoming a major regional player. NBB has recently opened their first branch in KSA in Riyadh. This is a significant move for NBB as it makes its foray into the biggest market in the region. The Riyadh branch would ensure NBB’s presence in one of the fastest growing economies in the region.

In addition to its Abu Dhabi branch, NBB has recently been given the license to start operations in Dubai. This is major step for NBB as it embarks on an ambitious regional growth plan. With a combination of local expertise and regional relationships, NBB is poised to meet client demands in Dubai with innovative products, which cater to individual banking needs. Being present in Dubai will also provide NBB faster and better access to the growing hub of the Middle East.

NBB is in the process of obtaining a license in Qatar too. This would ensure NBB’s presence across major emerging markets in the GCC. Venturing into dynamic markets would facilitate NBB’s regional ambitions and establish the Bank as a truly significant player in the fast changing financial world of the region.

The 2007-2009 strategic plans of NBB involve a comprehensive restructuring and modernising of all branches to help serve the community in Bahrain. All branches would be equipped with the latest technology in the world of banking, which would ensure a faster, better and a more customer friendly experience.

In January 2009, Fitchre-affirmed NBB’s Long Term rating of A and Short Term rating of F1 while maintaining the B/C Individual Rating. Similarly, Moody’s has maintained NBB’s Long Term, Short Term and Financial Strength Ratings of A2, P1 and C- respectively. During 2008, Capital Intelligence upgraded NBB’s Long Term rating to A and Short Term rating to A1 while affirming the Financial Strength Rating of A.

During 2008, for the 8th consecutive year, JP Morgan Chase presented their ‘Quality Recognition Award’ to the Bank. Moody’s has ranked NBB’s financial.

For more information, log on to www.nbbonline.com
I am pleased and honored to submit this special and distinguished publication, issued in occasion of the celebration of the thirtieth anniversary of the foundation of the Federation of GCC Chambers. It includes a general and brief survey of the birth of the Federation, its objectives and its achievements during these years. Notwithstanding the limited human and financial resources, the General Secretariat of the Federation succeeded in the former thirty years to open new horizons to the common Gulf work. The Federation has participated in effecting the role of the Gulf private sector in order to deepen and implement the common economic Gulf mechanisms, starting from the stage of the Free Trade Zone, going through the Customs Union, and the Gulf Common Market, and aiming - God willing - to achieve the complete and integral Economic Union and the issuance of the Unified Gulf Currency.

All along these active years, the General Secretariat organized many Gulf events and activities such as meetings, congresses and exhibitions. It has issued also publications and specialized guides, and was active in the fields of training and IT. The General Secretariat played a notorious and distinguished role in transmitting and clarifying the concerns of the Gulf private sector, and in submitting its point of view about many common economic issues.

The General Secretariat laid also the bridges of cooperation between many regional and international entities and institutions, believing that the progress of the Gulf private sector requires reinforcing its international involvement and participation, as it requires that it takes advantage from the cooperation and investment opportunities offered by foreign relations.

The cooperation of the General Secretariat with its peer in the GCC countries was at the centre of a particular attention and care. In fact, the cooperation and the joint interaction between the public and the private sectors are the main guarantee to achieve the economic progress and the welfare of the GCC countries. Therefore, a number of events and activities were organized, as well as studies, meetings and other events that aim to unify the visions and the efforts in order to develop the role of the Gulf private sector and allow its participation in the common economic march of the GCC countries.

In this occasion, I wish to acknowledge the role played by the member chambers and the national ones. Their support and encouragement to the General Secretariat of the Federation had the best effect in activating its role and allowing it to carry out its tasks. The communication and the continuous consulting with these chambers played a great role in orienting the performance and the activities of the Federation. It allowed it to service the Gulf private sector in all fields, and at different levels and domains.

I am also pleased to congratulate my colleagues, the staff of the Federation Secretariat for the success of their sincere efforts. They were indeed able to achieve the best results and to perform their duties with responsibility and devotion. This has allowed great achievements that exceeded expectations. I hope that their devoted efforts will be exploited during the coming stage, and that other achievements will appear to illuminate the long journey of work and efforts, with no fatigue or boredom.
During the previous stage, the private sector in the Gulf region has proved its prominent role in promoting the different aspects of economic and social development. There are a number of indicators that demonstrate the effectiveness of this role, among which is the increase in the private sector’s contributions to the formation of GCC countries’ GDPs. The private sub-sectors which contribute to the GDP include agriculture, manufacturing industries, construction, productive services, transportation, banking, and insurance. By analyzing the concerned statistical data, it appears that the contribution of the Gulf private sector in the GDP ranges between 33-35%. In addition, its annual growth rates average is around 15% annually.

Moreover, the companies and organizations of the private sector play a significant role in employing labor forces, providing employment opportunities, and attracting more participants to join labor market. Consequently, the Gulf private sector possesses at least an average of 80% of the total labor market in GCC countries.

The Gulf Business Forum will be organized by the Federation of GCC Chambers in Doha during the month of April, 2010 to celebrate the thirtieth commemoration of the Federation. The event will be patronized by His Highness Sheikh Hamad Bin Khalifah Al Thani, Emir of the State of Qatar, and is considered the largest event ever organized by the Federation. Its aim is to emphasize the role of the Federation in supporting and expanding the horizons of economic, investment, and business cooperation between GCC countries and the global markets. It is expected that more than 1000 businessmen/women, investors and officials will attend the Forum. The Federation considers that the timing of this event is very critical, due to the competition among global markets to attract more capitals and investors in the light of the current global crisis.

We pray that the coming period - simultaneously with a Decision by the leader of GCC countries - will witness the launch of a unified currency. We also hope that we will see the application of all the decisions concerning the abolition of rules and regulations that restrain the free production and investment, according to the requirements for the establishment of a Gulf Common Market, and in a way to allow the private sector the freedom to invest and establish joint ventures in all GCC countries.

We also call for providing a proper investment environment to develop Gulf exports and increase private sector’s investments in all economic areas and activities. This should give rise to the sector’s contribution to GDP and exports; consequently strengthening its role in driving economic growth. We further call for the participation of the representatives of the private sector in setting and implementing these trends.
A leading player in the industry of high-technology cables and systems for energy and telecommunication, the Prysmian Group is a truly global company with sales exceeding Euro 5 billion in 2008 and a strong position in higher value-added market segments. With its two businesses, Energy Cables & Systems (submarine and underground cables for power transmission and distribution, for industrial applications and for the distribution of electricity to residential and commercial buildings) and Telecom Cables & Systems (optical cables and fibres and copper cables for video, data and voice transmission), Prysmian boasts a global presence with subsidiaries in 38 countries, 53 plants in 21 countries, 7 Research & Development Centres in Europe, USA and South America, and over 12,000 employees. Specialising in the development of products and services designed to meet customer’s specific requirements, Prysmian’s key strengths include: a focus on Research & Development, the capacity to innovate products and production processes, and the use of advanced proprietary technologies. Prysmian is listed at the Milan Stock Exchange in the Blue Chip index.
Prysmian’s proud history stretches back to the late nineteenth century when the cable division of Pirelli was set up in 1879, just a few years after the foundation of the Pirelli Group. By 1886 a manufacturing facility for submarine cables had been established in Italy and by 1902 the company was expanding beyond its national boundaries with a plant in Spain. A period of major geographical expansion and business growth followed with production plants in the UK, Argentina and Brazil and many more. Many technology successes followed including the laying of 5,150 Km of transatlantic submarine telegraph cable in 1925, connecting Italy to the Americas. This culminated in 1982 with Pirelli becoming the first company in Italy to produce optical fibres for telecommunications and data transmission. From 1998, in order to expand its commercial and industrial operations internationally, acquire specific know-how, strengthen its global presence and achieve economies of scale, the company launched a targeted “campaign of acquisitions.” Pirelli Cavie Sistemi acquired the power cable businesses of Siemens AG, BICC and Metal Manufacturers Ltd. and NKF. 2005 was the year in which Prysmian Cables & Systems was formed when the company, which is indirectly controlled by The Goldman Sachs Group Inc., signed an agreement to purchase the Energy Cables and Systems and Telecom Cables and Systems activities of Pirelli & C. S.p.A. The name of Prysmian alludes to the concepts of light, analysis, brilliance and perfection associated with the geometric figure, and hence synonymous with excellence, research and reliability. Within two years Prysmian has proved its worth and in 2007 the company is listed on the Milan Stock Exchange, in the Blue Chip segment.

Prysmian’s strong expansion in the Middle East Region through various prestigious projects:

The Middle East region Prysmian has been targeted as a strategic area of expansion for Prysmian. Currently the Group has offices and facilities in Dubai and Abu Dhabi (UAE), Doha (Qatar), Manama (Bahrein) and Kuwait.

For two years, Prysmian has accomplished successfully several projects and contracts with many Gulf Countries and some of those projects are currently under construction.

- On February 2008, Prysmian has signed a 23.3 million euro Engineering Procurement Construction contract with Emirates Aluminum Company (EMAL) for the supply and installation of high voltage cables and systems for the world’s largest aluminium smelter facility. With a total annual capacity of 1.4 million tons per year, the new smelter would go a long way toward supplying a shortfall in world aluminium supply. This achievement will allow Prysmian to further strengthen its presence in the Middle East where is already carrying out power cable projects in the UAE, Qatar and Bahrein.

- On June 2008, Prysmian led consortium has been awarded a major order for a total value of around 168 million euro for a power transmission system expansion project by the Qatar General Electricity and Water Corporation. The project requires the provision of engineering, procurement, construction, installation and commissioning services for High Voltage and Extra High Voltage underground power cables on various circuits for a total of 131 km of 220 Kv and 77 km of 132 Kv cable and associated accessories, as part of the power transmission system expansion project. This project is representing the new stage of Qatar Power Transmission Expansion to continue the reinforcement to the main transmission networks and to secure the power supply to industrial and domestic sectors.

- On September 2008, Prysmian has been awarded a strategic contract worth 140 million euro by the Qatar General Electricity and Water Corporation for the development of the first ever submarine cable turnkey project serving Doha. This project requires the provision of engineering, marine and land surveys and procurement and cable construction, as well as submarine and land installation and commissioning services for 220 Kv submarine and underground power cables for a total of 63 km and related accessories. The installation is due to completed in 2010 and the cable will be manufactured in Arco Felice (Italy), Prysmian’s submarine cable plant.

- On May 2009, Prysmian has been awarded a new contract worth 47 million euro by the Qatar General Electricity and Water Corporation for the development of a power transmission turnkey project serving Doha. This new agreement follows the similar 168 million euro contract secured in 2008 by Prysmian led consortium. The Doha project requires the provision of engineering, procurement, construction, installation and commissioning services for Extra High Voltage underground cables on three 22 km circuits for a total of 66 km of 400 kV cable and associated accessories, as part of the power transmission system expansion.

- Moreover, Prysmian has been awarded by Emirates Airlines. The new Emirates Airlines Headquarters in Dubai has been fitted with fire performance cable from Prysmian. Over 300 km of cable, FP200 Flex and FP400 was supplied for use in the fire alarm system in the airline’s modernised impressive nine-story building, which has two basements and a tunnel leading staff underground directly to the airport.
A leading worldwide player in the cable industry with a strong presence in the Middle East.
Could you describe Total latest results to our readers?

Total results in 2008 have been exceptional - 20.5 BUS$ of adjustment net result thanks to a good operational performance of upstream, downstream and petrochemicals and obviously the high level of oil price – at least for the first three quarters of 2008. We indeed saw the impact of the financial and economic crisis already in Q4 2008 when oil went down to 40 $/bbl. 2009 will not be as good as 2008 but it is still good with a first nine months net income at 7.8 BUS$ (-54% vs 2009).

In which terms did the global crisis affect Total in the GCC Countries?

There is not a single answer as Total is present in most GCC countries and in all segments: upstream, downstream, petrochemicals. In broad terms, Total activities in the region have been less affected by the global crisis than elsewhere in the world, thanks to sustained investments by Qatar and the UAE in the energy sector.

Concerning upstream, results from operations have been affected by the combined effect of volume reduction (Opec quotas) and sharp oil and gas price decline, but our contracts in the region are resilient to lower oil prices and that has attenuated the negative impact on our net result. In marketing and petrochemicals, demand has decreased a lot and obviously margins have come under pressure. However, as many products are sold locally or exported to Asia, Total in GCC has suffered less in relative terms than the rest of the group. Besides, the global crisis has not stopped Total from investing in the region, as an example with Saudi Aramco in the large-scale refinery project at Jubail, but has enabled the joint-venture to seize a significant reduction in the project cost.

What is the role played by Total with the Gulf Countries who have begun their policies of economic diversification? What will be your main role?

Total fully supports GCC Countries in their effort to diversify their economy. The first and major role is to bring expertise, technology and marketing outlets for refining and petrochemical projects which are a natural development for producing countries which can benefit from vertical integration. Examples of such action are Total’s participation in Qapco, Qatofin and Laffan Refinery in Qatar, in the Fertil fertilizer plant in Abu Dhabi, as well as in the Jubail refinery in Saudi Arabia. Total is also offering its expertise in the field of renewable energies, as is currently the case with Masdar, in Abu Dhabi, for a planned investment in a thermal solar plant.

The second action is to support the development of SME’s.

One of the principal development strategy is the maximum utilization of natural resources. Major corporations are following the lead taken by QP in pursuing this goal. How is Total contributing to the development of such utilization of natural resources?

Total has been supporting Qatar in developing its oil and gas resources for 70 years now. That long and thriving relation explains why Total is present at the same time in oil with the operatorship of Al Khalij field, LNG with a participation in QG1 and QG2 and gas export through pipe with Dolphin project … and as we are always willing to develop our presence, Total has and will participate actively to exploration rounds launched by Qatar Petroleum.

The SME’s development is another one of the major project in the coming years. What is the role played by Total in order to contribute of the SME’s development in GCC Countries and how many SME’s are working with Total in the Gulf Countries?

Total is supporting the development of SMEs by encouraging and assisting French and European SMEs to develop partnerships with local companies, with the goal of establishing physical presence in the GCC countries. Till now 4 such companies have settled in Qatar thanks to the assistance given by Total, and each year we introduce around 12 new potential candidates, taking the opportunity of professional trade shows, and following up later on an individual basis.

What are your projects in the Gulf Countries in short and medium terms?

In the short term, Total will benefit from the ramp-up of projects like Qatargas 2 and Yemen LNG and the start-up of Qapco and Qatofin petrochemical projects in Qatar. For the medium term, Total is willing to participate in upstream to the development of GCC oil and gas potential, in Qatar for sure, but as well in the UAE, in Yemen, in Syria, if possible in Iran and of course in Iraq. In downstream, Total is in particular developing along with Saudi Aramco the Jubail refinery project.
I am honored to address the businessmen and investors at the Federation of GCC Chambers, who represent a cornerstone of the large family of the General Union of Arab Chambers of Commerce, Industry and Agriculture, and an active driving force for development, trade and investment. We are proud of them and of the pioneering projects they have realized in their countries and in the Arab region, but also in the developing and developed countries as well, within the context of global outreach. We are particularly proud of those in charge of the Federation of GCC Chambers, who constitute an integral part of our Union and its leadership. We greet them for the qualitative development we noticed recently in their work.

No doubt that 2009 was a difficult and exceptional year for the world economy. No country could avoid the consequences of the massive financial and economic global crisis. We need the mobilization of the public and private sectors efforts to face the current and potential repercussions. The Arab private sector, especially in this region, constitutes the development strategy in the current stage, and the survival one on the long run. It has the capacities to provide Gulf economies with the vital sectorial diversification, and with new, varied and modern investment opportunities. It offers also job opportunities to the new generations, answering thus a need of around 300 thousand jobs each year.

The Private sector in the Gulf is primarily represented by the largest and most important economic sectors, namely commerce and industry. There will be some minor foreseeable shocks in the short run, but I am most certain that the horizon is bright on the long run, because GCC countries rely on strong macroeconomic factors that allow addressing any issues facing the projects. Large and ambitious projects that governments conduct in cooperation with the private sector should create positive shocks with higher impact. It involves the investment opportunities available for the private sector, and the indirect positive effects of such projects on the economic and business environment in general. This is particularly true, since the new governmental programs will focus on the infrastructure and education sectors, in the broad and developed concept.

I call on you to transform this stage into a stage of review, to avoid missing future opportunities. Horizontal and vertical mergers, especially for small and medium enterprises, are a primary force to face the current crisis, and benefit from the joint efforts resulting from the economies of scale. We have to further reconsider the locations of investments, and redirect them to the internal, Gulf and Arab regions through effective and vital projects for our region. We should emphasize on industry, agriculture, technology, education, and health and on public interest and social service institutions.

I believe that the strongest point lies in the success of GCC countries in their union efforts, and the Gulf Common Market, an essential stage on the path of achieving the Arab Common Market. It provides a true motivation to GCC countries, and should give a strong impetus to counter the crisis, realistically and effectively. It is important to push the Gulf economic integration efforts forward, while encouraging simultaneously Arab economic integration, especially in the light of the decisions of the Arab Economic Summit, held in early 2009. We will just point out the brilliant results achieved by the Gulf Customs Union since its launch in 2003, and the noticeable increase in the volume of trade exchange among GCC countries by more than 20% annually, compared with the 7.5% before the launch of the Union.

We fully believe in the future role of the Federation of GCC Chambers, and we call on it to continue its intensive efforts to further develop the Union’s work.

Praying God to guide you to more success and good luck!
Achieving in Qatar since 1975

Commercial Bank has played a part in the growth and prosperity of Qatar since 1975, financing the very infrastructure of the country; providing general banking services and offering community support; working for you; giving solid financial advice for personal needs, business needs and more – providing real banking services for the people of Qatar. Talk to us today and find out how we can help the lifestyle you value.

Call 449 0000 to find out how we can help you
Introduction

The Federation of Gulf Co-operation Council Chambers (FGCCC) is considered the most important institutional entity that caters for the Gulf private sector.

Since its establishment in 1979, it has represented the economic interests of individuals and institutions in this sector with a view to develop its economic role by providing the sector with different types of services and representing its interests locally and abroad or at public agencies.

The Federation also worked on addressing problems and difficulties the sector faces and focused on all aspects to support the sector. Over the past decades, the Federation succeeded in developing its activities and services orientated towards the Gulf private sector in particular and to the Gulf economy in general.

The Federation effectively and positively supported the performance of the private sector as the sector reached an advanced and developed level of actual contribution in supporting the performance of the Gulf economy.

The issuance of this special book on the occasion of the 30th anniversary of the establishment of the FGCCC is meant to enhance its role, as a representative of the Gulf chambers, in tirelessly working to develop its working mechanisms and activate its role in serving the Gulf private sector.

This can be realised by providing the Federation with care and attention in representing its interests in official public entities at the local level and activating cooperation between the Federation and external entities and institutions.

This objective can also be realised by providing a complete package of technical and professional services in line with the growing needs of this sector.

During its work over the past years, the Secretariat General, through solid cooperation with member chambers, sought to activate and develop working mechanisms in accordance with expectations and aspirations in developing the role of the Gulf private sector in fostering the process of economic integration between the GCC countries.

It aimed to realise this objective through creating the appropriate environment for activating cooperation and coordination among institutions and companies of the Gulf private sector and activating cooperation with the Secretariat General of the GCC.
The ultimate objective is to enhance joint action between the public and the private sector in fields of commerce and investment and address difficulties and obstacles hampering commercial exchange.

The goal is also to strengthen direct communication among private sector institutions, companies and businesspeople in the GCC countries with a permanent, institutionalized, systematic framework that supports cooperation amongst them in different sectors.

The Federation, in spite of its limited financial and human resources, worked on fostering the mechanism of joint economic Gulf action and its plans. It also worked on removing economic impediments that obstruct the private sector, businesspeople and inter-Gulf investments.

The Federation also exerted efforts to improve cooperation with member chambers by seeking proposals and visions from each chamber in the Gulf countries on problems that obstruct the Gulf economic action. That was conducted in coordination with the governments of these countries to develop a unified position by the private sector on related economic issues to be forwarded to the GCC Secretariat General and then to higher authorities in these countries.

The Federation activated its role in representing the private sector at official Gulf entities, especially after the announcement of creating the joint Gulf market.

It also enhanced its role in formulating economic policies and plans related to the private sector’s demands in light of the current and future global economic developments to enable the sector to optimally play its role.

It was to build bridges of communication between the private sector and the official entities in accordance with fixed and clear institutional frameworks.

The Federation also removed obstacles that obstruct the free flow of goods and the transfer of production elements among the GCC countries.

That would, in turn, increase cooperation between the Federation and the member chambers and supporting them as main representatives of the business community to provide care and services to their members.

The Federation also worked on improving the level of participation of member chambers in the activities by the Federation’s Secretariat General and on increasing coordination among them in the fields of joint economic Gulf activities to prevent overlap and repetition. In addition, the Federation exerted efforts to deepen the integration of the Gulf private sector in the global economy and represent it at the Arab, regional and international levels.

The Federation sought to realise this objective by highlighting the local economic environment in terms of pillars, incentives and policies to present a real image about the economic advancement the GCC countries. Also is enhancing opportunities of cooperation between the Gulf private sector with its peers in other countries and other economic groups.

It is hoped that the Federation continues to concentrate its efforts during the upcoming stage in facilitating the movement of capitals and inter-trade between the Gulf countries with no obstacles.

It is also hoped the it concentrates on activating the Gulf economic citizenship and supporting the joint Gulf companies and projects as they are the genuine nucleus for the joint economic Gulf action and supporting integration of Gulf capitals in developing economic activities.
Did the financial crisis affect BBK results and activities?

First of all it is worth mentioning that in the current circumstances, retail banking has proven to be a safeguard for banks. The recent trends by major commercial wholesale banks moving into retail highlights this.

Although 2009 presented complex challenges to the financial sector – regionally and internationally, it proved to be a remarkable year for BBK who reported record performance.

Achieving record profits during 2009 is cause for a degree of satisfaction, especially during a period when global and regional economies were still coming to terms with the traumatic financial events that had wrought such havoc around the world.

Could you present BBK latest results to our readers?

We have just announced at the beginning of 2010 our net profit for 2009 which is 35.0 million Bahraini Dinars compared to BD 27.1 million in 2008 in which showed an increase by 29.3%.

In term of balance sheet, there was a satisfactorily growth and we reached our stated objectives, closing with a balance sheet of almost BD 2,279 million, higher than Dec 2008 by BD 113 million, with customer deposits increasing by 13.5% to reach BD 1,517 million, reflecting customer confidence in the Bank even in turbulent times.

The bank non-trading investments also have increased by 24.7%, continuing to invest in high quality investments.

Loans on the other hand stood at BD 1,269 million, compared to BD 1,352 million in 2008, a 6.1% decrease mainly due to reduction of lending activities in the international markets in favor of the local and GCC markets.

What are BBK strategies today?

In 2009, BBK’s response to the uncertainty in the financial market was to adopt a strategy geared to immediate needs, and flexible enough to cope with a largely unpredictable environment.

Our business focus changed from international to local and regional, while the re-designation of the top management and the reorganization of the retail banking led to a more collaborative inter-departmental approach with the emphasis on customer relationships rather than product-led marketing.

Today we continue with our strategy that proved so efficient. The Bank is now well positioned to capitalise on the expected global recovery, even if that timescale may prove more protracted than some commentators have observed. With our new Corporate Strategic Plan 2010-12, we can look to the future, confident that we have established sound operating principles rooted in quality, service, and customer satisfaction.

When BBK started its operations in Bahrain, no competitors were present. Now the situation has changed greatly. Should BBK be afraid of new entrants’ arrival? What do you offer in order to compete?

We welcome this competition, especially because it is a healthy one. It can only stimulate us to be more competitive and innovative and which will inevitably keep us ahead in the market.

BBK is aware of this growing competition and takes pride in utilising cutting-edge technology which we recognise as the most critical element in supporting our short, medium and long-term business objectives.

BBK looks to E-banking as the future and has made considerable investments in this field along with the field of IT. It attracts customers and gives us an edge over our competitors.

Besides trying to stay at the forefront of technology, we are growing steadily to ensure that we capture the largest share of the market. BBK does not only provide conventional banking services, but has, for instance, extended its offering by diversifying its products through its credit card subsidiary – CrediMax, its wholesale Islamic arm – Capinnova, as well as its call centre – Invita – which not only limits its services to the financial sector but also to non Banking segments.

This makes it evident that BBK benefits from the largest share in the market.
Could you tell us more about BBK diversification through its subsidiaries and how they contribute to this years record performance?

The Bank is eager to reach and expand its attainability having to mark its presence via operating in our subsidiaries serving the diversified needs of our clients. We believe clients are the driving force in everything we do and we are eager to reach out to them by offering products and services beyond conventional.

Through our subsidiaries, we have been able to cater our clients with their needs and in return these have contributed to our record profit. We no doubt hold our subsidiaries as our greatest allies and right arm in contributing to the Banks year record profit as witnessed in 2009. To share their contribution and performance alongside with ours, let me walk you through them highlighting their role as subsidiaries.

CrediMax, BBK’s wholly-owned subsidiary specializing in credit card business, has now reached virtual saturation point in the Bahrain market and must look to the wider MENA region to secure further growth. Opportunities exist for expansion through joint ventures or acquisitions and these are currently being explored.

Invita, BBK’s wholly-owned call centre subsidiary, is also reaching the limits of its domestic growth potential and cross-border expansion is again a possibility.

Sakana is the 50-50 joint venture with Shamil Bank of Bahrain, providing Islamic finance to the real estate sector. It continued to achieve good results, despite the downturn in the property market. Sakana has also extended its reach by adding property consulting and property development to its portfolio.

Secura, the partnership between BBK and Bahrain Kuwait Insurance Company, was affected by easing of demand in the automotive segment, but still maintained a creditable performance in 2009.

Capinnova, BBK’s Sharia’a-compliant investment banking subsidiary, is growing steadily. It is now nearing breakeven point and is on track to show profitability in 2010. During 2009, Capinnova committed to co-investing $50 million in a retail project in Bahrain, and will continue to target opportunities in sectors such as telecommunications, utilities, industrial services, and financial institutions.

With the down fall of the economy and many of the businesses worldwide, how does BBK portray itself as a social responsible organization?

As part of the Bank’s corporate social responsibility ideals, BBK gives utmost priority to giving back to the community in which it lives, supporting local charities, hospitals, organizations, and causes with donations in cash and kind.

The support to the community extends to investing heavily in Bahrain human capital, successfully identifying, recruiting and fostering future leaders in the banking sector.

Brief summary about A. Karim Bucheery, Chief Executive of BBK.

Since his appointment as the Chief Executive of BBK in April, 2008, Abdulkarim Bucheery has focused on sustaining and improving the competitive positioning of the Bank and the quality of its products and services. His World Finance Banker of the Year Award comes at a time when BBK has achieved outstanding results despite the uncertain economic conditions that prevailed during the year.

He has played a major role in achieving some ambitious goals set for the Bank in the past few years, enhancing its retail franchise in the local and regional market.
Chapter One

The Federation of Gulf Co-operation Council Chambers (FGCCC)
Foundation, Objectives and Structure

First: Foundation
The rationale behind the creation of the FGCCC emerged following an increasing belief in the need to stress the brotherly ties and the unity of the objectives and destiny.

It was also meant to support the economic cooperation in the Gulf through the creation of a Federation that groups commercial, industrial and agricultural chambers in the GCC countries where the economic conditions are the same.

Following the initial meetings and communications between the chambers of commerce, industry and agriculture and their Federation in the countries of the region, the first economic conference for the chambers of the Arab Gulf was held in Jeddah from 16-20 October 1976.

It was designed to look into means of economic cooperation in all fields and the role the private sector could play in this regard. All chambers and Federation of the GCC countries took part in this meeting.

Thus, the Federation was established late 1979 to highlight the brotherly bonds and to stress on the aspiration of the peoples of the GCC countries in realizing economic integration.

One that stems from the spirit of initiative and leadership that mark the private sector and that is also in line with the global trend towards coordination, cooperation and openness.

The Federation, located in Al Dammam in the Kingdom of Saudi Arabia, started its operations in 1980, just before the creation of the GCC that was founded in 1981.

The Federation worked on realizing clear objectives in economic cooperation and integration between the GCC countries that are based on the effective role of the private sector and supporting this role. These objectives also stem from the social roots of the citizens of the GCC countries and aspire to having working and educated generations that preserve the originality of the past and open up to the modern world to realise advancements and prosperity.

Second: Member Chambers in the FGCCC:
The Federation groups the following Gulf chambers, Federation and councils in its membership:

Federation of the UAE Chambers of Commerce & Industry
This Federation is represented by the following chambers of commerce and industry:
Abu Dhabi Chamber of Commerce and Industry
Dubai Chamber of Commerce and Industry
Sharjah Chamber of Commerce & Industry
Ajman Chamber of Commerce & Industry
RAK Chamber of Commerce & Industry
Umm al Quwain Chamber of Commerce and Industry
Fujairah - Chamber of Commerce & Industry

Bahrain Chamber of Commerce and Industry

Council of Saudi Chambers of Commerce and Industry
The Council of Saudi Chambers of Commerce and Industry is represented by the following chambers:
Riyadh Chamber of Commerce and Industry
Asharqia Chamber of Commerce and Industry
Alhasa Chamber of Commerce and Industry
Makkah Chamber of Commerce and Industry
Alnadinah Chamber of Commerce and Industry
Jeddah Chamber of Commerce and Industry
Abha Chamber of Commerce and Industry
Jouf Chamber of Commerce and Industry
The Federation of the Gulf Cooperation Council Chambers (FGCCC)

J&P, was founded in Cyprus in the year 1941 by Mr. Stelios Joannou, a successful business man and entrepreneur and Mr. George Paraskevaides, architect of the Milan University and a man of vision and innovative character. The J&P company right after its formation went on to play a key role in developing the island’s early infrastructure but by the time Cyprus won independence in 1960, the company’s size, ambition and dynamism inevitably meant it should seek new challenges abroad.

The company cut its teeth overseas in Libya in the early 1960s, with housing projects for the Libyan Government followed by housing and civil works projects for international oil companies. Having proved its mettle in these difficult desert conditions, J&P was ready in 1969 to expand operations to the Arabian Gulf states. It was a timely move. The exploitation of the region’s oil spawned a 25 year construction boom in which J&P played a leading role. It built mountain roads and desert highways, bridges and flyovers, airports, luxury hotels, hospitals, palaces and whole townships, with contacts in Saudi Arabia, Oman, the United Arab Emirates, Iraq, Algeria, Ethiopia, Egypt and Qatar.

Today, J&P has a global reach as one of the biggest companies of its kind in the world, employing 23,000 people and with regional offices in London, Athens, Nicosia, Riyadh, Doha and Dubai. The Company has gained over years of dynamic presence in the Building Industry, a reputation for top quality work – completing projects on time and on budget. J&P International is ranked among the top 30 building contractors in the world.

Human resources is the Group’s major asset. Cypriot technicians are tough workers and they are the backbone of the company. They can endure odd and difficult environments and they have a drive for good quality work. Well selected and tested tradesmen and artisans from India, Thailand and Sri Lanka complement a strong technical team that guarantees success in the Group’s International operations.
In the 1980s J&P has entered the Oil and gas field starting in Libya and expanding to the Gulf area, with comprehensive oil related projects, ranging from product transmission pipelines, to product storage depots and Gas-Oil Separation plants (GOSP). Today this field accounts for the 30% of the Group’s turnover.

To list but a few of J&P’s projects in the Gulf Area are, the Four Seasons Hotel in Sharm el Sheikh, Egypt, the Doha Intercontinental Hotel in Qatar, the Dubai Ring Road and Sheikh Zayed Road in the United Arab Emirates, the Emirates Airline New Engineering Centre in Dubai Airport, the Lahore International Airport in Pakistan, (built in a record two-and-a-half years), The Al Bustan Palace Hotel in Muscat, Oman, The King Fahd International Airport in Dammam, Saudi Arabia, The Dubai-Fujairah freeway, the Pearl-Qatar Project, The Nuayyim GOSP in Saudi Arabia, the Al Wakra Hospital in Qatar, The Queen Alia Internationa Airport in Amman, Jordan, and many others.

In Cyprus the founders of J&P are also well known for their generous charity work in the local community.

The George and Thelma Paraskevaides Foundation, for instance has, in the past decade, paid for more than 1000 children to receive medical care in the United States for serious orthopaedic problems that could not be cured in Cyprus. The foundation has also established a state-of-the art kidney transplant centre in Nicosia, the only one of its kind in the world that offers a free service to those with limited means. Some 900 transplant operations have so far been performed.

The Christos Stelios Joannou Foundation, established by the family of co-founder Stelios Joannou, provides aid to mentally challenged children while the late Mr Joannou was also one of the founders of a rehabilitation centre for young people with drug problems.
Pearl Book

Taif Chamber of Commerce and Industry
AlGuryat Chamber Of Commerce and Industry
Yanbu Chamber of Commerce and Industry
Tabuk Chamber of Commerce and Industry
Bishah Chamber of Commerce and Industry
Jazan Chamber of Commerce and Industry
Najran Chamber of Commerce and Industry
Al-Majma'ah Chamber of Commerce and Industry
Al-Kharj Chamber of Commerce and Industry
Arar Chamber of Commerce and Industry
Hail Chamber of Commerce and Industry
Qassim Chamber of Commerce and Industry
Makkah Province Chamber of Commerce and Industry
Oman Chamber of Commerce and Industry
Qatar Chamber of Commerce and Industry
Kuwait Chamber of Commerce and Industry

Second: Main functions of the FGCCC
The Federation of Gulf Co-operation Council Chambers (FGCCC) is considered the main umbrella for the private sector at the level of the GCC countries and so it assumes the following tasks:

- Coordinating between members chambers in the GCC countries and supporting them as a main representative of the business community in terms of serving and taking care of the sector's interests in these countries.
- Representing the private sector at the official Gulf authorities and enhancing the sector's role in drawing up economic policies and plans that affect its performance and economic role. This is meant to realise harmony between these policies and plans and the actual needs of the private sector in light of the current and future global economic developments.
- Providing a package of facilities and specialised services of high value the private sector needs to facilitate its economic activities in the field of studies, information, training and exhibition, among other services.
- Strengthening the integration of the Gulf private sector in the global economy and representing it at the Arab, regional and international levels.
- Activating the private sector's role in the process of economic integration among the GCC countries with a view to realise full economic integration among these countries.

Fourth: The Strategic Vision
The FGCCC's role is as an indispensable reference and umbrella for the private sector of the GCC countries in a manner that helps develop this sector to become the pioneer and leader of the economic development process in these countries. This is to enhance economic integration, economic citizenship and full economic unity amongst them.

Fifth: The FGCCC's Main Services
- Calling for involving the Gulf private sector in the decision making process in the Gulf through ensuring its participation and representation in making laws related to the economic activity in the Gulf.
- Organising activities designed to realise economic integration in the Gulf amongst the member chambers and the Secretariat General.
- Facilitating the private sector's work in the GCC countries to realise the economic citizenship.
- Supporting the GCC countries in negotiations with economic groups and cartels.
- Representing the Gulf private sector at the ministerial and technical committees affiliated to the GCC.
- Adopting and following up on problems and difficulties the Gulf private sector faces in the GCC countries.
- Highlighting and promoting investment opportunities for the member chambers.
- Promoting different activities by member chambers.
- Urging the Gulf private sector to give priority and preferentiality to the national Gulf labor.
- Supporting education and training programmes to obtain the Gulf market outputs.
- Making available information and data base on the Gulf private sector registered at member chambers for Arab and foreign investors.
- Supporting the freedom of movement of national products among the region's countries with no administrative or customs restrictions, in addition to facilitating the implementation of joint economic Gulf projects as well as extending invitations to foreign investment companies in the GCC countries.
- Inquiring pints of views of member chambers on draft laws of concern to the joint Gulf action.
- Forming sectoral committees and providing them with all services they need to render their work a success.
- Distributing, studies, research and feasibilities studies to member chambers.
- Linking the websites of the member chambers and the Secretariat General electronically
- Supporting the GCC countries' plans towards having a unified Gulf currency.
- Providing the member chambers with the federation's magazine, publications and guides.
- Monitoring the enforcement of laws and decisions for work underway in the GCC countries.

Sixth: The FGCCC's services to companies

The Federation provided a full package of services to firms and institutions working in the private sector such as:
- Publishing company's name on the Federation web page.
- Publishing an ad with company's name in the Federation's magazine.
- Highlighting the name during the Federation's activities that include conference, activities, exhibitions and seminars.
- Highlighting the name during the annual meeting of the Federation's council.
- Highlighting the name during the annual meetings of the executive leaderships committee.
- Highlighting the name during the meetings between the Secretariat General of the GCC
- Placing company's name on the electronic Gulf market project.
- Putting company's name on the Federation's letters.
- Putting company's name on the list of joint conferences with the international Arab economic groups.
- Extending invitations to attend the activities of the Secretariat General.
- Putting company name on the agenda of the Federation's celebration of its 30th anniversary.
- Providing electronic linkage with the Federation's website.
- Obtaining investment opportunities available at the Federation's Secretariat General
- Benefiting from Memoranda of Understanding that the Federation's Secretariat General signs with the different organisations and entities.
- Attending training courses organised by the Federation's Secretariat General.
- Attending activities held by the Federation's Secretariat General.
- Providing them with addresses and investment opportunities.

Seventh: The Federation bodies

The Federation's council: The Federation has a council that comprises heads of member Gulf chambers, federations and councils or those who deputies for them.

Each member in the council has one vote and the council has authority to run the Federation, draw up its general policies and supervise implementing them in a manner that ensure the Federation's objectives.

Appendix (1) outlines the successive members of the Federation's board of directors since its establishment and inception in 1980.

The Executive Office: It groups the chairman and the vice chairman with the secretary general as its reporter.

The Executive Office is in charge of following up on the implementation of the council's decisions and making decisions regarding any emerging issues during the periods between the council's meetings.

The Executive Leaderships Committee: It groups directors and secretary generals of member Gulf chambers. The committee is tasked with supervising the Federation's work and forwarding necessary recommendations to the Federation's council on all plans, programmes, activities and seminars related to the Federation.
Joannou & Paraskevaides (Overseas) Ltd, known as J&P, was established in 1961 in Guernsey, Channel Islands, United Kingdom. The Company’s formation was an entrepreneurial move by the founders of Joannou & Paraskevaides Ltd., a successful construction company operating in Cyprus since 1941. The newly-formed international company grew steadily to become the dynamic organization it is today.

After successfully completing its first overseas projects in North Africa in the 1960’s J&P rapidly expanded into the Arabian Gulf during the 1970’s. Over the next thirty years the Company broadened its operations throughout the world to become a global enterprise with a range of activities to meet the challenges of the industry.

Today, J&P has a dynamic presence in countries in the Middle East, Africa, the Asian subcontinent and Europe. The core of the J&P Group’s operations is the Gulf Area and the GCC countries, with landmark projects in Saudi Arabia, the Sultanate of Oman, the United Arab Emirates and Qatar, with regional offices in Riyadh, Jeddah, Muscat, Dubai, Abu Dhabi, and Doha.

During the 1980’s the company entered the Oil & Gas sector and has since built an impressive portfolio of successfully completed projects in various countries in the upstream and downstream sectors, as well as in power generation. Today, Oil & Gas and Energy related works represent approximately 30% of J&P’s annual turnover. Anticipating industry trends, J&P broadened its scope of activities over the last decade to enter the new arena of project finance and BOT projects, with several concession contracts in Greece including the Rion Antirion Road Bridge over the Gulf of Corinth, one of the longest cable – stayed bridges in Europe; the Elefsina–Stavros–Spata Airport Express Motorway (Attiki Odos). The Queen Alia International Airport in Amman, Jordan is also a BOT project where J&P is presently working on. The company is also expanding Geographically into evolving markets in sub-saharan Africa, the European Union, the Caspian Sea, the Commonwealth of Independent states and even further afield where its reputation for high quality work and a personable way of working are proving invaluable to a broad client base.
Eighth: FLOW CHART
United Development Company

Overview
Founded in 1999, UDC has been listed on the Qatar Exchange since June 2003. It is one of Qatar’s leading public shareholding companies, with an authorized share capital of QR 1.072 billion (US $294 million), a market capitalization of QR 3.828 billion (US $1.048 billion) and total assets of QR 8.964 billion (US $2.456 billion) at 31 December 2009.

Shareholders
Its founders held 45% of the shares at launch, and are among the most established and successful businessmen in Qatar with established track records in joint ventures. UDC shares are widely held by over 3,000 individual shareholders from Qatar and abroad. A successful Rights Issue was held in mid-2005 that raised an additional QR 1.1 billion in new capital.

Company activities
UDC identifies project and investment opportunities and works through partnership and joint venture, securing the know-how to deliver first-rate results. The company also develops wholly owned projects and organizations, notably The Pearl-Qatar, the first international urban development project to offer freehold ownership and residency in Qatar.

Company sectors
Hydrocarbons and energy infrastructure and utilities, maritime and environmental related businesses, urban development, property management, information technology, hospitality and leisure, fashion, business and marketing services.

Areas of expertise
• Understanding of the Qatari and Regional Markets
• Formation of joint ventures with international partners
• Establishment of synergistic businesses across a diverse portfolio
• Detailed knowledge of hydrocarbons and energy, infrastructure and utilities, maritime and environmental related businesses, urban development, property management, information technology, hospitality and leisure, fashion, business and marketing services.

How is UDC achieving success?
The strength and direction of Qatar’s economy, along with the local and regional reputation of the UDC Board, has enabled the company to establish high profile projects in Qatar and the Middle East region in a range of sectors, and to attract the highest quality staff and international partners.
By applying consistently high standards of management and operation to all its enterprises, UDC has been able to maximize the successful delivery of its projects and the returns it makes to shareholders.

**What are UDC’s main assets and company investments?**

**Principle business interests and developments:** The Pearl-Qatar is UDC’s largest single project. UDC also has substantial interests in Qatari marine and reclamation works, utilities, service and petrochemical companies.

The Pearl-Qatar a 100% UDC - owned multi-billion dollar urban development project. By 2013 it will provide upscale housing for more than 41,000 people of 52 different nationalities, on a meticulously designed, award winning 4 million square metre reclaimed island.

**Marine activities:** UDC entered the land reclamation business in June 2004, working with strong international partners as the principle shareholder in a company now known as Middle East Dredging Company (MEDCO). MEDCO has secured major contracts in Qatar, Bahrain, Iran, and the U.A.E. UDC has also established Ronautica Middle East to manage and operate the three award winning marinas.

**Utility and infrastructural interests:** Qatar District Cooling Company (Qatar Cool) was set up in January 2004, with UDC as majority shareholder. Qatar Cool is already highly successful, with major contracts in Doha and on The Pearl-Qatar that save on energy costs and reduce pollution. UDC is a major shareholder in United Ready-Mix, making ready mix-concrete products for The Pearl-Qatar and the wider Qatari market.

**Petrochemical interests:** UDC has important minority holdings in two Qatar petrochemical ventures: one to produce feedstock for detergents; the other to produce formaldehyde concentrates. Both products are marketed locally and internationally.

**Service organizations:** UDC has used synergies arising from its work on The Pearl-Qatar and other interests to develop a range of service companies. These include enterprises in hospitality management, fashion, facilities management, property management, communications and media, business services, and IT. UDC’s wholly owned subsidiary, SCOOP, a media and communications company is poised to bring a new level of sophistication and expertise to marketing communications and advertising in Qatar and across the MENA region. GEKKO, a joint-venture established this year with a primary objective to design and implement ‘smart’ payment products and facilities; offering clients the latest alternative to cash and card transactions. With The Pearl-Qatar for Management and Operations, UDC is creating an urban facilities management company to offer to a wider market the know-how gained in the development of infrastructure and management systems for The Pearl-Qatar.
EXCLUSIVE AGENT FOR GULF AND MIDDLE EAST COUNTRIES

- Variety of Fresh and Cooked Chinese Halal Meats
- South America Halal Meat Industry
- New & Improved Chinese Products
- Trading
- Consultant
- Public Relations & Advertising

Middle East & Gulf Consultant Group

Regional Offices: IRBID - Jordan
Tel: (+962) (2) 725 35 69 Fax: (962) (2) 725 35 68, P.O.Box 2350 Jordan 21110 Irbid, email: midcom.jordan@gmail.com

Head Office: London
ATS Global, 3 Charlton Lodge, Temple Fortune Lane, London, NW11 7TY, UK, CR. 7099383 Tel.: +44 560 15 66 019
Qatar Petroleum, a state-owned corporation established in 1974, is responsible for all phases of the oil and gas industry in Qatar.

The principal activities of Qatar Petroleum and its subsidiaries and joint ventures cover exploration, drilling production, storage and transport and sale of crude oil, natural gas liquids, liquefied natural gas, gas-to-liquids, refined products, petrochemicals and fertilizers, helicopter and financing services.

The operations and activities of Qatar Petroleum are conducted at various onshore locations, which include Doha, Dukhan, Mesaieed and Ras Laffan industrial cities, as well as offshore areas including Halul Island, offshore production stations, drilling platforms and North Gas Field.

Qatar Petroleum is committed to its part as both a concerned partner and affiliate to the protection, preservation and conservation of the natural environment, while ensuring that the company’s employees and the general public live in a clean, safer world.

Thriving on a spirit of enterprise, each of our joint ventures is underpinned by transparency, innovation and determination to achieve unparalleled standards of both quality and service.

At Qatar Petroleum we are committed to one thing above all: Excellence.
Repsol - Gas Natural LNG (STREAM), a joint venture company between Repsol (50%) and GasNatural SDG (50%).

It was created in 2005 and focuses on the supply, transport, wholesale marketing and trading of LNG. It’s in charge of the management of its parent companies LNG contracts as well as the marketing of the LNG coming from their integrated projects. Stream also manages a combined fleet of LNG carriers to provide optimal transportation.

Stream occupies a strategic position as one of the leading LNG operators by volume in the Atlantic basin and is the third largest global LNG company by purchasing power.

In a growing LNG market, the strong competitive position of Repsol and Gas Natural allows the development of new gas reserves and markets, which results in increased flexibility and diversification of supply sources.

Qatari long term relationship with Gas Natural dates from first spot deliveries in 1997 which were transformed in term supplies of approximately 4 bcm/a. This relationship represent a major asset for diversification and security of supply for Stream and it’s shareholder Gas Natural.
Achievements

Preface

Over its 30-year long march of efforts and achievements, the Federation of Gulf Co-operation Council Chambers (FGCCC) focused on main aspects that embody the Federation’s vision and its strategic objectives. These include developing its plans and main structures and its development economic role, developing forms of cooperation with member chambers. They also entail fostering cooperation mechanisms with the GCC Secretariat General and expanding the Arab, regional and international role of the Federation.

As part of the annual working programmes of the Federation’s Secretariat General that are endorsed by the Federation’s council in its annual meetings, the Federation Secretariat General continued its activities in the mentioned fields and other fields. Throughout this chapter of this book, the most significant of these achievements will be reviewed.

First: Coordination among member chambers:

One of the most important roles played by the Federation’s Secretariat General over the past years was effective and continued coordination among member chambers. Among the most prominent achievements in this regard are the following:

1. Annual meetings of the FGCCC’s council: Since its establishment until 2009, the Federation’s council held 35 annual meetings during which the Federation’s achievements were reviewed, its performance was evaluated and its plans and activities in the upcoming stage were adopted. Several economic issues of concern to the Gulf private sector were discussed as well as joint economic action and cooperation among the GCC countries. Most of the council’s annual meetings were focused on activating cooperation between the Federation’s Secretariat General and the GCC’s Secretariat General.

The objective of these meetings was to make progress in the process of joint economic action and in the role of the private sector and the Federation to ensure a larger role by the Federation and the private sector in drawing up development policies in the Gulf.

2. Executive Office Meetings: Until the end of 2009, the Executive Council held seven meetings. It is noteworthy that until the year 2007 the office did not hold any meeting. These meetings were focused on discussing the financial aspects related to the budget, revenues, and expenditures as well as discussing issues of urgency that are of concern to the private sector at the level of the GCC countries.

3. The Executive Leaderships Committee meetings: The committee groups directors and secretary generals of member Gulf chambers, federation and councils. Until the end of 2009, the committee held 23 annual meetings. During these meetings, the Federation’s annual activities and the budget for the previous and next year were discussed. In addition, necessary recommendations were forwarded to the Federation’s council on all topics discussed to take the appropriate decisions regarding them. Over the past years, several issues were discussed including those related to activating the role of the Gulf private sector, which is represented by the Federation’s Secretariat General, with occasions and activities that were organised during the upcoming stage locally, regionally and internationally and putting required controls for them. Moreover, the issue of external Gulf relations was discussed as well as standards and controls that govern the Federation’s Secretariat General in its participation in internal activities. A detailed program for the Federation’s work in light of the economic conditions the region is going through was also discussed.
4. Visits by member chambers: Out of keenness on strengthening direct communication and contact with the member chambers, the Federation’s Secretariat General, represented by the Secretary General and several officials, arranged continued visits to several Gulf chambers. It also held direct meetings to look into activating joint coordination amongst them. Issues discussed during these meetings and visits also covered organising several other activities of concern to the Gulf private sector and means to address technical and logistic difficulties that occur when organising such activities. Discussions during these visits included continued support by the chambers to the Federation’s activities.

5. Coordination meetings for representatives of parallel administrations at the member chambers: The Federation’s Secretariat General took the initiative to hold continued meetings to the representatives of the following administrations. These meetings were designed to enhance communication among member chambers to deepen cooperation between the parallel administrations at member chambers in terms of their services and activities and to offer better services to the Gulf private sector through the Federation’s Secretariat General.

The meetings include:

A. Officials of Legal Administrations at member chambers: The officials of Legal Administrations at the member chambers held a series of meetings during which they discussed legal aspects related to the work of the Federation and member chambers. In addition, they studied and evaluated common legal legislation in the Gulf and their consequences on the performance of the Gulf private sector as well as the Federation’s role in amending and drawing up this legislation. These meetings resulted in several important recommendations such as the need for developing and modernizing several laws, including the customs, commerce, and trade marks and commercial agencies law in accordance with the current economic changes at the local and global level. The working team also endorsed the final formula of the draft law on unified international commercial arbitration for the GCC countries to be presented to the GCC’s Secretariat General for adoption.

B. Industrial sector working team in the GCC countries: A team was formed to study all concerns of the industrial sector and it held several meetings during which it looked into means to develop the joint Gulf action in the industrial sector, especially through the creation of an industrial holding Gulf company.

C. Officials in charge of exhibitions and activities at the member chambers with companies organizing the exhibitions: Those in charge of the exhibitions and activities held a series of meetings during which they discussed and adopted mechanism controls and standards related to organizing Gulf fairs locally and abroad. In addition, they discussed means to improve these fairs to realise the objectives of holding them with a view to increasing the exports of the GCC countries. The team also supervised organizing several fairs and activities that were organised by the Federation’s Secretariat General as will be highlighted later.

D. Officials of Technology and Heads of Services Affairs at the member chambers: Those in charge at the member chambers held several meetings where they discussed ways to support the Information Center at the Federation’s Secretariat General, especially publications, mainly the Guide for Members of the Gulf chambers (unified commercial and industrial Gulf guide-On Line), in addition to the Public Entities Guide, VIPs in the Public Sector Guide as well as the Businessmen and Businesswomen Guide in addition to supporting the electronic Gulf market project.

E. Officials and heads of training at the member chambers: Several meetings were held for those in charge of training at the member chambers. During these meetings several issues were discussed such as the
chambers’ role and coordination amongst them in the field of training, rehabilitation and cooperation with training academies and institutions working in the GCC countries.

6. Forming Sectoral Committees: During its 33rd meeting that took place in Riyadh in February 10, 2009, the FGCCC took a decision to establish and adopt the following sectoral committees: the Gulf Tourism and Real Estate Committee, the Gulf Industry and Promotion Gulf Committee, the Gulf Human Resources and Labor Market Committee and the Gulf Financial and Banking Committee.

The Gulf sectoral committees, which were founded under the umbrella of the Federation’s Secretariat General, started its works and meetings during the last quarter of 2008 with a view to discuss issues of mutual concern as follows:

A. The Gulf Industry and Promotion Committee: Throughout the meetings, the committee discussed means to develop the performance of the industrial sector in the GCC countries. During these meetings, the committee urged the governments of the GCC countries to support the industrial sector as it is one of the largest sectors that support the Gulf economy and one of the most significant sectors that is hoped to provide a promising working environment to a large number of Gulf citizens. The committee also urged the governments of the GCC countries to facilitate finance to mega manufacturing industries, encourage foreign investments and raise awareness among workers in the industrial sector to avoid future risks through holding specialised and diversified industrial activities.

B. The Gulf Human Resources and Labor Market Committee: The committee was established with a view to discuss all issues related to activating the role of chambers in the field of human resources development, giving priority to nationals in employment and in the recruitment process in particular as there are large hopes expected from the private sector in this regard. The committee took several important recommendations in this regard and suggested holding several specialised activities in cooperation with specialised regional and international organisations and commissions.

C. The Gulf Tourism and Real Estate Committee: It was formed to discuss all issues of concern to the tourism and the real estate sector in the GCC countries to activate their significant economic role. The committee looked into holding regular tourism meetings and discussed difficulties that hamper the role of the tourism and real estate sectors.

D. The Gulf Financial and Banking Committee: The committee was formed to discuss means of coordination between the Gulf chambers and the central banks in the GCC countries to support the Gulf financial institutions through providing facilities, especially at such times of the local and global financial crisis. The committee issued several important recommendations that seek to foster the role of the financial institutions and preserve their stability in line with their major economic significance in supporting the economic development process.

Second: Cooperation with the Gulf Cooperation Council’s Secretariat General

The FGCCC in cooperation with member chambers worked intensively to build bridges of communication with the GCC’s Secretariat General as representative of Gulf government entities within clear and fixed institutional frameworks to convey its viewpoints and visions regarding economic policies and plans at the overall and the sectoral levels. This cooperation was one of the main fields of work by the Federation over the past 30 years with a view to activate the Gulf private sector’s role in the process of economic action. This cooperation was represented in the following:

1. Joint meeting between the officials of the GCC Secretariat General and heads and members of the FGCCC: Until the end of 2009, a total of 25 meetings were held between the two sides. Several issues were discussed such as means to foster cooperation between the Secretariat General of the GCC and that of the FGCCC on the one hand and the private sector on the other hand to render a success the GCC efforts and the economies of the GCC countries and face challenges facing them.
Agency Difference: The only global Arab communications network
Agency Philosophy: Don’t outspend the competition. Outwit them
Agency Offering: BEI Group: An integration of 10 specialist companies
Agency Footprint: Global with GCC focus

Advertising | Packaging & Design | Media Placement | Promotions
Public Relations | Event Management | Female Marketing
Youth Marketing | Exhibition Stand Design & Build | Brand Consultancy

CALL US TO TALK ABOUT YOUR COMMUNICATIONS’ NEEDS
Qatar: +974 444 3327/29
Dubai: +9714 390 2585
www.beinternational.com
Created in 1958, one year after the birth of the European Communities, EUROCHAMBRES is the Brussels-based Association of European Chambers of Commerce and Industry. EUROCHAMBRES has member organisations in 45 countries representing a network of 2,000 regional and local Chambers with over 19 million member companies. More than 96% of these enterprises are small or medium enterprises (SMEs). Chamber members employ over 120 million employees.

EUROCHAMBRES is the sole European body that serves the interests of every sector and every size of European business - due to the multisectoral membership of Chambers - and the only one so close to business, as a result of the Chambers’ regional focus.

EUROCHAMBRES forms one of the key pillars of business representation to the European institutions. Our mission is to represent, serve and promote European Chambers of Commerce and Industry mainly through:

- Strengthening the voice and position of European Chambers as significant, respected, valued influencers of EU affairs on all major economic issues.
- Developing the participation of European Chambers in projects of value to business.
- Working as a network, delivering network services to our members, developing a European network of services for enterprises, and strengthening the European Chamber network through linkages and joint programmes.

Our vision is an enlarged competitive Europe where entrepreneurial behaviour is promoted and rewarded,

- the legislative and physical environment for profitable business is the best in the world,
- SMEs are encouraged and supported,
- competition is free but fair and which is open to free and fair trade with the rest of the world.

Chambers can make a significant contribution to help the European business community grow and prosper. Their role is twofold: providing concrete support to their member companies and giving feedback to policy makers on obstacles to doing business their members encounter.

The challenge for European business is to grasp the opportunities offered by the globalisation process and to minimise the risks from unfair trade practices or sheer protectionism. Chambers have a responsibility to make that happen.

Every year, nearly 1 million companies in Europe are assisted by their Chambers to ‘go international’ and thus access foreign markets. This is done through a variety of instruments: seminars, workshops and training sessions, individual coaching and advice, information services, trade promotion and business cooperation programmes, organisation and coordination of trade-missions, facilitate them export-financing mechanisms and instruments and provide them with all kind of information on foreign countries’ investment climate, stability, tariffs and regulations.

The cooperation with our partners from the FGCCC is also in line with these aims: after having signed a Memorandum of Understanding in 2007 we jointly advocated for swift conclusion of the free trade agreement between the EU and the GCC and managed a project financed by the European Commission.

This project, called EU-GCC Chamber Forum, aims at developing a better understanding of EU policies promoting economic diversification and the creation of SMEs among GCC Chamber executives and, against this background, identifying policy initiatives and chamber services which could enhance economic diversification in the GCC.

The creation and internationalisation of enterprises is at the core of Chamber’s work. We remain strongly committed to this aim and are looking forward to further cooperation with our partners in the GCC.
Issues discussed included activating their role in overcoming obstacles against investments, commercial exchange and realizing economic citizenship.

Discussions also covered main challenges the GCC countries face that include diversifying income sources, human resources development, inflation, realising food security and facing the consequences of the global financial crisis.

At these meetings, officials looked into several means to activate the private sector’s role in implementing the decisions issued by the GCC’s Supreme Council and in drawing up joint economic regulations and laws.

These meetings also covered the importance of the private sector’s participation in the GCC countries’ delegations in the meetings of the ministerial and technical committees through a joint bloc of the two Secretariat Generals to stimulate the private sector’s role in leading the joint economic integration process in the GCC countries.

2. Organising activities and taking part in them: The GCC Secretariat General took part in several seminars and conferences held by the Federation’s Secretariat General.
3. The Federation also received invitations to take part in all activities organised by the GCC Secretariat General: Means to start cooperation between the two Secretariat Generals were discussed during these activities.
4. His Highness Sheikh Hamad bin Khalifa Al Thani the Emir of the State of Qatar receives a delegation of the FGCCC:

In order to foster the relationship between the private and the public sectors in the GCC countries and activate the private sector’s role in the joint Gulf market, His Highness Sheikh Hamad bin Khalifa Al Thani the Emir of the state of Qatar, in his capacity as president of current session of the GCC, received in 2008 a delegation grouping chairman, directors and secretary generals of the GCC chambers.

During the meeting, visions on means to activate the private sector’s role and address obstacles and difficulties that hamper the activation of the private sector’s role in the joint economic action in the GCC countries and realise economic citizenship were discussed.

The Gulf private sector delegation briefed His Highness Sheikh Hamad bin Khalifa Al Thani the Emir of the state of Qatar on their aspirations and hopes that efforts by the public and the private sectors help realise the noble objectives the GCC countries seek to achieve in light of the wise directives by Their Majesties and Highnesses the leaders of the GCC countries.

Other diversified fields:

A. Studying the joint Gulf market: The Federation cooperated with the Secretariat General to conduct a study on the joint Gulf market to present recommendations approved by the two sides in order to overcome obstacles that prevent the realization of Gulf citizenship as desired.

B. Preparing reports on the private sector’s visions in activating the joint Gulf market: The Federation’s Secretariat General prepared a detailed report on the Gulf private sector’s visions in activating the joint Gulf market.

The memo was presented to the consultative meeting of the leaders of The GCC countries that was held in Al Dammam in June 2008. Several reports were also forwarded to the GCC on obstacles facing inter-trade between the GCC countries and on the issuance of certificates of origin and other different topics.

C. Formation of Commercial Exchange Obstacles Committee: The joint Gulf committee on commercial exchange obstacles was formed based on a recommendation issued during the 22nd meeting between officials of the GCC Secretariat General and heads and members of chambers in the GCC countries that took place in Bahrain in April 2, 2007.

The Federation’s Secretariat General called the first meeting of the committee in Al Dammam at the FGCCC’s headquarters in October 29, 2007.

The meeting was attended by representatives from all member
chambers, the GCC Secretariat General, the GCC Standardization Organisation, the GCC Commercial Arbitration Center, in addition to representatives of several customs commission of the GCC countries.

During the meeting, participants discussed a paper presented by the Federation's Secretariat General on commercial exchange obstacles the private sector faces at the customs borders of the member states.

The document included also the member chambers’ vision on this issue.

D. Obstacles and difficulties the Gulf private sector faces: The federation's Secretariat General started receiving complaints from Gulf companies and institutions that highlighted obstacles imposed by some countries.

Thus, the federation's Secretariat General followed up on the issue with the concerned countries through the GCC Secretariat General.

It distributed questionnaires it prepared on this issue to member chambers and several private sector companies and forwarded the results to the GCC Secretariat General.

Third: In the field of developing the private sector’s foreign relations:

The federation’s Secretariat General started contacting several institutions and commissions to enhance cooperation with them out of its keenness to bolster the current cooperation between the FGCCC’s Secretariat General and the Arab, Islamic and Gulf organisations, institutions and chambers in the fields of common concern. This included:

1. Cooperation with the Arab, Islamic and Gulf institutions and commissions that include:

   - The Gulf States Organisation of Industrial Consultants (GOIC):
     Several visits were arranged between the two sides to discuss cooperation in all fields, especially those related to the industrial sector. There was also participation in the activities and conferences, mainly in the executive sessions of the GCC’s Industrialists’ Conference. Discussions also covered means to activate cooperation between the two sides in technical fields and activities and publications. In this regard, a memorandum of understanding was signed between the two sides to foster cooperation in all fields.

   - The Union of Arab Banks: A memorandum of understanding was signed between two sides stipulating the exchange of annual working programmes to explore fields of joint action and coordinate related activities, particularly in terms of holding seminars, conferences, forums, research, studies, publications. It also entails exchange of technical and legal information and consultations and draft laws that serve the two sides.

   - The Gulf Research Center: The Secretary General visited the center’s headquarters in Dubai and met with its President Dr. Abdulaziz Sager. In addition, several meetings were held between them during which they agreed to cooperate in the fields of conducting studies, research, guides and specialised publications. They also agreed to cooperate in holding different activities and looked into the Gulf membership card.

   - The Organisation of the Islamic Conference (OIC): The Federation’s Secretariat General took part in several activities organised by the Organisation of the Islamic Conference including the 6th meeting of the small and medium-sized projects committee that was organised by the OIC in Bangkok from 15-17 August 2008. During these meetings, discussions covered the objectives of the committee and its working mechanisms to coordinate Islamic institutions’ efforts in supporting and developing small and medium-sized projects in Muslim countries. Results of these meetings were distributed to member chambers.

   - The Executive Office of Minister of Labour and Social Affairs at the GCC countries: Several meetings were held with the executive office and it took part in several activities where discussions covered cooperation regarding issues related to the stability of labor markets.
In addition, discussions covered issues related to encouraging the employment of local labor. In this regard, a draft memorandum of understanding was prepared between the two sides to foster cooperation in several fields.

2. Cooperation with international organizations and commissions:
A. EUROCHAMBRES - the Association of European Chambers of Commerce and Industry: A memorandum of understanding was signed with the EUROCHAMBRES that represents the chambers of commerce in the EU countries that functions as a framework for developing economic, commercial and investment relations between the GCC countries and the EU states. Based on this memo, several visits were arranged between the two sides and a joint delegation from the FGCCC’s Secretariat General and the EUROCHAMBRES chaired by the vice president visited the Oman Chamber of Commerce and Industry, Al Sharjah Chamber of Commerce and Industry, Qatar Chamber of Commerce and Industry and Bahrain Chamber of Commerce and Industry. The visits are part of the Federation’s Secretariat General keenness to activate the cooperation agreement between the Secretariat General and the EUROCHAMBRES. Several visits were also arranged to a number of finance ministries and for several businesspeople concerned with small and medium-sized institutions.

Two delegations representing the Federation’s Secretariat General and the EUROCHAMBRES conducted four field visits to Kuwait Chamber of Commerce and Industry, Riyadh Chamber of Commerce and Industry, Jeddah Chamber of Commerce and Industry and Asharqia Chamber of Commerce and Industry with the participation of EU and Gulf businesspeople. The European delegation gave a presentation on the development of small and medium-sized institutions and appropriate means to develop them. It also gave two other presentations on the chambers’ benefit from technological development in supporting small and medium-sized institutions and transferring local small and medium-sized institutions into global ones.

B. China Council for Promotion of International Trade (CCPIT): An agreement was sealed with the Chinese new synergy company as a representative of the Federation’s Secretariat General to activate the memorandum of understanding signed with the CCPIT and cooperate in holding several activities. As part of this cooperation, the Gulf commerce center was opened in Beijing with the participation of businesspeople and officials from both sides. The center will help increase commercial and industrial investments by private sector companies and institutions in both sides.

In addition, a delegation from China visited three Gulf countries where it was briefed on investment environment in the GCC countries and met several officials in Bahrain, Qatar and the Kingdom of Saudi Arabia.

C. The Federation of Indian Chambers of Commerce and Industry: A visit was arranged for a delegation from the Federation of Indian Chambers of Commerce and Industry to the GCC countries from 2-10 March 2008. The visit included Bahrain, the Kingdom of Saudi Arabia, Kuwait, and the United Arab Emirates to promote the Arab-Indian Conference that was held in April 2008 in Mumbai.

D. The GCC-Asian Economic Center: A memorandum of understanding was signed with the center considering the Federation’s Secretariat General as a supporting entity of the center, which was opened in Malaysia on August 21, 2008. On this occasion, H.E Dr. Abdullah Badawi Prime Minister of Malaysia received Mr. Abdulrahim Hasan Naqi, Secretary General of the Federation of GCC Chambers, in his office in Kuala Lumpur in August 21, 2008.

Abdullah Badawi welcomed the secretary general and said he highly valued efforts by the Secretariat General in accelerating the opening of the GCC-Asian Economic Center and choosing Malaysia as its headquarters. A matter, he said, will largely help in activating commercial and investment exchange between the GCC countries and
Asian countries, especially Malaysia, that is expected to benefit widely from the Center's consultation services to Malaysian businesspeople in particular and Asian businesspeople in general.

E. UNIDO Investment and Technology Promotion Office: The FGCCC signed a cooperation agreement lately with the UNIDO Investment and Technology Promotion Office to support communication between the Federation and the UNIDO. The agreement also looked to raise awareness on the need for supporting business pioneers of the future generations in the GCC countries through intensive training programmes to educate them to contribute to the establishment and development of small and medium-sized projects. The agreement seeks also to benefit from facilities and incentives offered by the GCC countries to young businesspeople, a matter that supports economic reform programmes in the GCC countries.

F. The US Chamber of Commerce: The Federation's Secretariat General signed a memorandum of understanding with the US Chamber of Commerce to develop economic relations between the two sides in fields of mutual concern. The two sides agreed to continue cooperation in supporting small and medium-sized institutions in the GCC countries and providing all means of support to benefit from the US expertise. They also agreed to cooperate in organising joint activities such as seminars, conferences and training courses, among other activities related to the joint economic affairs such as the annual Gulf-US meeting. The two sides also agreed to carry out research and economic studies, exchange expertise and provide consultations in fields related to economic issues, human resources, transfer of technology and scientific research. A meeting was also held between the Federation's Secretariat General and the US Chamber of Commerce to activate efforts in the different fields of economy and enhance cooperation between the two sides on different developments in the economic arena, mainly the global financial crisis that had major consequences on the American economy in particular.

G. The Confederation of Asia-Pacific Chambers of Commerce and Industry: The FGCCC signed a memorandum of understanding with the Confederation of Asia-Pacific Chambers of Commerce and Industry that groups 22 Asian countries in October 23, 2008 in Manila. The agreement was signed during the 22nd annual conference that was hosted by the Philippine Chamber of Commerce and Industry and aimed at enhancing external cooperation for the chambers of commerce to develop small and medium-sized projects, develop production techniques and benefit from international and global expertise in the Asian countries in these fields and others.

H. The CPCCAF - The African French Language Countries Chambers of Commerce and Industry: A memorandum of understanding was signed between the FGCCC and the CPCCAF on the sidelines of the 1st Gulf-French forum.

3. Cooperation with joint Arab and foreign chambers:
A. Franco Arabe Chamber of Commerce: An agreement was signed with the chamber to develop cooperation in supporting economic relations between the GCC countries and France and increase services to the Gulf and French business community.

b. German-Arab Chamber of Industry and Commerce: An agreement was signed with the chamber to develop Gulf-German economic ties by unifying efforts by the FGCCC's Secretariat General and the German-Arab Chamber of Industry and Commerce in this regard.

c. The General Union of Chambers of Commerce Industry and Agriculture for Arab Countries: The federation's Secretariat General took part in the successive sessions of the General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries. It also attended the meetings of the union's board of directors and took part in several activities, conference and seminars.
THE FUTURE IS INDUSTRY

Under the Patronage of
H.E. Abdullah Bin Hamad Al-Attiyah
Deputy Premier, Minister of Energy & Industry

Qatar Petroleum will be organizing the first
Qatar Industrial Investment Conference
18-20 October 2010, Grand Hyatt Hotel, Doha, Qatar

His Excellency is honoured to invite foreign industrialists who would like to expand their business in Qatar through the establishment of joint venture companies in partnership with Qatari investors.

**Qatar’s competitive advantage:**
- Transparent government policies
- Fast-growing economy
- Strategic location
- Stable fiscal environment
- Excellent sea and air transportation
- Abundance of capital
- Low cost of energy
- Ability to import low-cost labour
- Excellent educational infrastructure
- Industrial areas with all modern facilities and favourable costs
- 10% flat corporate tax
The Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) was established in 1966 to serve as a forum for promoting the vital role of businessmen in the region, increasing business interaction, and enhancing regional economic growth. With its membership from 27 Asia-Pacific countries, it cuts across national boundaries to link businessmen and promote economic development throughout the region.

A major challenge currently faced by many of our members is increased competitiveness in the world market brought about by rapid globalization and continuing market deregulation of many economies. While closer integration in goods and financial markets has opened up many opportunities in terms of growth in markets, greater access to technology, improved production techniques and better management practices, it has also resulted in substantive changes in the form and context within which business in the region operates.

Challenged to become global players, Asian firms are pressured to look ahead and re-think their strategies to adopt to the call for innovation, efficiency and competitiveness in the highly dynamic business climate. What strategies are crucial for their survival? What are the skills requirements? What support mechanisms are necessary to help them sustain innovation and technological change in their product sectors? These are some of the questions and challenges that our members must address in today’s rapidly changing environment.

To equip our members with the necessary tools, knowledge and training to meet the challenges they are confronted with, CACCI has placed emphasis on a number of programs and activities. Allow me to mention some of the more important ones.

First, CACCI has taken a concerted effort at assuming greater policy advocacy role. This is important if the business sector hopes to establish a policy environment conducive to creating better business and investment opportunities in the region.

Second, CACCI recognizes the importance of business networking to encourage greater interaction between individual businessmen in the region. Activities in this regard have included the exchange of trade and investment delegations, participation in trade and investment fairs, the exchange of trade and investment data information, and performing business inquiry services and trade and investment matching activities.

Third, CACCI has encouraged the formation of Product and Service Councils, which serve as its grassroots vehicle for regional trade and investment cooperation. These Product and Service Councils were organized to promote greater business interaction among CACCI members in the same product or service line.

Fourth, CACCI believes in bringing SMEs, the driving force for economic growth, into the mainstream of economic development, through capacity-building activities.

Fifth, CACCI recognizes the need for a strong information infrastructure. In a borderless era, the collection and exchange of information across different industries and national borders becomes a crucial business strategy for firms.

A sixth area that CACCI promotes as an integral element of regional development is the need for cooperation in technology development. CACCI believes that investment in technology is one of the most important factors in increasing productivity and sustaining economic growth.
Another important area of concern for CACCI is human resource development. Human resources are the most important asset of any business enterprise. The development of this asset is crucial in improving enterprise efficiency, introducing market innovation, and increasing opportunities for market expansion.

Indeed, through all these activities and programs, CACCI encourages its members to integrate with the regional and global markets, not only through increased trade but also through more outward foreign direct investments. The continuing march of globalization offers many opportunities in markets, access to technology, production techniques and management practices. Taking advantage of these opportunities allow enterprises, particularly the SMEs, to maximize the benefits of greater integration, investing abroad, industrial upgrading and industrial structural change.

It is also important that the government initiates measures to support the development of the SME sector and promote internationalization of SMEs. One such measure is to have a comprehensive databank that could provide the necessary information at low cost and via easy access. This is to minimize mistakes during the decision making process due to lack of information. Another one is to provide training to SMEs in the field of regional and global integration. A third one is to help SMEs invest abroad, including providing targeted assistance to SMEs through different support programs. One such activity could be oriented towards the creation of a special supplier program, in which domestic SMEs become supplier to large multinational companies.

Amidst the many challenges faced by its members, CACCI believes that its principal role is to be a steward of private business in the region, and to provide a forum for businessmen to exchange ideas and information for mutual benefit. Given the diversity of the talents and resources of its members, CACCI is confident that it will remain an important contributor to the development of the region in the years ahead.
Congratulations on the successful publication by Federation of the GCC Chambers in Dammam (KSA).
The Federation of GCC Chambers of Commerce & Industry (FGCCC) has been committed to providing good services for enterprises in Gulf countries for foreign investments, trading and serves as a bridge for economic and trade cooperation between China and Gulf countries. FGCCC has won a renowned reputation for excellence and its influence is widely felt.

China Council for the Promotion of International Trade (CCPIT) highly appreciates its close and good cooperation with FGCCC for many years.

As the biggest trade and investment promotion organization in China, CCPIT is committed to facilitating bilateral economic and trade cooperation and investment between China and Gulf countries as well as heralding a new era for the Silk Road.

May China and Gulf countries’ friendship last forever!

Since 1986, the New Century International Investment Development Group, a comprehensive management transnational cooperation, has been engaged in cross-border investment and mixed farming, with business activities carried out throughout over 30 countries. The Group mainly works in project financing, investment and intermediary, business mergers, real estate development, project tender intermediary, international contracting, international trade, international exhibition, international business services, promotion of new products and technologies, products agent services, international chain franchising, international tourism, legal consulting, cultural and sports exchanges, international services, media and so on. Most of our projects are coordinated with the relevant governmental departments. At the same time, we have associated many business and groups with capabilities and integrities.

We will make full use of our own source advantage of the deep contact with all walks of life in China and consistently play an active role for the cooperation between China and the GCC countries.

According to the governments and businesses, we will continuously provide the turn-key services. Besides the business activities mentioned above,

I sincerely welcome the GCC honored corporations and friends from all walks of life to cooperate with us in other fields, and to establish a friendly cooperative partnership between China and the GCC countries.

Mr. Liu Jialin, FGCCC Representation to China New Century Int. Invest. Develop. Group Chairman
Room 1-1-11, Diplomatic Apartment, Qijia Garden, No.9 Courtyard, Jianguo Menwei Street, Chaoyang District, Beijing, 100600, China,
Tel: 0086-10-85323928, Fax: 0086-10-85322962
E-mail: NewCenturyGroup@hotmail.com
Website: www.new-century-group.com
The Union of Chambers and Commodity Exchanges of Turkey (TOBB), with its 1,300,000 member firms from all regions and sectors, is the sole representative of the entire Turkish private sector and the cornerstone of the Turkish Economy.

TOBB acts as Turkey’s most effective professional umbrella organization, with a network of members reaching into every community in any scale and with its comprehensive organization pervading to all the sectors throughout Turkey. There are 365 chambers and commodity exchanges as the members of TOBB. They operate in 81 provinces and most of the sub-provinces of the country.

TOBB as a global actor takes action as a leader and spokesman for all Turkish entrepreneurs both in Turkey and abroad, to seek their interests and assist them to establish effective relations with their counterparts from all around the globe.

As Turkey is in a dramatic economic transformation period led by the nation’s private sector, TOBB has been the main actor and the major initiator in this process by acting as a leader and spokesman for Turkish entrepreneurs. Turkey has been growing with a breathtaking speed and has become the world’s 17th largest economy today. With its dramatic GDP growth in the last few years, Turkey has become the country of opportunities.

TOBB has a world wide network, covering almost four continents in the world. TOBB, aiming to actively contribute to the works of the international organizations and to convey the opinions of the Turkish private sector regarding the regional and global economic issues at this multinational platforms, has undertook responsibilities and leading positions in the decision making bodies of many international organizations like International Chamber of Commerce (ICC), World Chambers Federation (WCF), Eurochambres, Islamic Chamber of Commerce and Industry (ICCI), Association of Balkan Chambers of Commerce and Industry (ABC), ECO Chamber of Commerce and Industry (ECO CCI), Association of Mediterranean Chambers of Commerce and Industry (ASCAME) and International Road Transport Union (IRU) and many more.

Knowing that increasing industrial cooperation, widening the foreign trade network and opening the Turkish service sector up to the global economy are essential in achieving development of Turkey’s economic, commercial, industrial and financial relations with foreign countries, Foreign Economic Relations Board, DEİK, has undertaken the mission of the effective integration of Turkey’s economy into the global economy.

Acting on this mission, DEİK makes every effort to find new fields of cooperation in foreign markets. At the same time, DEİK strives for the better utilization of existing business opportunities in various sectors. It also makes an active effort to accelerate the development of business relations and foreign direct investment across Turkey.

DEİK is committed to maintaining a close cooperation with its “counterpart institutions”. It aims to provide a platform where the business community can meet to discuss bilateral and multilateral issues which contribute effectively to business relations. DEİK acts as an intermediary between the public and private sectors due to its close working relations with all governmental bodies and private sector institutions in Turkey.

We know that, strong friendship between the people of Turkey and Gulf Countries creates a strong base to develop our relationship in every level. With this respect, we believe that, our duty as the TOBB and DEİK, is to reflect this friendship on to better and closer economic and commercial ties.

When Turkey and Gulf Countries’ strategic place and economic structure are taken into consideration, it is clear that there is a large scale of cooperation opportunities. We believe that, the relation between our countries lies beyond friendship. Our common history makes us brothers with very strong bonds. We strongly hope that, these historic close relations will be reflected in trade figures of our esteemed countries.

We believe that, thanks to the Memorandum of Understanding to be signed with FGCCC in near future, we will be in close cooperation with our colleagues in GCC countries. The business world will seek the opportunity to work strongly and effectively to enhance these relations and make our people live in a more prosperous world.

TOBB is FGCCC’s reliable and leading partner in Turkey which has strong desire to share its ideas, experiences and successes with the help of joint activities like seminars, workshops, business forums, bilateral meetings, trade missions. We believe that our ties will be strengthened in a constructive way.

We believe we can do it.

We wish FGCCC happy new 30 years with lots of successes and achievements.
There was a time when Governments in a country like India, laid the roadmap for the development of the country and held all the financial strings to realize the cherished dreams.

The development packages were being unveiled by putting in place a comprehensive but restrictive policy structure that ensured the supremacy of the public sector. The scenario, in effect, guaranteed that private sector would never realize its true potential that could inadvertently threaten the generally accepted primacy of the public institutions in the country.

The situation went in for a complete overhaul with the introduction of economic reforms initiated in 1991.

Today, private sector in India represents the growing desire to unshackle the latent vibrancy and business potential that lay underutilized for so long. Indian companies have emerged as MNCs firmly leaving their footprints across the globe. We are witnessing a phase where outward investments by Indian companies to expand their business operations abroad, by far, outweigh the flow of investments into the country.

The private sector has emerged as one of the largest employers in the country. At the same time, by encouraging and rewarding excellence, the sector has immensely contributed to the economic growth of the country. Not to lose sight on its social obligations, all major companies in India, under corporate social responsibility (CSR), have made earnest efforts to extend all possible assistance to the deprived and the underprivileged. Saving the environment and for optimum utilization of scarce resources available, Indian corporations are also undertaking clean development mechanisms (CDMs) with desired results. The future augurs well and India’s private sector shall play a pivotal role in propelling India forward and ensuring it’s all out development.

Coming as a blessing for the country, due to emergent global economic dynamics and rising aspirations of its people, the private sector in India has firmly established its credentials as “Partners in Progress” with the public sector agencies and institutions. The sector’s voice is being heard at every level of policy formulations and has been at the forefront in providing a conducive platform to put forth its demands and aspirations for improving the business worthiness of the country. The sector provides required inputs to policy makers and Governments, both at Center and in States, in re-shaping the existing policies and to develop new ones for all major sectors of Indian economy.

The Government today is proactively involving the representatives from the industry for seeking inputs and fine-tuning the process of policy formulations. I myself have been asked to Chair a Committee for railway reforms in the country. The private sector talent and expertise is being wooed and promoted by the Government like never before. And the encouraging trend has just begun to steam-roll, which in effect would be of immense benefit to the overall development of the nation as a whole.

Instead of undermining the efficacy of the public institutions, the private sector, due to its scintillating performance in terms of quality of products and services delivered, which are comparable to the best in the world, has helped in raising the bar for the public sector to emulate. It has led to a situation wherein both public and private institutions have begun to complement each other. And the results are there for everyone to envy and to learn from.

Be it infrastructure development, power generation, healthcare, education or civic amenities, the list is endless where the private sector has partnered with public agencies to come up with desired outcomes.
The most exciting outcome of these developments have been the emergence of Indian SME sector as the most dynamic and amenable to realignments in optimising their operations and resource usage. Today, the sector is eager to absorb newer technologies to keep pace with ever changing global market requirements. The able and supportive policy environment by the Government has transformed the sector as one of the engine of economic growth and for promoting equitable development in the country. It is estimated that in term of value, the sector accounts for about 39% of the manufacturing output and around 33% of the total export of the country. Further, in recent years the sector has consistently registered higher growth rate compared to the overall industrial sector. The major advantage of the sector is its employment potential at low capital cost. As per available statistics, this sector employs an estimated 31 million persons spread over 12.8 million enterprises and the labour intensity in the sector is estimated to be almost 4 times higher than the large enterprises. With such large pool of skilled man-power, manufacturing expertise spanning all sectors of mutual interest and insatiable thirst to incorporate new technologies and techniques, Indian SME sector is all set to go global. And GCC markets and businesses are definitely high on their agenda for entering into newer joint ventures and business ties.

At the same time, in promoting international economic and commercial relations, I am glad to highlight, both sectors are intimately cooperating for taking business relations with GCC to higher orbit. This remains very high on the agenda of Government and the private enterprises. The objective is to attract and tap surplus resources available in the region which are looking for investment opportunities. And going by the untapped potential existing, I sincerely believe that forging of such relations, with active support from the Governments, would make the partnership last for years to come.

It’s indeed noteworthy and am pleased to note that FICCI, the apex Chamber of Commerce and Industry in India, has been able to play a pivotal role in collectively bringing the two sectors together in realizing the untapped potential that lay in engaging the GCC economies for mutual benefit. The last five years have provided us with unique perspective about the GCC economies and the pre-eminent role that has been played by FGCCC in unraveling the true potential existing in the region. The close cooperation between India and the region has led to the establishment of confidence and trust. This has translated into close cooperation and mutual support to encourage business and cultural ties to blossom between India and the GCC countries. The global economic slowdown has indeed further fueled the desire to explore and deepen the existing business relations between Indian and Gulf corporations. The future portends a greater harmonisation of efforts between our nations to provide ideal platforms for the fructification of emerging trends.

Despite the sterling performance by Indian private sector which has been ably supported by Government machinery, there still lies a huge gap in what could have been and what has been achieved. But I am confident that the coming times will define and chart a new era of cooperation between Indian public and private sector that will ensure the emergence of India as one of the most equitably developed nation in the foreseeable future.

(The author is Secretary General, Federation of Indian Chambers of Commerce and Industry (FICCI))
Chapter Three

The Federation Activities

First: Organizing activities and taking part in them

- Seminar on Commercial Exchange Obstacles: The FGCCC’s Secretariat General took part in organising the seminar that was held in Al Fujairah city in the United Arab Emirates from 22-24 of March 2007.

- Conference on Exploring Investment Opportunities in Yemen: Upon an invitation by the GCC’s Secretariat General and Yemeni Minister of Commerce and Industry, the FGCCC’s Secretary General attended the conference that took place in Sanaa from 22-23 of April 2007.

- The 3rd conference for Gulf businesspeople and their Indian counterparts: The FGCCC’s Secretariat General took part in this conference that took place in Mumbai from 29-30 of May 2007.

- Promoting Investment Opportunities in Beijing: Upon an invitation by the Ministry of Commerce of China, the FGCCC’s Secretary General visited Beijing from 28 of June until July 1 in 2007. During the visit, he met with a large number of Chinese businesspeople where he presented investment opportunities in the Gulf.

- Forum on Investments in Health Sector: The FGCCC’s Secretary General took part in the 1st forum on investments in the health sector that was held from 23-24 of May 2007. It also took part in the 2nd forum that was held from 3-4 of July 2007 at the GCC’s headquarters in the presence of representatives from the private and the public sector.

- Fourth Innovation Forum on Public Relations Industry: The FGCCC’s Secretary General took part in the forum that was held from 4-6 of November 2007 in Al Khobar city in Saudi Arabia under the title “the art of leadership and public relations industry”.

- Localization and Recruitment Forum: The FGCCC’s Secretary General took part in the localization and recruitment forum organised by the Italia Advertising and Publishing in Dubai from 5-6 of November 2007.

- Saudi Investments Forum: The FGCCC’s Secretary General took part in organising the forum in cooperation with Asharqia Chamber of Commerce and Industry. The forum was held from 24-26 of November in Asharqia Region in Saudi Arabia.

- The 1st Gulf E-Commerce Forum and the exhibition held on the sidelines: The FGCCC’s Secretary General took part in organising the forum that was held on 26-27 of November 2007.

- Arab administrative leaderships forum: The FGCCC’s Secretary General took part in the forum organised by the Ghantoot Center for Consulting, Training, and Conference Services in Abu Dhabi on 26-27 of December 2007.

- The American-Gulf Forum: The FGCCC’s Secretary General took place in the forum that was held in Bahrain during November 2007.

- The 2008 Gulf Tourism and Investment Forum: The forum was organised in Jeddah from 16-18 of February 2008 by the Gulf Tourism Committee affiliated to the FGCCC. It was held in cooperation with Jeddah Chamber of Commerce and Industry and the Prince Sultan College for Tourism and Business (the scientific advisor).

- The 11th Gulf Industrialists’ Conference: The conference was held in Abu Dhabi from 20-21 of February 2008. It was organised by the Gulf Organisation for Industrial Consulting in cooperation with Abu Dhabi Chamber of Commerce and Industry, Abu Dhabi Ministry of Finance and Industry. The GCC’s Secretariat General and the FGCCC’s Secretariat General and was held under the title “Petrochemical industries: Vision for 2020.”
Forum for businesswomen in Asharqia and familiarization meeting for women in the public sector: The forum was held in Asharqia in Saudi Arabia from 4-5 of March 2008 and was organised by a private company and sought to discuss developing the role of businesswomen in Saudi Arabia.

The Shares Forum (SMFEX) : The forum was organised in Abu Dhabi from 10-11 of March 2008.

Investments in the GCC countries Forum: The forum was held in Dubai from 12-13 of March 2008 and was organised in cooperation with Eitsal Company and was attended by over 30 figures. Investment opportunities in the GCC countries were discussed during the forum.

Forum on Rise in Prices in the GCC countries: It was organised in Al Manama, Bahrain on 24th of March 2008, in cooperation with the GCC’s Secretariat General and Bahrain Chamber of Commerce and Industry to discuss the reasons behind the increase in prices and suggesting means to address the issue.

Small and medium-sized institutions seminar: The seminar was organised by Al Riyadh Chamber of Commerce and Industry on 30th of March 2008.

Forum on New Economic Strategies between the central and east European countries and the Gulf states: It was held in cooperation between the FGCCC, Crans Montana Forum CMF-Middle East, the Bahrain Economic Development Board, the United Nations Industrial Development Organisation and G.E.O.C. company from 8-10 of April 2008 under the patronage of His Highness Sheikh Khalifa bin Salman Al Khalifa, Bahrain’s Prime Minister.

1st forum for promoting Gulf industries in Syria: It was organised under the patronage of Minister of Economy and Commerce in Syria from 16-19 April 2008.

The India Arab Economic Forum: The FGCCC’s Secretariat General took part in the India Arab Economic Forum that was organised by the Federation of Indian Chambers of Commerce and Industry in New Delhi on 18-19 April 2008.

Human Resources Development Forum: The FGCCC’s Secretariat General took part in the 6th forum on development of human resources that was inaugurated by His Highness Prince Mohammad bin Fahad bin Abdulaziz Emir of Asharqia. It started on Saturday, 17 of May 2008 and was organised by Asharqia Chamber of Commerce and Industry and the Saudi Electricity Company.

The 33rd Cypriot Exhibition: The FGCCC took part in the inauguration of the exhibition that was opened by President of Cyprus and was briefed on the Cypriot products at the fair. It also visited the pavilions of countries taking part in the exhibition that started from 23-30 of May 2008.

Finance and Business Forum: It was held under the patronage of His Excellency Dr. Hassan Abdulla Fakhro Minister of Industry and Commerce in Bahrain. It was held from 3-4 of July 2008 at the Gulf Hotel in Bahrain.

The 12th Conference for Arab Businesspeople and Investors: The conference was held in Beirut from 19-20 of July 2008. It was organised by the General Union of Arab Chambers in cooperation with the Arab League, the Inter-Arab Investment Guarantee Corporation and the Union of Lebanese Chambers of Commerce and Industry.

Media Seminars on the Arab Development Economic Summit: The FGCCC’s Secretariat General, represented by the Federation’s secretary general along with the Arab League and the Union of Arab Chambers, the Union of Arab Banks, took part in holding Arab economic media seminars in Beirut on 21st of June 2008.
• **Arab-German Forum**: The FGCCC’s Secretariat General attended this forum that was held in Berlin on 25th of June 2008 and was organised by the German-Arab Camber of Commerce.

• **Conference on Modern Strategies in Managing chambers of industry and commerce and enhancing their role in launching investments**: The FGCCC’s Secretariat General took part in this forum that was held in Amman from 14-17 July 2008. It was organised by the Center for International Dialogue for Human Resources Development under the patronage of His Excellency Jordanian Minister of Industry and Commerce.

• **The 16th Cultural Days Festival**: The festival was held in Bahrain International Exhibition Center From 15-20 September 2008 under the patronage of His Highness Sheikh Mohammad bin Mubarak Al Khalifa, Bahraini deputy prime minister.

• **Financial Brokerage Forum**: During 14-15 of October 2008, Abu Dhabi hosted the Financial Brokerage Forum and Exhibition under the title of “investment in a new global economy”. It was organised by the FGCCC’s Secretariat General and the Securities and Commodities Commission in the United Arab Emirates under the patronage of His Excellency Eng. Sultan bin Saeed Al Mansour Minister of Economy.

• **The 6th international forum for financial and investments institutions in Syria**: The forum was held under the patronage of His Excellency Dr. Mohammad Hussein, Syrian Finance Minister, in the Sheraton Hotel in Damascus from 17-18 November 2008. The forum was organised by Al Salam for Conferences in cooperation with Damascus Securities Exchange and the FGCCC’s Secretariat General and the Syrian Investments Commission.

• **The 1st Gulf-French Economic Forum**: Under the patronage of His Excellency Sheikh Fahad bin Jassem bin Mohammad Al Abdulrahman Al Thani, Qatari Minister of Business and Commerce, the FGCCC’s Secretariat General in collaboration with the French-Arab Chamber of Commerce held the forum at the headquarters of Paris Chamber of Commerce and Industry during 28-29 of October 2008.

• **The European-Gulf Exhibition**: Under the patronage of the GCC Secretary General His Excellency Abdul Rahman bin Hamad Al Attyah, the FGCCC’s Secretariat General in cooperation with the British-Arab Chamber of Commerce and with the participation of the Publication UK held the European-Gulf Forum in Olombia Hall in London on 12th of November 2008.

• **The 2nd Gulf Industries Forum in Amman-Jordan**: The fair was held in the Jordanian capital of Amman from 23-26 November 2008 under the patronage of His Excellency Amer Hadidi Minister of Industry and commerce.

• **Food Security in the GCC countries Seminar**: The FGCCC’s Secretariat General in cooperation with Oman Chamber of Commerce and Industry and the GCC Secretariat General organised the seminar on the 24th of November 2008. It was held under the patronage of H.E Ahmad bin Abdul Nabi Maki, Minister of National Economy, deputy chairman of the Financial Affairs and Energy Resources Council in the presence of His Excellency Abdul Rahman bin Hamad Al Attyah, and several officials from the Gulf.

• **Taking part in the “Made in Qatar” Exhibition**: The expo was opened by His Highness Sheikh Tamim bin Hamad Al Thani, Qatar Crown Prince, at the Doha Center for Exhibitions in the presence of a large number of Gulf businesspeople and those concerned with the industrial sector in Qatar.
It was an honor to be invited by the Federation of Chambers of Commerce and Industry of the Gulf Cooperation Council countries to contribute to this joint publication that celebrates the 30th anniversary of the FGCCC.

I am particularly honored since - starting from the autumn of 2008 - the FGCCC and CPCCAF became partners through a Memorandum of Understanding that constitutes the foundation of our ongoing collaboration. My very presence in the Economic Business Forum is an illustration thereof.

The CPCCAF and FGCCC are cousins’ institutions. This is true by their objects clearly, but also by the physical proximity of their members. The links between the African world and the Arabian Peninsula are immemorial, as their trade.

It is therefore, important that this proximity, especially in these troubled times of global financial crisis, constitutes an additional opportunity to bring us closer, and allows us to give to those we represent, all the services they are duly entitled to expect from us.

The economies of FGCCC members have different structures than those of African countries, but this difference constitutes the binding factor of our future collaboration.

Africa is a great continent, a continent rich in natural resources, and with undeniable human and economic capital. The African economy provides opportunities without common measure of wealth creation and development for anyone who wants to look at the future without complacency.

If the previous decades have been those of the entire Asian region, I am convinced that the next 20 years will be those of Africa. In the short, medium and long term, this area has the largest development potential. Therefore, with you, our partners of the FGCCC, we have in the CPCCAF the ambition to give our full energies to assist all those who wish to build in Africa all the projects they wish to undertake.

Meanwhile, we have much to learn from each other. The quality of work performed by the FGCCC to economically integrate the countries of GCC is an example for all organizations, particularly regional ones. These meetings are opportunities for everyone and a unique and privileged occasion of exchanges and discussions, allowing us to share our experiences.

Therefore, I congratulate you for organizing this Forum in Qatar, on the theme of strengthening the sustainable cooperation between FGCCC and offshore markets for the mutual benefit.

Beyond the goals of increasing trade between our respective territorial areas, we want to focus on the opportunities offered to enrich mutually our organizations.

The CPCCAF was created in 1973 to allow sharing of experiences among the consular French-speaking Sub-Saharan world and France. Our borders have changed since then, but not our objective. The Maghreb has joined the Southern Conference, just as Belgium and most recently Quebec, the Northern one. However, our philosophy and our line will remain the same, namely, contribute through cooperation between the consular organizations in strengthening their capacity, whether a north-south or south-south cooperation.
We believe that our organizations in Africa - more than elsewhere - are necessary for the emergence of a structured private sector, especially SMEs and SMIs, which are the driving force of economic and social development of Africa.

If we allow our companies to be able to organize locally, grow and conquer new markets in Africa, but also outside the continent - whether these companies are commercial, industrial, from the crafts’ sector or agricultural - we should then, offer an increasingly favorable environment. And that is why we must focus on investing in sectors such as education, economic information, strengthening the managerial framework, and improving the legal, social and financial environment of the companies. The exchanges that we make today can enable sharing of ideas, good practices and perhaps even joint projects.

Thirty years is the age of maturity, it is the age of the realization and implementation of all projects. I, therefore wish a happy birthday to your Federation with the hope that together we will contribute effectively to the development of our economies.
Organizing a series of seminars on the global financial crisis and its consequences on the GCC countries in cooperation with the member chambers: Since the start of the global financial crisis, the FGCCC’s Secretariat General took the initiative to contact all concerned authorities to organise an activity to discuss this issue and look into its consequences on the Gulf private sector. Thus, it organised a seminar on the global financial crisis in cooperation with the Council for Saudi Chambers of Commerce and Industry Jeddah Chamber of Commerce and Industry. The seminar was held in the headquarters of the chamber on February 1 2009 and another seminar was held in cooperation with Oman Chamber of Commerce in Muscat on 8th of March 2009.

Taking part in the Gulf-African Forum in Cape Town: The FGCCC’s Secretariat General took part in the annual strategic Gulf-African Forum that was held in Cape Town in South Africa under the emblem of “The Gulf and Africa…New Strategic Partnership” from 24-2 February. More than 16 African countries in addition to the GCC countries took part in the forum. The event brought about a large number of officials from ministries and chambers of commerce and those concerned, which would foster dialogue between those from the Gulf and Africa. The forum was designed to shed the light on most prominent issues and challenges that hamper enhancing ties between the African continent and the GCC countries. It was also aimed at exploring prospects of economic cooperation and means to develop ties between the two sides at the political, security and social levels.

The FGCCC’s Secretariat General organised several conferences and seminars and took part in other activities organised by other entities. The following are some of the key activities:
- The 1st Gulf Conference for Electronic Businesses: Digital economy gate.
- Third discussion session for the finance and credit of industrial exports.
- Scientific session on joint Gulf projects.
- Seminar on Family Companies in the GCC countries.
- Meeting for transport companies in the GCC countries.
- Seminar on Gulf economic integration in light of the current changes.
- Seminar on activating the private sector’s role in the GCC countries in the economic development.
- The 1st meeting for training institutions and centers in the GCC countries.
- Seminar on developing the small and medium-sized institutions in the GCC countries: Arab and international experiences.
- The 2nd International Gulf Conference for Electronic Businesses: Digital Economy Gate.
- Meeting for Lawyers Offices and Legal Consultations.
- The 2nd meeting for Food Companies.
- Managing the Gulf economy in light of the global financial crisis.
- The role of the banking body in activating the role of the private sector in the GCC countries.
- The 2nd meeting for the civil training and education institutions in the GCC countries.
- Meeting for Businesswomen in the GCC countries.
- Meetings for the accounting companies and offices in the GCC countries.
- The Gulf Tourism and Investment Forum.
- The first Gulf Family Forum.
- Gulf-European Partnership activity
- Seminar on rise in prices in the GCC countries.
- Seminar on the Joint Gulf Market.
- Conference on economic integration challenges in the GCC countries.
- The Gulf Investment Forum that will be held in Dubai.
- The Stocks Forum in Abu Dhabi.
- Forum on modern economic strategies for the central and east European countries and the GCC countries.
- Meeting between the Gulf IT companies.
- Familiarization seminar on the joint Gulf market.
- Workshop on evaluating the performance of the unified customs law for the GCC countries.
- The 1st transportation conference between the GCC countries.
- Forum on the joint Gulf market.
- The 3rd Businesswomen Forum.

**Second: Studies, reports and working papers:**
The Federation’s Secretariat General issued a large number of economic studies related to the economic performance of the GCC countries and here we list the most significant:

* Promoting for Gulf and Arab projects amongst businesspeople and urging them to contribute to capitals of joint companies and projects.
* Addressing differentiation in prices of commodities imported to the GCC countries from industrial states.
* Reducing the prices of mail, calls and faxes for the GCC countries.
* Reducing the fares of marine shipping from main import ports in the region.
* Addressing the increase in the insurance fees on war risks and resorting to the "Loidz Commission" in prices of insurance.
* Preventing inappropriate commercial dealings and facing commercial cheating operations and counterfeited commodities.
* Extending assistance to developing countries in the form of national products instead of financial assistance.
* Using Arabic as the base for dealing and Arabizing names of companies and products.
* Negative impact of activities by some Gulf speculating companies.
* Establishing Gulf companies for air transport of commodities.
* Introducing exportable Gulf commodities.
* Calling for exporting Gulf products, especially to densely-populated countries that enjoy high rates of consumption such as China and India.
* A paper on economic Benefit from waste and establishing factories for the production of fertilizers from waste and the manufacturing of tires.
* Joint role by national banks and businesspeople in stimulating the economic activity.
* Unifying and coordinating Gulf economic legislation.
* Calling for rationing expenditures and consumption.
* The Gulf private sector’s role in developing production rates.
* Working paper on commercial exchange.
* Working paper on obstacles facing the joint Gulf projects.
* Working paper on obstacles facing investment exchange between the GCC countries and Yemen that was presented in the investment forum in Yemen.
* Working paper on small and medium-sized projects for the Gulf Economy magazine.
* Working paper on the private sector’s role in localization and recruitment for the Gulf Economy magazine.
* A memorandum on inflation in the GCC countries for the Gulf Economy magazine.
* Working paper on investment in the field of real estate that was presented to the Gulf-India Businesspeople Forum.
* Working paper on the private sector’s role in the process of economic integration on the occasion of the 26th anniversary on the establishment of the GCC.
* Working paper on investment environment in the GCC countries that was presented to China.
* Study on obstacles of investments in the GCC countries.
* Study on commercial cover-up phenomenon.
* Study on the Gulf financial markets and expectations for their future in 2007.
* Memorandum on obstacles of commercial exchange in the GCC countries.
Working paper on real estate investment in the GCC countries.
Preparing a working paper on the rise in prices in the GCC countries.
Study on integration and conversion between small and medium-sized projects.
Study on standards and metrologies and their role in economic development.
A report on economic performance indicators for the GCC countries in the first quarter, second quarter and the third quarter of 2008.
A report on investment environment in the Arab countries.
A report on Gulf-American economic relations.
A report on Gulf-European economic relations.
A report on Gulf-German economic relations.
A report on Gulf-Asian economic relations.
A report on the transport sector in the GCC countries.
A report on pension systems in the GCC countries.
A report on investment opportunities in the agricultural sector in the GCC countries.
A working paper on guest workers in the Gulf countries.
A study on obstacles of investments between the GCC countries.
Working paper on the role of the private sector in combating the phenomenon of the increase in prices in the GCC countries.
Working paper on activating the customs union of the GCC countries.
Working paper on the role of the FGCCC in the economic integration process in the Gulf.
Working paper on the Gulf-French economic ties.
Working paper on the increase in the food gap among the GCC countries.
Working paper on the food gap among the GCC countries and external investment: Sudan as an example.
The FGCCC’s Secretariat General’s visions on activating the role of the private sector in the process of joint economic action and removing obstacles among the GCC countries.
Study on the economic importance of increasing the role of the Gulf private sector in the decision-making process.
Working paper on localization and recruitment and the features of the labor market in the GCC countries.
Working paper on small and medium-sized facilities in the GCC countries.
Working paper on economic empowerment of women in the GCC countries.
Working paper on diversifying sources of income in the GCC countries.
Working paper on Arab economic indicators.
Working paper on the economic importance of the participation of the Gulf private sector in the decision making process.
Working paper on lessons learnt from the European currency unity.
Working paper on the role transport and transportation in the development in the GCC countries.
Preparing a working paper on commerce, especially its role in the economic development in the GC countries.
Working paper on the joint Gulf market and the Gulf currency, why now?
Working paper on the FGCCC’S Secretariat General’s visions in light of the consequences of the global financial crisis in the GCC countries.
Working paper on activating the federation’s Binefit from joint Arab and foreign chambers.

Third: Publications
1. General directory for the GCC countries.
2. The Gulf directory in English.
3. The Gulf investment directory.
4. Exporters’ directory (CD).
5. Medical directory (CD).
6. The Golden Book for the GCC countries.
7. The Gulf Family Companies encyclopedia.
Fifth: Distribution of the Federation’s Products:

The Federation of the Gulf Cooperation Council Chambers (FGCCC) has distributed a series of products that contribute to the development of the Gulf private sector. These products include:

9. Booklet on integration and conversion between the small and medium-sized institutions in the GCC countries.
10. Booklet on standards and metrologies and their role in the economic development in the GCC countries.
11. The FGCCC’s encyclopedia (Distinction membership).
12. The Industrial Gulf directory.
13. Directory of members in the GCC’s members chambers.
15. Model urbanization Gulf transactions.
17. The official Gulf directory on quality.
18. The Gulf industries directory (Live CD).
19. Encyclopedia on economic regulations and laws in the GCC countries.
20. Encyclopedia on businessmen in the GCC countries.
21. Encyclopedia bilateral and collective economic agreements for the GCC countries.
23. A series of catalogs on the Gulf industry.
24. Encyclopedia on qualified professional cadres at the GCC countries.
25. Directory on the largest one thousand Gulf company.
26. Urban directory for the GCC countries.
27. Tourism directory for the GCC countries.
28. Magazine of the (Gulf Economic Union) in Arabic.
29. Gulf Business magazine in Arabic.
30. The FGCCC’s magazine (business and commerce) in English.
31. EU-GCC2008 perspectives magazine in English.
32. Issuance of editions number 111, 112, 113 from the Gulf Economic magazine in cooperation with the implementing company.
33. Issuing the 1st edition of the FGCCC’s magazine in English.
34. Issuing the electronic medical directory, the electronic exporters directory.
35. Issuing the first edition of the Gulf Directory in cooperation with the Tele-Gulf company in English.
36. Issuing the first book group for the FGCCC in cooperation with “Innovation Ambassadors for Advertising and Publishing.
37. Issuing the 5th edition of the Gulf investment directory in cooperation with the Zughbi and Qabani company.
38. Issuing a CD on investment opportunities in the GCC countries.
39. Issuing a CD on the FGCCC and its activities.
40. The Gulf Economic Magazine.
41. The Gulf Business magazine.
42. The Gulf Business and Commerce magazine in English.
43. The commercial directory.
44. The Gulf directory.
45. The contractors’ directory.
46. The Urban directory.
47. The Golden book for Qatar, Bahrain and all the GCC countries.
48. Printing several studies and working papers that were mentioned previously.

Fourth: The FGCCC’s image in media:

The Federation’s Secretariat General succeeded over the past stage in greatly cementing its ties with the media outlets in the Gulf, especially in the Gulf newspapers, to raise awareness on its services and its pivotal role in serving the Gulf private sector through:

A. Publishing a large number of statements and press releases on the Federation’s activities in all Gulf newspapers.
B. Participating in several radio and TV programmes.
C. Signing a deal to prepare a documentary on the economic integration experience between the GCC countries and the private sector’s role in this regard.
D. Preparing a daily news summary and sending it to all workers in the FGCCC’s Secretariat General, member chambers and sponsors (The Secretariat General’s companies that sponsor the activities).
E. Publishing several articles in the Gulf newspapers under the name of the FGCCC’s Secretariat General.
F. Issuing several press statements on current issues of concern to the Gulf private sector.
Fifth: Information Techniques

- **The Electronic Gulf Market project:** The FGCCC’s Secretariat General in cooperation with the Gulf TradaNet launched the Electronic Gulf Market and a director was appointed to run the project, as it is strategic project affiliated to the FGCCC. An agreement was also prepared between the FGCCC’s Secretariat General and member chambers to share ad and sponsorship revenues. The FGCCC’s Secretariat General and other member chambers such as the Mecca Chamber of Commerce and Industry, Al Riyadh Chamber of Commerce and Industry, Al Kharj Chamber of Commerce and Industry, among others, signed an agreement to establish and run electronic services gate market (Mecca E-Trade Market). The FGCCC’s Secretariat General also works on developing a system for direct market network in accordance with specifications and technical directives demanded by representatives of the e-services at the chamber. It also works on preparing the administrative network for the market for the commercial use.

- **The regular press summary:** The press summary was issued daily and sent to all colleagues through the internet and is currently available to be sent via email to member chambers.

- **The FGCCC’s web page:** A new website was developed for the FGCCC on the World Wide Web in a new image. Several icons were added to the website that was redesigned by adding the following:
  - Lists of the FGCCC’s employees
  - Members of board of directors and committees members
  - Posting significant economic files such as the GCC Common Market
  - Enabling voting
  - Posting the FGCCC’s publications and enabling their request electronically
  - Adding the advances search icon, archive and electronic follow-up and library
  - Preparing flash-powered designs for the website
  - Scanning several reports and minutes of meetings of the FGCCC over the past years such as the executives leaderships, the meeting between the GCC Secretariat General and heads and officials of the Gulf chambers, the meetings of the FGCCC’s board of directors, the Gulf Tourism Committee and the Gulf Business Women Forum. These will be posted on the FGCCC’s website
  - Posting several economic studies on the website.

1. **Databases:** Renewing and completing the following databases:
   - A. Members of Board of Directors database.
   - B. The FGCCC database.
   - C. Business council’s database.
   - D. National and Sectoral Committees database.
   - E. Building a database on the Gulf activities classified according the (ISIC4) system and preparing the main draft to be sent to member chambers.
   - F. A database on businesspeople.
   - G. Gulf newspapers database.
   - H. Embassies and ministries database.
   - I. A database on magazines of member chambers and chief editors.
   - J. Database on former secretary generals.
   - K. A database on speakers.

2. **Archive and Library:** After the FGCCC’s Secretariat General was briefed on the archive and library system at the Kuwait Chamber of Commerce and Industry and contacted Kodak Company for pricing the system, it will purchase and use the system early 2009. It was also agreed with Kuwait Chamber of Commerce and Industry to train the Secretariat General’s staff on the use of the system. A proposal has also been put in place for the electronic library and there will be coordination with Gulf Trade net Company to add it to the website.
Sixth: Training and Rehabilitation

Based on the FGCCC’s Secretariat General’s plans to give priority to training and rehabilitating workers in the private sector, it contacted several specialised companies, commissions and centers working in the GCC countries to agree on specific mechanisms to train and rehabilitate those working in the private sector.

It was also keen on benefiting from the experiences of these companies in linking training to jobs and the following was completed in this regard:

A. Signing a memorandum of understanding with the UAE Academy affiliated to the Abu Dhabi Chamber of Commerce and Industry. The agreement entails holding several training activities of concern to the Gulf private sector and managing training activities at the FGCCC as part of the Federation’s plans to privatized some of its activities. The memo also seeks to deepen cooperation between the two sides to exchange expertise in the field of training and rehabilitation of the GCC citizens. It also stipulates looking into the creation of a Gulf center for training in Al Dammam in Saudi Arabia, which is the headquarters of the FGCCC, due to the academy’s experiences in training and localization of jobs in the Gulf area, especially in the UAE. The UAE Academy provided job opportunities to all Emirati graduates and its programmes are efficient and flexible. A visit was organised for those in charge of training at the member chambers to the academy’s headquarters in Abu Dhabi from 12-13 March 2008 to be briefed on its experience and programmes to benefit from them when developing training at the member chambers.

B. Signing an agreement with Al-Dossary Center for Economic and Industrial Studies: It is a Saudi company located in Al Dammam for operating training management at the FGCCC’s Secretariat General and activating and operating its activities in training. It is also in charge of providing courses and training programme to the FGCCC’s clients in Saudi Arabia and the GCC countries.

C. Signing a cooperation agreement in the field of training and employment with the Human Resources Development Fund: The FGCCC’s Secretariat General recently signed an agreement with the Human Resources Development Fund in the Eastern Province at the Fund’s headquarters in Al Dammam for training and recruiting several Gulf cadres to work at the FGCCC’s Secretariat General.

This includes training programmes between the Secretariat General and the Fund during the upcoming stage and exploring jobs and ideas which develop into successful Secretariat General’s programmes.

The signing of the previously-mentioned agreements comes at a time the FGCCC’s Secretariat General believes that the success of the private sector in living up to expectations and hopes in recruitment requires increasing the level of training to citizens to find jobs for them in the private sector.

As the FGCCC’s Secretariat General is the sole umbrella for the Gulf private sector, it was necessary to sign such agreements for training and rehabilitating citizens to increase their job performance and productivity in line with the Gulf private sector’s needs.

The FGCCC’s Secretariat General is also looking forward that the member chambers enhance their contribution to the development of the Gulf human resources to boost their productivity, thus they assume their natural role in realising economic development.

This can only be realised by preparing periodic and systematic comprehensive studies that outline the needs of the Gulf private sector in the GCC countries of the technical and trained workforce over the coming years.

To achieve this objective, it is also important to take into account the economic progress of these countries, build special
The Federation of the Gulf Cooperation Council Chambers (FGCCC) databases on these needs classified according to the professional expertise and specialties and expand training programmes provided by the Gulf chambers and diversifying them to cover specialised technical and vocational programmes, in addition to the administrative programmes it focuses on currently. These specialties and new programmes will be highly demanded by the private sector in the future and will contribute to linking education and training policies to the requirements of the economic development and the actual needs of the GCC countries of technical cadres.

The FGCCC’s Secretariat General organised several specialised workshops including:

1. Training workshop on visual management as a key to enhance performance—Kaizen (Japanese approach) for members of the Saudi Electricity Company in the Western Province. The workshop was held from 12-16 of May 2007 in Jeddah, Saudi Arabia.

2. Training workshop on excessive financial performance that was held from 27-29 of March 2007 in Al Dammam, Saudi Arabia.

3. Workshop on modern methods to develop the work public institutions and entities from 17-19 of November in cooperation with the Arab Administrative Development Organisation.

4. Workshop on information techniques in the government agencies from 17-19 of November in cooperation with the Arab Administrative Development Organisation.

5. Workshop on distinction in customer service that was held in Al Dammam between 4-6 February 2006.


9. Comprehensive quality management in Gulf institutions and companies in accordance with the International Organisation for Standardization (ISO) in May 2006.


15. Workshop on higher management and leadership in Gulf companies and institutions, in Al Manama in December 2006.
Over the past 30 years, the GCC countries started to face a common and large number of economic developments and challenges, which had a major impact on the economic performance of these counties in general and the private sector’s performance in particular.

As the FGCCC is the main umbrella for the Gulf private sector, it adopted certain positions regarding these challenges and developments that reflected the visions of the Gulf private sector and its positions regarding these challenges and developments in a manner that maintains the sector’s performance and activates its contribution in the common economic action in the GCC countries.

Here we will highlight the most important economic developments and challenges the GCC countries faced during this period and the FGCCC’s positions regarding them:

First: The Common Gulf Market

The implementation of the Common Gulf Market, which was announced by the leaders of the GCC countries in their 28th summit in Doha late 2007, started early 2008. The launch of the market was an important turning point in the process of economic integration among the GCC countries. Its special significance was that it highlighted the serious commitment by these countries to make progress in realising comprehensive and complete economic unity. This commitment was also highlighted during the 29th summit of the GCC leaders when they announced the issuance of the unified Gulf currency early 2010.

Since the start of the Common Gulf Market early 2008, the FGCCC was keen on activating the private sector’s role in implementing the requirements for the establishment of this market and working with the public sector to try to address difficulties and problems that prevent this objective.

One of the most prominent achievements by the FGCCC in this regard, which will be later highlighted in details, was a meeting between His Highness Sheikh Hamad bin Khalifa Al Thani Emir of State of Qatar in his capacity as chairman of the current session with representatives of member chambers to review the private sector’s visions on activating its role in the Common Gulf Market.

The FGCCC’s Secretariat General also took part in organising a series of seminars to the private sector on the Common Gulf Market in cooperation with GCC’s Secretariat General.

It also started conducting a comprehensive study in cooperation with the Bahrain Center for Studies and Research on the private sector’s role in the Common Gulf Market and identifying obstacles in this regard. Work on the study is expected to be completed during the 1st quarter of 2009.

The FGCCC’s Secretariat General, through the legal experts committee, studied several unified economic laws (regulations) in the GCC countries and presented the sector’s viewpoints towards them. In this regard in particular, a law (regulation) was endorsed for unified commercial arbitration that was forwarded to the GCC’s Secretariat General for endorsement.

The FGCCC Secretariat General’s vision is based on activating the private sector’s role in the Common Gulf Market as it is hoped that this sector will play the leading and pivotal role in the economic development process while supported by the public sector in terms of new regulations and positive decisions that help develop the current regulations into effect. This requires the following:

- Creating legal mechanism that guarantees the enforcement of laws and decisions by the GCC upon issuance by Their Majesties and Highnesses, the leaders of the council or its designated entities.
- Providing the Gulf private sector with an opportunity to build bridges of communication with the local and regional government entities in accordance with clear and fixed institutional frameworks to convey the sector’s viewpoint and visions on economic perspectives and policies being drawn up at the overall and sectoral level in a continuous, permanent and clear manner.
- Addressing obstacles that curb the increase of inter-commercial exchanges.
- Removing obstacles related to service trade.
- Activating cooperation in the industrial sector.
- Activating common working mechanisms.
Second: The private sector’s role in drawing up economic legislation and policies

The FGCCC’s Secretariat General worked on enhancing the Gulf private sector’s role and emphasising its leading role in realising development in the current and future stage, especially that this sector succeeded, with high dynamicity, to absorb the development of the current stage. In order to highlight this challenge and to stress on unity with the wise leadership, the private sector took the initiative through the FGCCC’s Secretariat General to prepare memoranda to Their Majesties and Highnesses the leaders of the GCC countries to activate the private sector’s role.

This was due to the strong belief in the importance of realising common efforts and developing the private sectors’ role in development programmes and policies. The private sector’s proposals were the following:

1. The importance of representing the private sector in the Consultative Council that was proposed to be created with the membership of 30 figures of the GCC countries who enjoy the required experience and qualifications. The council is envisaged to be tasked with providing advice and consultations to the GCC Supreme Council in line with issues referred to it due to the growing role the private sector plays. The council would seek to deploy its expertise to push the social and economic development process forward along with wise leaderships of the GCC.

2. The need for involving private sector representatives in the GCC countries in the work of the ministerial committees concerned with economic affairs as this will quickly and positively convey the viewpoints of the private sector on several issues related to its work.

3. Providing an investment environment and putting regulations that encourage local investments that treat Gulf investment and national investments similarly, in addition to coordinating local policies and developing a unified local market to curb migration of capitals abroad.

4. Unifying policies of incentives and privileges extended to the private sector at the level of the GCC countries (electricity, water, fuel, ports fees...etc).

5. Ensuring equity in incentives and privileges extended to industrial investments to be in line with requirements for fair competition.

6. Facilitating the use of IDs due to the intensive traffic movement of citizens and businesspeople to cement economic cooperation and develop the volume of commercial exchange and enhancing human and cultural commonality between the nations of the GCC countries.

7. Urging the completion of the Common Gulf Market and building a unified customs system towards the world through unifying customs tariffs.

8. Accelerating the enforcement of legislation and regulation issued by the GCC Supreme Council that govern the economic action to remove differences in economic legislation and laws of each country and in the unified economic agreement. This stage also saw more openness towards the Gulf and regional commissions and institutions and interested increased in the joint Gulf projects. In addition, visits were conducted to some foreign chambers and more specialised studies and activities were prepared. This all happened due to the relative improvement in the FGCCC’s staff and budget.

Third: Localisation of jobs in the GCC countries

The issues of localisation of jobs and technical issues play a pivotal role in pushing forward the economic development and growth, which reflects on the level of prosperity and welfare for the citizens in all economic, social and cultural aspects of life. Hence, decision-makers in the GCC countries place heavy emphasis and attention on these issues as well as the FGCCC’s Secretariat General.
Focus on the localization of jobs started in light of the growing phenomenon of unemployment that started to become a genuine economic problem with serious economic and social consequences. Estimated indications were that it ranged from 6-17 per cent of the overall workforce. Indications show that providing jobs to the increasing numbers of jobless is one of the most important economic challenges the GCC countries will face in the coming days.

The issue of localisation of techniques is related to the development and increasing the productivity competence of the economies of the region’s countries through the optimal utilisation of available production techniques.

This boosts their compositeness at the local, regional and international levels in light of the economic globalisation that entails liberalising markets, activating the private sector’s role and reducing governments’ role in economic fields.

The FGCCC’s Secretariat General believes that the connection between the localization of (employment and techniques) on one hand and the reciprocal relationship between them on the other hand, is one of the factors that necessitate dealing with them in a unified strategic approach.

This approach should take into account the two factors together when drawing up the GCC countries’ economic policies and perspectives. For instance, it is impossible to work on localisation of jobs without considering its consequence on the competence of the productivity of the economic projects and their capability of localizing and using new production techniques.

In addition, deploying such techniques in line with the social and economic conditions of these countries will create promising opportunities for localization of jobs.

As a matter of fact, the aspects of localisation of (employment and techniques) cannot be achieved except through rehabilitating Gulf citizens in terms of education and training so they become capable of dealing with the modern production techniques with a level of competence that is no less than that of non-citizens workers.

There has become a consensus between all experts and concerned persons that the level of education and training of the workforce and its skills became the weapon in firm competition between countries and companies.

This result, which is rich in its meanings and indications, indicate clearly that countries that want to place themselves on the international economic arena, have to develop the human elements in terms of education and training as the human element is what realises economic development.

The FGCCC’s Secretariat General stressed on many occasions that localization of jobs and techniques is a shared responsibility between all government and private entities and educational and training institutions.

All, with no delay, should take the initiative to exert their utmost and sincere efforts to achieve this objective, which might seem to be difficult, but not impossible.

This requires embarking on making radical reforms and amendments by all in all economic, educational and legal fields. Though these reforms might seen to be painful and harsh for some, they will certainly Benefit the interest of all at the end.

**Fourth: Guest labor and its social and economic impact**

The GCC countries are among the countries that heavily attract and rely on guest workers in the world and there are many factors that caused the influx of guest workers to the GCC countries.

The FGCCC’s Secretariat General indicated that one of the most important factors in encouraging guest workers to come to the GCC countries is the large increase in economic growth rates.
The willingness of the GCC countries to benefit from this in implementing projects and programmes to realise socio-economic development, is a matter that exceeds the ability of these countries to securing local workforces to complete these schemes.

Another factor is that a large percentage of the population is ruled out from the workforce, especially women, although the population of the GCC countries is growing constantly.

The FGCCC’s Secretariat General believes in the major role the guest workers play through their participation in the process of building and socio-economic development in the GCC countries.

It also believes in their role in meeting the shortage in local workforce that is necessary to address in the process of speedy development.

However, the FGCCC’s Secretariat General stresses at the same time is the reason that guest laborers had negative impact is they were not subject to studied plans and clear and specific standards for attracting them.

A matter that causes them to stay in these countries for long periods, which brought several negative impacts in the economies and societies of the GCC countries.

To be added to that is the growing problem of unemployment among the citizens of the GCC countries due to the competition between the migrant workers in the labor market with the national workforce.

The average unemployment rate stands at 5.7 per cent in the GCC countries but the rate differs between countries.

Unemployment in Bahrain stands at 3.6 per cent, while in Saudi Arabia it amounts to 5.6 per cent, Kuwait 5.1 per cent and in the UAE and Qatar it reaches 3.2 per cent. Some reports indicate that unemployment rate was 14 per cent in Oman in 2006.

Among these consequences also is the increase in remittances by the guest workers to their countries. These remittances stood at more than $413 billion between 1975 and 2002 from the GCC countries distributed among Saudi Arabia with $260 billion, the UAE with $65 billion, and Kuwait with $29 billion, and Oman with $26 billion, and Qatar with $23 billion and Bahrain with $11 billion.

The volume of remittances by foreigners from the Gulf countries stood at about $38 billion in 2006, of which 63 per cent were from Saudi Arabia, 15 per cent from the United Arab Emirates and 22 percent from the rest of the Gulf States.

There were also some informal remittances in 2006 that stood at about 410 billion from all the six GCC countries.

These remittances represent a depletion of the resources and the leakage of a large storage of hard currency to other countries, which observers say will have a negative impact eventually on the balance of payments of the GCC countries as it is a continued depletion of economic gains of the region, lost investment opportunities in addition to the inability to redeploy these monies in the economic cycle of these countries.

In several studies, the FGCCC indicated that one of the negative impacts of the guest workers in the GCC countries is the increase in demand on commodities and services as the guest workers and their families receive educational and medical services and use public utilities for free or in return for nominal amounts.

They also benefit from the GCC countries’ subsidy to several services, which increase public expenditures and limits the ability to create more jobs to citizens of the Gulf who enter the labor market.

In addition, the increasing number of guest workers, who except low wages, limits the recruitment of citizens and deprives them from developing their practical skills and abilities which affects attention given to training, education and rehabilitation.
The FGCCC indicated that addressing the imbalances that result from the increased reliance on guest workers requires having a Gulf vision to deal with the issue of laborers and develop inter-technical cooperation, upgrading curricula at all levels to link education with the needs of the labor market and the development in the GCC countries.

The issue of guest workers became one of the priority topics discussed during the meetings of ministers of planning and development and labor.

In addition, the Consultative Commission of the GCC’s Supreme Council presented suggestions on how to reduce reliance on guest workers and put strategies and foundations for localization of employment.

On many occasions, the FGCCC’s Secretariat General stressed the importance that the GCC countries draw up a comprehensive and integrated cooperation strategy that includes plans with timeframes and clear and serious procedures that seek to curb the influx of guest laborers.

The strategy should also seek to replace guest workers with national workforce, focus on workforce planning and linking it to socio-economic development programmes in accordance with the countries’ future priorities.

It should also entail forming specialised entities for gathering labor market-related statistics and data related to human resources.

In addition, it must stipulate increasing the cost of guest workers in a balanced manner while expanding and developing training and rehabilitation programmes for the national workforce in all professions to gradually replace the guest workers with Gulf laborers.

The strategy should also set a period for the stay of foreign workers in each country to prevent their settlement.

The FGCCC’s Secretariat General also called for implementing more development projects and shared ventures that attract Gulf workers, especially in terms of salaries, wages and working conditions.

It also called for encouraging the private sector to favor local workforce by putting and implementing incentives system that encourages the private sector to resort to local workforce.

The Secretariat General also urged focusing on training and rehabilitation programmes for the Gulf workforce to be in line with the needs and requirements of the labor market.

It also called for constantly reforming the educational system, develop curricula and enhance the educational process outputs to be in line with the labor market’s needs.

In addition, it urged conducting periodic studies and research to follow up on latest developments in the labor market to be familiar with its characteristics, problems and needs and work on addressing them.

Moreover, the FGCCC’s Secretariat General urged increasing the average of salaries in the private sector to be closer to the level at the public sector to attract more national workforce.

It also urged reconsidering laws, regulations and legislation governing the labor sector in the Gulf to replace guest workers with local workforce.

**Fifth: The global financial crisis and its consequences on the economies of the GCC countries**

The global financial crisis that affected the countries’ economies during the last months of 2008, posed a new challenge faced by GCC countries that prompted protecting the economies of these countries from the consequences of this crisis.

To that end, the FGCCC’s Secretariat General took part in organising the financial brokerage forum that focused on discussing the crisis and its consequences.
It also issued a press statement that outlined visions by the Gulf private sector on how to address the consequences of the crisis. In addition, several meetings were held by the FGCCC’s Sectoral Committees to discuss all aspects of the crisis in cooperation with the GCC’s Secretariat General.

The FGCCC’s Secretariat General took the initiative to put some visions deemed efficient in safeguarding the Gulf economy and protecting the private sector from the negative consequences of the current crisis. These visions include the following:

1. Urging monetary and financial authorities at the GCC countries to hold meetings at highest levels to discuss the global financial crisis and issue decisions that will protect the Gulf economy.

2. Activating the role of monitoring entities and auditing bodies in the region’s countries to encourage early and clear disclosure that highlights volume of risks, volumes of low-quality loans and other related bonds.

3. Enforcing joint economic Gulf laws and regulations and completing these laws in all financial, commercial and investment aspects.

4. Accelerating the issue of the unified Gulf currency, which will enhance economic integration between the GCC countries.

5. Restoring confidence by all parties that deal with banks whether shareholders, investors, lenders or clients through rebuilding financial soundness and adequacy of institutions.

6. Allowing Gulf investors to trade in all financial Gulf markets with no restrictions or conditions other than those imposed on citizens of each country.

7. Increasing interest rate on deposits to encourage saving at banks and rationing financial investment operations financed by loans.

8. Encouraging integration between the national and the Gulf banks to enhance financial soundness and increase their competitiveness.

9. Enhancing transparency and financial disclosure and implementing the principles of governance and auditing at the Gulf companies, especially the shareholding ones, to protect the rights of all parties related to these companies of investors, shareholders and dealers in the financial markets.

10. Encouraging companies to purchase their shares in case of unjustified drop in their prices, especially at this critical stage companies are going through.

11. To realise exemplary financial and administrative monitoring, it is recommended that the internal comptroller is affiliated to an external auditing company and forwards reports to the board of directors.

12. Diversifying investment tools in the financial markets to absorb the growing liquidity in the region.

13. Accelerating the creation of a unified financial Gulf market.

**Sixth: The Gulf chambers and the World Trade Organisation (WTO)**

The Gulf chambers of commerce realised the strong economic impact of the GCC joining the World Trade Organisation on the performance of the private sector.

Therefore, they are keen on assisting the sector to face challenges imposed by the WTO and utilize new promising opportunities it makes available.

It worked on realising this objective through several means including explaining the articles of different agreements of the WTO through issuing specialised publications and holding seminars and activities that address related issues.
Some chambers also created specialised units within their administrative structures that are concerned with the WTO affairs.

Some of the most important fields to which the chambers contribute is the participation in committee during negotiations by some GCC countries to join the WTO, particularly the participation of the Saudi Chambers Council in the governmental negotiations team concerned with following up on Saudi Arabia joining the WTO.

Preparations are underway for more multi-party commercial negotiations, which means more obligations on member chambers in terms of liberalizing commodities and services trade and thus triggering further negative and positive impact on the performance of the private sector.

Therefore, the member chambers work in cooperation with concerned government entities that the GCC countries play a larger role in affecting new agreements or adjusting existing agreements with the WTO.

The objective is to take into account the economic interests of the GCC states in general and the Gulf private sector in particular, especially when it comes to implementing different obligations at the WTO.

In particular, obligations that directly impact the economic interests of the GCC countries in terms of support, saturation and imposing fees on the Gulf exports in general and petrochemicals in particular as well as environmental considerations and other issues that some countries might use as a pretext to harm the economic interests of the GCC countries under the cover of abiding by working rules of the WTO.

Seventh: Development of Gulf Exports
Developing exports and enhancing their role in pushing the economic development and growth forward assumes a central and pivotal role in the economic thinking. There is almost consensus on the importance of the theory “Growth through Exporting”.

This theory was widely accepted by researchers and decision-makers on the economy and the GCC countries are considered an example of the role of exports in leading economic growth as they largely rely on exporting in selling its commodities-oil and others- and in stimulating internal economic action and different economic activities.

As oil exports constitute the majority of exported commodities and represent the most important financial source of foreign currency, the GCC countries followed economic strategy through which it seeks to utilize these revenues in diversifying the foundation of its economic and production structure and then diversifying the foundation and structure of its exports of commodities to become less concentrated in terms of commodities and geography.

This would help reduce political and economic risks that occur when largely relying on oil and gas in exports. Therefore, the GCC countries focused on developing industrial exports as one of the most important factors through which it seeks to achieve the mentioned strategy due to their relative distinction in many of these industries.

In this context, the FGCCC’s Secretariat General called for developing the industrial exports in the GCC countries to face global competition through its activities and studies. This requires working on several fronts such as:

1. Developing local production in terms of quality and price to be able to compete.

2. Activating the role of the local and regional finance institutions in financing exports and reducing risks that accompany exporting.

3. Creating and activating the appropriate institutional frameworks that support exports.
4. Coordinating among the GCC countries to encounter the new challenges that will face the development of industrial exports, especially the creation of the WTO and the emergence of regional economic cartels among countries and the spread of e-commerce.

5. Coordinating between the public and the private sectors in terms of following the appropriate economic policies that support exports and are in line with the requirements of economic globalization in its comprehensive concept.

Eighth: Registering unprecedented inflation rates in the GCC countries emerged as one of the most important challenges the GCC countries faced.

To address challenges caused by this phenomenon, the FGCCC’s Secretariat General held a special forum in Bahrain to discuss the issue and propose means to address its consequences. It also prepared a group of studies and working papers and press statements that highlighted the FGCCC’s Secretariat General’s visions on this issue. These can be summed up in the following:

- Adopting a joint Gulf strategy for unified procurement of basic commodities from their external sources and directly investing in the production of several commodities in a number of Arab and Muslim countries with high privilege in some important commodities through establishing joint Gulf companies in this regard.

- Realising economic integration between the GCC countries in the field of production and investments and speeding up coordination of economic policies.

- Continued provision of incentives and customs exemptions for basic commodities and primary production requirements.

- Expanding in the creation of charities and consumer protection societies and activating the work of existing ones.

- Rationing and scheduling public expenditure through specific programmes that help those with limited-income (providing appropriate housing and addressing economic imbalances) especially in the fields of infrastructure.

- Urging the GCC countries to prepare and publish clear and accurate economic statistics on inflation rates due to the importance of accurate information in the field of drawing up appropriate economic policies.

- The importance of unifying general data and statistics for the GCC countries and the need to regularly upgrade them for all member states.

- Urging countries to extend more facilities and providing essential infrastructure for food and main commodities industries to make them more available locally.

- Rationing and scheduling public expenditure through specific programmes that help those with limited-income (providing appropriate housing and addressing economic imbalances) especially in the fields of infrastructure.

- Urging the GCC countries to prepare and publish clear and accurate economic statistics on inflation rates due to the importance of accurate information in the field of drawing up appropriate economic policies.

- The importance of unifying general data and statistics for the GCC countries and the need to regularly upgrade them for all member states.

- Urging countries to extend more facilities and providing essential infrastructure for food and main commodities industries to make them more available locally.
The Federation of the Gulf Cooperation Council Chambers (FGCCC

- Providing more facilities for the influx of commodities between the GCC countries and removing all obstacles, especially at border centers, that represent additional cost on prices of commodities and national products.

- In spite of the limited impact of the monetary policy in the GCC countries in curbing inflation, it is important that those who draw up monetary policies take the following into account:

  a. On the long-term: To select exchange rate in line with the future vision for the Gulf economy that is based on the continuation of price of oil at current rates.

  b. On the short-term: The GCC countries should maintain the current monetary policies that are pegged in some countries to the U.S. dollar till the factors that caused the global financial crisis fade away and the U.S. dollar recovers.

Ninth: Realising Food Security in the GCC countries

Due to the consequences of inflation in the GCC countries, decision makers in the Gulf and the private sector greatly focused on realising food security due to the increase in the food bill at rates that pose an implicit danger and major threat to the economies of the GCC countries if they continue at the same pace in the future.

Hence, the FGCCC’s Secretariat General started conducting a comprehensive study on the issue and organised a seminar on "food security” in Muscat to put a strategy to realise food security in the Gulf.

A strategy that is based on fostering cooperation mechanisms between the public and the private sectors and supporting the previous Gulf work, supporting governmental policies, supporting pan-Arab, regional and international agricultural policies as well as supporting scientific research and developing its usages and supporting small investors.

Tenth: Limiting the time of residency of guest workers in the GCC countries

The issue of limiting the residency of guest workers in the GCC countries was discussed over six years at the different levels of decision-makers in the GCC countries.

A decision was taken in this regard by Ministers of Labour and Social Affairs in this regard during their meeting in Geneva in June 2008 on the sidelines of the 97th session of the International Labour Conference.

There were different viewpoints on the economic reflections of such a decision on the performance of the private sector in the GCC countries.

Hence, the FGCCC’s Secretariat General and as it is a representative of the Gulf private sector, discussed this issue with several public and private entities during a series of meetings and activities such as the meeting of the Gulf Human Resources and Labor Market Committee. During these meetings and through several press statements issued in this regard by the concerned public entities in the GCC countries, the FGCCC’s Secretariat General called for patience in taking a decision to limit the period of residency of guest workers in the GCC countries to six years.

While implementing the decision, there is a dire need to differentiate between the skilled labor that the GCC countries will continue to need for longer than six years and the unskilled labor that can be replaced during the proposed period of time.

It also emphasised on the need that concerned public entities consult with representatives of the Gulf private sector in advance on the proposal and other draft economic decisions, especially those that employers are concerned with implementing upon issuance.
The FGCCC’s Secretariat General pointed out that if the decision is implemented with no distinction made between skilled and unskilled labors, there will be several economic consequences that should be taken into consideration.

It noted that the first five years for guest workers are usually for learning and adapting during which employers test the confidence and skill of those workers, which will affect the employee and the employer.

Thus, it is important not to deprive the worker from the opportunity of enjoying stability, promotion and focusing on creativity and production and to deprive the employer from yielding the fruits of his patience and efforts, a matter that will turn the Gulf into an academy for rehabilitating whose outputs will be utilized by other countries.

The FGCCC’s Secretariat General said guest workers who spend five years or more in any of the GCC countries without committing a crime or causing security problems should be preserved as they are “security-wise guaranteed”, rather than employing new workers who are unknown.

In addition, the keenness by the GCC countries to attract foreign investment which is coupled with new technologies and progressive administrative thinking will be obstructed by such a decision, if issued, as it will restrict their freedom in attracting qualified guest labor.
Objectives of the Federation of Gulf Cooperation Council Chambers and working strategies during the upcoming stage

The need has emerged for reconsidering the role played by the GCC chambers to be more in line with the growing and diversified needs that enable them deal positively with the current and future economic developments.

This need was promoted in light of the current economic development or what is known as globalization that is after more liberalization of economies of all countries.

It was also triggered by the intensity of competition locally and abroad between countries and companies and in light of the general perspective by all the GCC countries to give the private sector a larger role in the economies of these countries so it leads and guides the economic development process towards more advancement and prosperity.

As the FGCCC’s Secretariat General is the entity that is in charge of coordination between the member chambers to serve the Gulf private sector and strengthen economic integration between the GCC countries, it is very important to reconsider the objectives and working mechanisms of the Federation and its future perspectives.

This should be in line with the increasing significance of the Gulf private sector on the one hand and obligations and challenges imposed by the economic globalization on this sector on the other.

In this regard, the FGCCC’s Secretariat General presented its vision on the desired objectives it seeks to achieve during the upcoming stage and appropriate means and mechanisms to that end as the following:

First: Main Objectives:

1. Extending facilities and services the Gulf private sector needs and supporting it to assume its natural and desired role in realising the socio-economic development on the GCC countries in line with the conditions of the current and future economic stage.

2. Increasing cooperation between chambers of commerce and industries in each of the GCC countries in the field of serving and supporting the Gulf private sector.

3. Supporting plans to deepen economic integration between the GCC countries to achieve economic unity.

4. Supporting plans to integrating the Gulf economy, especially the private sector in the global economy and strengthening partnership with all countries and economic groups as well as cementing cooperation with all regional and international organisations and commissions.

Second: Mechanism to achieve General Objectives

The FGCCC in cooperation with member chambers seeks to build bridges of cooperation with governmental and public entities in accordance with clear and fixed institutional frameworks to convey their viewpoints regarding economic policies and perspectives drawn up at the overall and sectoral level in a systematic, permanent and continuous manner.

In this regard, the following can be achieved:

a. Representing chambers in all concerned governmental committees that work on formulating economic laws and
regulations that directly affect the performance of the private sector in each of the GCC countries.

b. Representing the chambers directly in all bilateral economic committees that are formed between each of the GCC countries and other countries and economic groups. In addition, representing the chambers in dialogue sessions at the official level between all the GCC countries with the other countries and economic groups to highlight the Gulf private sector’s views in formulating the external economic relations, which will maximize the Benefit of these ties.

c. Representing the chambers, through the FGCCC’s Secretariat General, in the economic ministerial committees formed within the GCC. The objective is to enable these chambers play a pivotal role in drawing up common economic Gulf prospective, increasing their role in implementing the articles of the Unified Economic Agreement, establishing the Common Gulf Market so their views are taken into account in the proposed economic issues and to have a consensus over them before being presented to the ministerial committee and the various dialogue sessions.

d. Proposing economic and social policies that are in line with the economic developments at the local, regional and international levels and providing consultations in terms of identifying available economic options through preparing specialised reports and presenting them to the concerned authorities. In this regard, the GCC chambers should support plans that seek to achieve structural financial, commercial and monetary reforms and should urge the government of their countries to further adopt liberal economic policies that give the Gulf private sector more flexibility and freedom in playing its economic role.

e. Contributing to drawing up and developing economic legislation to make clear the rights and duties of Gulf and foreign investors and diagnose and address economic problems the Gulf private sector faces in this regard.

Third: Working as economic forum for businessmen:
The FGCCC’s Secretariat General will work in cooperation with the GCC chambers to function as a permanent economic forum to deepen communication and direct dialogue between businessmen from the GCC countries and between them and their counterparts in other countries and economic groups in accordance with stable, permanent, systematic and institutionalized frameworks.

Building bridges of direct communication between the Gulf businesspeople can contribute to supporting cooperation in different fields and can support the private sector’s economic role. The most prominent in these fields are:

1. Turning family companies into shareholding companies, which ensures their sustainability and development.

2. Increasing horizontal and vertical integration between the Gulf companies.

3. Seeking to merge companies at the level of each country and at the level of the GCC countries so Gulf companies become capable of facing the growing local and external competition due to economic globalization.

4. Developing and fostering communication and direct dialogue between Gulf businesspeople with their peers in other countries to develop permanent partnerships that encourage signing long-term cooperation agreements in very important fields such as: implementing joint projects, technology transfer, marketing and contracting.
It also provides a platform for developing serious and effective
dialogue with potential partners from outside the GCC countries
and provides an opportunity to highlight activities by companies
in the GCC countries as well as their quantitative and qualitative
development.

There will be a new approach in activities, such as seminars and
conferences, whether at local, regional or international level.

Under this approach, there will be less focus on discussing general
and theoretical economic issues, and a detailed and realistic
agenda will be in place to arrange direct meetings among the Gulf
businesspeople and between them and their peers in other countries
and an economic group to discuss specific proposals for practical
cooperation that are set out in advance.

To maximize Benefit from the mentioned activities, the FGCCC
in cooperation with the member chambers will hold such
activities regularly and will follow up on their practical results and
recommendations in different fields.

Fourth: Developing quality of services offered by the FGCCC
and members chambers

The FGCCC in cooperation with the member chambers seeks to
renew, expand and diversify the services base they present to become
in harmony with growing requirements of the private sector in light of
the economic globalization. The most prominent among these services
is the following:

1. Increasing commodity and service exports: Exporting is the key for
success in most of the industrial, agricultural and services projects,
especially those that rely in mass volume to reduce production cost
and seriously compete in international markets. It is not exaggerated
to state that supporting exports will make the difference in the
success or the failure of the GCC countries in supporting their
development process. In addition, supporting exports will reduce
reliance on oil as a main source for income and it is expected that
the Gulf private sector plays a larger role in development of exports
of non-oil commodities and services exports.

The FGCCC in collaboration with the member chambers will work
to support this perspective towards exporting through:

A. Developing marketing abilities of the productive projects and institutions.
B. Building an integrated database about the Gulf markets and
conducting field marketing research about them to provide
them to exporters. Such information to include: preferred
commodities and their prices, main importers, prices of rival
commodities, policies and procedures for imports and other
practical issues that Benefit exporting.
C. Expansion in organising Gulf exhibitions, especially in
promising and emerging markets.
D. Establishing commercial centers abroad to permanently
promote Gulf products and commodities and strengthening
cooperation with commercial attachés in Gulf embassies abroad
in this regard.
E. Establishing centers for development of exports, especially
in countries where such centers are lacking following the
experience of the Saudi Chambers Council and the Oman
Chamber of Commerce and Industry.

2. Human Resources Development: The FGCCC and the member
chambers seek to effectively develop the Gulf human resources to
play their natural role in the economic development as it is impossible
to continue to rely on guest workers in light of the conditions of
the economic globalization. This issue entails economic and social
dangers on the economies of the GCC countries. This can be done
through the following:

A. Providing training to citizens in line with the labor market needs.
B. Strengthening communication between the education and training institutions in the Gulf in line with clear and constant and systematic institutional frameworks to coordinate efforts in the field of educating and training citizens in line the actual needs of the Gulf private sector.

C. Contributing to deepening communication and direct cooperation between the companies and production institutions working in the private sector and the educational and training institutions, especially in the following fields: Training and rehabilitating of graduates of different educational levels at these companies in line with their needs and their work, working as a channel between graduates looking for jobs and companies searching for citizens to hire. This requires building special database on the companies’ needs of local workforce and citizens looking for jobs according to experience, field, profession and other information. It also needs conducting intensive field research that would help in meeting supply and demand of local workforce.

D. Developing level and quality of local production: The FGCCC and member chambers can play a pivotal role in developing the production of Gulf projects and institutions to be able to face local and external competition through:

A. Contributing to the establishment of consultation centers for technology transfer, industrial development and improvement of quality.

B. Supporting local development and research institutions and guiding them to develop and foster production capabilities of projects in the GCC countries. In addition, functioning as a channel between these institutions and private sector companies concerned with development and improvement through organising joint programmes and seminars with the participation of research and development units at universities, public and private institutes, factories and business institutions to discuss latest scientific and technical developments and how to deploy them in serving the Gulf economy.

C. Organising intensive media campaigns at the level of the private sector to increase their interest in improving the quality of their products and restructuring their works to focus on competence in production in line with the requirements of the strong internal and external competition.

D. Coordinating factories and business institutions in identifying their needs of applied research for development and modernization and finding practical solutions to technical difficulties they face.

4. Increasing local and foreign investments: Local and foreign investments are considered the main drive of the economic development process and the key for advancement and development in any country; therefore, it is obligatory that the FGCCC and member chambers activate their role in this regard through:

A. Expanding in highlighting investment opportunities in the GCC countries and building complete databases on these opportunities. In addition, publishing these databases and making them available to investors locally and abroad and holding meetings to explore these opportunities and encourage businesspeople to implement joint investments, especially when it comes to mega projects that require huge financial investments.

B. Organising seminars, lectures and advertising campaigns and conducting studies and other similar activities locally and abroad to shed light on the investment environment in the GCC countries, especially when it comes to opportunities and incentives of investing in these countries.
C. Working through the Sectoral Committee to follow up on difficulties and problems investors face whether in start-ups or in the actual production phase and working on overcoming them with the concerned entities.

5. Supporting small-sized projects: The FGCCC supports and encourages the implementation of small and medium-sized projects. They are considered the main tool for supporting the development process and also provide the private sector with appropriate opportunities to optimally play its economic role due to their humble financial and technical needs and flexibility in running them. This support can be through:
   A. Creating business incubators for small and medium-sized projects in cooperation with the concerned public entities.
   B. Urging the governmental entities to extend all financial and commercial facilities to these projects.
   C. Extending all technical and professional support to owners of small and medium size enterprises.

6. Encouraging privatization in the GCC countries: The GCC countries privatized some of the public projects. However, the implementation of privatization programmes is still below the aspirations of the Gulf sector, which pins large hopes on these programmes in supporting its economic role. Hence, the FGCCC and member chambers shoulder the responsibility to intensify efforts to support privatization programmes and facilitate the participation of the Gulf private sector in these programmes. It can do so through urging the concerned public authorities to speed and widen the coverage of the privatization programmes, prepare field research and studies, provide required data on perspectives for privatization programmes, their obstacles and developing solutions and identifying projects that can be privatized and the participation of the private sector in these schemes.

7. Supporting Joint Ventures: The FGCCC and member chambers must explore opportunities for implementing new joint projects due to their importance in supporting economic development in the GCC countries and the potential they entail for the participation of the private sector. The FGCCC and members chambers can diagnose such opportunities by preparing initial indicators on available investment opportunities in joint projects and promoting for these ventures through media campaigns or meetings with elite of individuals and institutions in the private sector.

Therefore, these indicators will be the primary nucleus for economic feasibility studies, not to mention their role in diagnosing difficulties and problems facing joint projects and addressing them.

8. Activating inter-trade: The volume of trade between the GCC countries is still below the desired level in spite of the passage of several years since the Unified Economic Agreement went into effect. This is partially attributed to the similarity in production structures in the GCC countries, but there is still major room for increasing commercial exchange between these countries through addressing obstacles against the increase of commercial exchange rates. This constitutes one of the important fields through which the FGCCC and the private sector can contribute to serving the Gulf private sector through:

   A. Detecting opportunities for increasing commercial exchange between the GCC countries, which requires conducting thorough studies on current production structures and potentials for their development and opportunities for imports and exports between the GCC countries.
   B. Creating a continuously-updated database on available opportunities for boosting commercial exchange between the GCC countries and making these data constantly available through publications and information centers at chambers for interested importers and exporters.
C. Studying consumption behaviors for each of the GCC countries and their needs of commodities and services produced by other countries.

D. Calling on the different concerned entities to remove obstacles that hinder importers and exporters at the borders between the GCC countries in terms of transport, search and other fields that obstruct the movement of commercial exchange between the GCC countries.

9. Activating the social role of private sector representatives: The FGCCC and member chambers have to work on improving social work through their direct contribution in this regard, in addition they should raise awareness among members on the need to increase their contribution in social activities in different, educational, medical, cultural and charity fields, among other non for profit activities.

F. Strengthening cooperation and coordination among the GCC chambers:

In order to make the chambers succeed in their economic tasks, especially in serving the private sector in the previously mentioned fields, it is important to coordinate efforts and deepen cooperation among these chambers. The most important fields of cooperation and coordination are:

1. Coordinating in holding Gulf activities to prevent repletion and overlap.

2. Increasing joint activities in coordination with the FGCCC’s Secretariat General to promote for the region’s countries as one economic bloc and foster joint economic relations.

3. Preparing an instruction system for the chambers’ system to coordinate their perspectives and specialties and unify their administrative and technical structures. This system should be flexible enough to conduct activities that take into account the special economic conditions of each of the GCC countries.
### Names of Chairmen and members of the FGCCC’s board of directors since establishment

<table>
<thead>
<tr>
<th>Session</th>
<th>President</th>
<th>Members</th>
<th>Secretary General</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Session, 1980-1981</td>
<td>Seif Ahmad Al Ghurair</td>
<td>Mohammed Yousef Jalal, Ismail Abu Dawood, Murad Rashid Murad, Ahmad Mohammed bin Amir, Ahmad Mohammed bin Suwaidi, Abdulaziz Hamad AlSaqer</td>
<td>Kathem Abdul Hamid Al Mhaidi</td>
</tr>
<tr>
<td>Second Session, 1982-1983</td>
<td>Mohammed YOUSEF Jalal</td>
<td>Seif Ahmad Al Ghurair, Saad Mohammed Al Mujel, Murad Rashid Murad, Ahmad Mohammed bin Amir, Ahmad Mohammed bin Suwaidi, Abdulaziz Hamad AlSaqer</td>
<td>Mohammed Abdullah Al Mulla</td>
</tr>
<tr>
<td>Third Session, 1984-1985</td>
<td>Ismail Abu Dawood</td>
<td>Sheikh Abdul Aziz bin M. Al Qasami, Mohammed Yousef Jalal, Abdul Mohsen Abu El Kheil, Ahmad Mohammed bin Amir, Ahmad Mohammed bin Suwaidi, Abdulaziz Hamad AlSaqer</td>
<td>Mohammed Abdullah Al Mulla</td>
</tr>
<tr>
<td>Fourth Session, 1986-1987</td>
<td>Abdul Qadir Abdul Latif</td>
<td>Sheikh Abdul Aziz bin M. Al Qasami, Qasim Ahmad Fakhr, Saad Mohammed Al Mujel, Ahmad Mohammed bin Amir, Ahmad Mohammed bin Suwaidi, Abdulaziz Hamad AlSaqer</td>
<td>Mohammed Abdullah Al Mulla</td>
</tr>
<tr>
<td>Fifth Session, 1988-1989</td>
<td>Maqbool bin Ali Sultan</td>
<td>Saeed Ahmad Al Otaiba, Qasim Ahmad Fakhr, Sa’ad Mohammed Al Mejel, Abdul Qadir Abdul Latif, Ahmad Mohammed bin Suwaidi, Abdulaziz Hamad AlSaqer</td>
<td>Mohammed Abdullah Al Mulla</td>
</tr>
<tr>
<td>Session</td>
<td>President</td>
<td>Members</td>
<td>Secretary General</td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------------------</td>
<td>----------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Fourteenth Session: 2006-2007</td>
<td>Salah Salem bin Omair Al Shamsi</td>
<td>Dr. Esam Abdulla Fakhroo, Abdul Rahman Rashid Al Rashid, Salim bin Saeed Al Ghattami, Sheikh Khalifa bin Jasim Al Thani, Ali Mohammed Thunayan Al Ghanem</td>
<td>Mohammed Abdullah Al Mulla</td>
</tr>
</tbody>
</table>
## Appendix G (2)

### FGCCC MEMBERS

<table>
<thead>
<tr>
<th>Member Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheikh Saleh Abdullah Kamel</td>
<td>President of the Federation of GCC Chambers, Chairman of Jeddah Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mr. Khalil bin Abdullah Al Khonji</td>
<td>First Deputy Chairman of FGCCC, Chairman of Oman Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Sheikh Khalifa bin Jasim bin Mohamed Al Thani</td>
<td>Second Deputy Chairman of FGCCC, Chairman of Qatar Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mr. Saeed Ali Khammas,</td>
<td>FGCCC acting Chairman of board of directors; Al Fujairah Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Dr. Esam Fakhroo</td>
<td>Member, Chairman of Bahrain Chamber of Commerce and Industry.</td>
</tr>
<tr>
<td>Mr. Ali Mohammed Thunayan Al Ghanem,</td>
<td>Member; Chairman of Kuwait Chamber of Commerce and Industry.</td>
</tr>
</tbody>
</table>

### MEMBERS OF THE EXECUTIVE OFFICE

<table>
<thead>
<tr>
<th>Member Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheikh Saleh Abdullah Kamel</td>
<td>FGCCC President</td>
</tr>
<tr>
<td>Mr. Khalil bin Abdullah Al Khonji</td>
<td>President first deputy</td>
</tr>
<tr>
<td>Sheikh Khalifa bin Jasim bin Mohamed Al Thani</td>
<td>President Second Deput</td>
</tr>
</tbody>
</table>

### MEMBERS OF THE EXECUTIVE LEADERSHIPS

<table>
<thead>
<tr>
<th>Member Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Abdullah Sultan Abdullah</td>
<td>Secretary General of the Federation of UAE Chambers of Commerce and Industry</td>
</tr>
<tr>
<td>Mr. Ebrahim Ahmad Al Lengaw</td>
<td>Executive president of the Bahrain Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Dr. Fahd bin Saleh Al Sultan</td>
<td>Secretary General of the Saudi Chambers Council</td>
</tr>
<tr>
<td>Mr. Abdul Azim bin Abbas Al Bahani</td>
<td>Director General of Oman Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Dr. Ali Abdul Latif Al Missned- Director</td>
<td>General of Qatar Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mr. Rabah Al Rabah</td>
<td>Director General of Kuwait Chamber of Commerce and Industry.</td>
</tr>
</tbody>
</table>

### FGCCC SECRETARIAT GENERAL

<table>
<thead>
<tr>
<th>Member Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Abdulrahim Hasan Naqi</td>
<td>Secretary General</td>
</tr>
<tr>
<td>Mr. Abdulaziz Al Zayyad</td>
<td>Assistant Secretary General for Economic and Technical Affairs.</td>
</tr>
<tr>
<td>Mr. Othman Abu Julia</td>
<td>Assistant Secretary General for Financial and Administrative Affairs.</td>
</tr>
<tr>
<td>Dr. Hasan Ali Julia</td>
<td>Director of Studies and Media Department.</td>
</tr>
<tr>
<td>Mr. Hussain Ali Khan</td>
<td>Director of Administrative and Financial Affairs.</td>
</tr>
<tr>
<td>Mr. Basem Al Seif</td>
<td>Director of Sectoral Committees Department.</td>
</tr>
<tr>
<td>Mr. Suzan Farid</td>
<td>Director of information center department.</td>
</tr>
<tr>
<td>Mr. Bassam Atweh</td>
<td>Director of Supporting Services Department.</td>
</tr>
<tr>
<td>Mr. Basel Awami</td>
<td>Director of Foreign Relations Department.</td>
</tr>
<tr>
<td>Mrs. Maryam Khalid Al Quraish</td>
<td>Director of Electronic Gulf Marke.</td>
</tr>
</tbody>
</table>
### Members of Information Technology Committee

<table>
<thead>
<tr>
<th>Name</th>
<th>Position and Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eng. Soud Al Zaid</td>
<td>Committee President, Assistant Director General for Information at Kuwait Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Eng. Mohammed Ahmad Al Nuaimi</td>
<td>Assistant Director of Information Technology at Abu Dhabi Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mr. Abdullah Jumaa Al Rmeid</td>
<td>chargé d'affaire of director of information and e-commerce department at the Bahrain Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mr. Mohammed Kayed Al Oteibi</td>
<td>Designated director of Information Technology Administration at the Saudi Chambers Council</td>
</tr>
<tr>
<td>Mr. Khalid Al Shaqari</td>
<td>Director of Information Technology Administration at the Riyadh Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Eng. Mohyi Eddine Hakmi</td>
<td>Director General of Information Technology at the Oman Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Eng. Khalifa bin Ali Al Yahyai</td>
<td>Director of Information Center at the Oman Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mr. Hussein Yousef Al Abed Al Ghani</td>
<td>Director of Members Affairs Department at the Qatar Chamber of Commerce and Industry</td>
</tr>
</tbody>
</table>

### Members of the Exhibitions Working Teams

<table>
<thead>
<tr>
<th>Name</th>
<th>Position and Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abdulrahman Hasan Naqi</td>
<td>Secretary General, FGCCC</td>
</tr>
<tr>
<td>Mr. Shahin Ali Shahin</td>
<td>Assistant Secretary General of the Federation of UAE Chambers of Commerce and Industry</td>
</tr>
<tr>
<td>Mrs. Duha Hussain</td>
<td>Exhibitions Supervisor, Bahrain Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mr. Abdul Karim Yaqoub Habib Allah</td>
<td>Director of Exhibitions Management, Exports Development Center-Saudi Chambers Council</td>
</tr>
<tr>
<td>Mr. Mousa Jafar Musawi</td>
<td>Director of Foreign Relations and Exhibitions, Oman Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mr. Seif Yousef Al Kawari</td>
<td>Director of Committees Management, Qatar Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mr. Ali Ahed Al Baker</td>
<td>Committees Rapporteur, Qatar Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mr. Khalid Yousef Al Manie</td>
<td>Researchers at department of relations, media and exhibitions, Kuwait Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mr. Bassam Atweh</td>
<td>Director of Supporting Services Administration, FGCCC</td>
</tr>
</tbody>
</table>

### Legal Administrations at Member Chambers Team

<table>
<thead>
<tr>
<th>Name</th>
<th>Position and Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Abdulrahman Hasan Naqi</td>
<td>Secretary General, FGCCC</td>
</tr>
<tr>
<td>Mr. Shahin Ali Shahin</td>
<td>Assistant Secretary General, Federation of UAE Chambers of Commerce and Industry</td>
</tr>
<tr>
<td>Dr. Mohammad Isam Kamour</td>
<td>Director of Legal Affairs and Arbitration, Bahrain Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mr. Ahmad Khalifa Al Muweiji</td>
<td>Head of Legal Affairs, Ajman Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Dr. Soud Abdul Aziz Al Mishari</td>
<td>Assistant Secretary General for Legal Affairs, Saudi Chambers Council</td>
</tr>
<tr>
<td>Mr. Ali Haidar Blushi</td>
<td>Deputy Director of Legal Administration, Oman Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Dr. Ahmad Mohammad Shata</td>
<td>Secretary General, Director of Legal Administration and Arbitration at Qatar Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Dr. Sabah Ali Al Yousef</td>
<td>Director of Legal Administration, Kuwait Chamber of Commerce and Industry</td>
</tr>
</tbody>
</table>
### Names of Liaison Officers at Member Chambers for receiving letters via email:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Liaison Officer</th>
<th>Address 1</th>
<th>Address 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Federation of UAE Chambers of Commerce and Industry</td>
<td>Ms. Maysa Malsi</td>
<td><a href="mailto:info@fcciuae.ae">info@fcciuae.ae</a></td>
<td>+97142941212</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+9714290444</td>
</tr>
<tr>
<td>Bahrain Chamber of Commerce and Industry</td>
<td>Ms. Hessa Banaali</td>
<td><a href="mailto:hessa@bcci.bi">hessa@bcci.bi</a></td>
<td>+9731780000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+97317212937</td>
</tr>
<tr>
<td></td>
<td>Saudi Chambers Council</td>
<td>Mr. Fahed Al Osaimi</td>
<td><a href="mailto:alosaimi@saudichambers.org.sa">alosaimi@saudichambers.org.sa</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+96614053200</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+96614029847 GSM: +96655591599</td>
</tr>
<tr>
<td></td>
<td>Oman Chamber of Commerce and Industry</td>
<td>Mr. Tareq Mawali</td>
<td><a href="mailto:tariq@chamberoman.com">tariq@chamberoman.com</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+96824799146</td>
</tr>
<tr>
<td></td>
<td>Qatar Chamber of Commerce and Industry</td>
<td>Mr. Saeed Busherbak</td>
<td><a href="mailto:info@qcci.org">info@qcci.org</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+9744661721</td>
</tr>
<tr>
<td></td>
<td>Kuwait Chamber of Commerce and Industry</td>
<td>General register staff</td>
<td><a href="mailto:kcci@kcci.org.kw">kcci@kcci.org.kw</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+9652404110</td>
</tr>
<tr>
<td></td>
<td>7 FGCCC</td>
<td>Mr. Shalan Al Shalan</td>
<td><a href="mailto:fgccc@fgccc.org">fgccc@fgccc.org</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+27</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+96638355007</td>
</tr>
</tbody>
</table>

### CHAMBER OF GCC

<table>
<thead>
<tr>
<th>Chamber, federation, council</th>
<th>Secretary general, director general, executive director,</th>
<th>Faxes Numbers</th>
<th>Telephones Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The United Arab Emirates</td>
<td>Abdullah Sultan Abdullah /secretary general</td>
<td>+97142941212</td>
<td>97142955500</td>
</tr>
<tr>
<td>Federation of UAE Chambers of Commerce and Industry</td>
<td>Mohammad Rashid Al Hamli/ director general</td>
<td>+97126177200</td>
<td>+97126214465</td>
</tr>
<tr>
<td>Abu Dhabi Chamber of Commerce and Industry</td>
<td>Hamad Mubarak bu Amim/director general</td>
<td>+97142280000</td>
<td>+97142211646</td>
</tr>
<tr>
<td>Dubai Chamber of Commerce and Industry</td>
<td>Hussein Mohammad Al Mahmoudi/ director general</td>
<td>+97165681119</td>
<td>+97165688888</td>
</tr>
<tr>
<td>Sharjah Chamber of Commerce and Industry</td>
<td>Mohammad BinAbdullah Al Hamrani/ director general</td>
<td>+97167471222</td>
<td>+97197167441777</td>
</tr>
<tr>
<td>Ajman Chamber of Commerce and Industry</td>
<td>Abdul Rahman Mohammed Al Naqbi/ director general</td>
<td>+97172330232</td>
<td>+97172333511</td>
</tr>
<tr>
<td>RAK Chamber of Commerce and Industry</td>
<td>Hmeid Mohammed Ali Salem/ director general</td>
<td>+97167655055</td>
<td>+97167651111</td>
</tr>
<tr>
<td>Um al-Quwain Chamber of Commerce and Industry</td>
<td>Khalid Mohammed Al Jasim/director general</td>
<td>+97192221464</td>
<td>+97192222400</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Bahrain</th>
<th>Ebrahim Ahmad Al Lengaw /CEO</th>
<th>97317224985</th>
<th>97317576666</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>3. Saudi Arabia</th>
<th>Fahed bin Saleh Al Sultan/ secretary general</th>
<th>014024747</th>
<th>014053200</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Province Chamber of Commerce and Industry</td>
<td>Adnan Abdullah Al Naeem/ seceretary general</td>
<td>+96338570607</td>
<td>+96638598008</td>
</tr>
</tbody>
</table>
Pearl Book

<table>
<thead>
<tr>
<th>Chamber of Commerce and Industry</th>
<th>Secretary General</th>
<th>Phone 1</th>
<th>Phone 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riyadh Chamber of Commerce and Industry</td>
<td>Hussein A. Al-Azli</td>
<td>014021103</td>
<td>014040044</td>
</tr>
<tr>
<td>Alhasa Chamber of Commerce and Industry</td>
<td>Adil Ahmad Al Salih</td>
<td>035870967</td>
<td>035820202</td>
</tr>
<tr>
<td>Makkah Chamber of Commerce and Industry</td>
<td>Yassir Abdullah Awan</td>
<td>025342904</td>
<td>025343838</td>
</tr>
<tr>
<td>Almadinah Chamber of Commerce and Industry</td>
<td>Ziad Abdullatif Abu Zenadeh</td>
<td>048388905</td>
<td>048388909</td>
</tr>
<tr>
<td>Jeddah Chamber of Commerce and Industry</td>
<td>Mustafa A. Sabri</td>
<td>026517373</td>
<td>026515111</td>
</tr>
<tr>
<td>Abha Chamber of Commerce and Industry</td>
<td>Mohammad bin Yehya Al Mezher</td>
<td>072271919</td>
<td>072271818</td>
</tr>
<tr>
<td>Al Jouf Chamber of Commerce and Industry</td>
<td>Muzid S. Al Muzid</td>
<td>046240108</td>
<td>046249060</td>
</tr>
<tr>
<td>Al Taif Chamber of Commerce and Industry</td>
<td>Salah bin Abdullah Hadad</td>
<td>027380040</td>
<td>027366800</td>
</tr>
<tr>
<td>AlGuryat Chamber of Commerce and Industry</td>
<td>Nawaf A. Al-Ayda</td>
<td>046427500</td>
<td>046426200</td>
</tr>
<tr>
<td>Yanbu Chamber of Commerce and Industry</td>
<td>Habeeb M. Dirwish</td>
<td>043227387</td>
<td>044222736</td>
</tr>
<tr>
<td>Tabuk Chamber of Commerce and Industry</td>
<td>Khalid Abdul Rahim Al Sharif</td>
<td>044227387</td>
<td>044222736</td>
</tr>
<tr>
<td>Albaha Chamber of Commerce and Industry</td>
<td>Yehya Mardi Al Zahrani</td>
<td>077270146</td>
<td>077250042</td>
</tr>
<tr>
<td>Jazan Chamber of Commerce and Industry</td>
<td>Ahmed bin Mohammed Gunfidi</td>
<td>073224231</td>
<td>073223624</td>
</tr>
<tr>
<td>Najran Chamber of Commerce and Industry</td>
<td>Ali bin Saleh Al Ghimaish</td>
<td>045223926</td>
<td>045224040</td>
</tr>
<tr>
<td>Al Majma’ah Chamber of Commerce and Industry</td>
<td>Abdullah I. Al Jouan</td>
<td>064322655</td>
<td>064312275</td>
</tr>
<tr>
<td>Al khari Chamber of Commerce and Industry</td>
<td>Eng. Fahed Al Askar</td>
<td>+96615481444</td>
<td>+96615481333</td>
</tr>
<tr>
<td>Arar Chamber of Commerce and Industry</td>
<td>Dr. Mutib M. Al Sarah</td>
<td>046624581</td>
<td>016626544</td>
</tr>
<tr>
<td>Hail Chamber of Commerce and Industry</td>
<td>Mubarak Abdul Aziz Al Rabah</td>
<td>065321060</td>
<td>065331366</td>
</tr>
<tr>
<td>Qassim Chamber of Commerce and Industry</td>
<td>Abdullah bin Saleh Al Othaim</td>
<td>+96614919999</td>
<td>+96616427500</td>
</tr>
<tr>
<td>Al Makhwah Province Chamber of Commerce and Industry</td>
<td>Abdullah M. Al Alawi</td>
<td>+96677280522</td>
<td>+96677283375</td>
</tr>
</tbody>
</table>

4. Oman

<table>
<thead>
<tr>
<th>Chamber of Commerce and Industry</th>
<th>Director General</th>
<th>Phone 1</th>
<th>Phone 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oman Chamber of Commerce and Industry</td>
<td>Abdul Azim bin Abbas Al Bahrani</td>
<td>+96824708497</td>
<td>+96824707674</td>
</tr>
</tbody>
</table>

Qatar:

<table>
<thead>
<tr>
<th>Chamber of Commerce and Industry</th>
<th>Director General</th>
<th>Phone 1</th>
<th>Phone 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qatar Chamber of Commerce and Industry</td>
<td>Khalid K. Al Hajri</td>
<td>+9744661721</td>
<td>+9744559111</td>
</tr>
</tbody>
</table>

6. Kuwait

<table>
<thead>
<tr>
<th>Chamber of Commerce and Industry</th>
<th>Director General</th>
<th>Phone 1</th>
<th>Phone 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kuwait Chamber of Commerce and Industry</td>
<td>Rabah Abdulrahman Al Rabah</td>
<td>+9652404110</td>
<td>+9652433855</td>
</tr>
</tbody>
</table>
## INDUSTRY AND PROMOTION COMMITTEE

**First session - February 2008 - February 2010**

<table>
<thead>
<tr>
<th>Name</th>
<th>Entity</th>
<th>Telephone</th>
<th>Fax</th>
<th>Mobile</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abdullah Sultan Al Oaweis</td>
<td>Al Sharjah Chamber of Commerce and Industry</td>
<td>+9714 3244646</td>
<td>+9714324181</td>
<td>+97150481212</td>
<td><a href="mailto:asalowais@hotmail.com">asalowais@hotmail.com</a></td>
</tr>
<tr>
<td>Ahmad Hasan bin El Sheik</td>
<td>Dubai Chamber of Commerce and Industry</td>
<td>+9714 2823338</td>
<td>+9714 2822291</td>
<td>+97150 6444475</td>
<td><a href="mailto:ahmad@modern.ae">ahmad@modern.ae</a></td>
</tr>
<tr>
<td>Saeed Hussein Al Shali</td>
<td>Ajman Chamber of Commerce and Industry</td>
<td>+97150 6334836</td>
<td>+97150 6334832</td>
<td>+97150 6344644</td>
<td><a href="mailto:saeedhsfs@hotmail.ae">saeedhsfs@hotmail.ae</a></td>
</tr>
<tr>
<td>Adel Mohammad Matar</td>
<td>Bahrain Chamber of Commerce and Industry</td>
<td>+973 17 738316</td>
<td>+973 17 731329</td>
<td>+973 39645645</td>
<td><a href="mailto:ammattar@batelco.com.bh">ammattar@batelco.com.bh</a></td>
</tr>
<tr>
<td>Hmeid Ali Abdullah</td>
<td>Bahrain Chamber of Commerce and Industry</td>
<td>+973 17 310191</td>
<td>+973 17 310673</td>
<td>+973 39805888</td>
<td><a href="mailto:hamed46@batelco.com.bh">hamed46@batelco.com.bh</a></td>
</tr>
<tr>
<td>Abeer Al Kassar</td>
<td>Bahrain Chamber of Commerce and Industry</td>
<td>+973 17 783040/783039</td>
<td>+973 17 783020</td>
<td>+973 39668884</td>
<td><a href="mailto:akassar@batelco.com.bh">akassar@batelco.com.bh</a></td>
</tr>
<tr>
<td>Salman bin Mohammad Al Jashi</td>
<td>Saudi Chambers Council</td>
<td>8991188 3966+</td>
<td>+966 3 8991177</td>
<td>+966 505801188</td>
<td><a href="mailto:salman@salmanroup.com">salman@salmanroup.com</a></td>
</tr>
<tr>
<td>Abdullah bin Ali Al Sani</td>
<td>Saudi Chambers Council</td>
<td>+966 3 8427800</td>
<td>+966 505822737</td>
<td></td>
<td><a href="mailto:Abdullah@sunconsult.com.sa">Abdullah@sunconsult.com.sa</a></td>
</tr>
<tr>
<td>Abdullah bin Mohammad Al Zamel</td>
<td>Saudi Chambers Council</td>
<td>+966 3 8473333</td>
<td>+966 3 8471904</td>
<td>+966 505399999</td>
<td><a href="mailto:mhameed@hotmail.com">mhameed@hotmail.com</a></td>
</tr>
<tr>
<td>Ayman bin Abdullah bin M. Al Hosni</td>
<td>Oman Chamber of Commerce and Industry</td>
<td>+968 24 705727</td>
<td>+968 24 815590</td>
<td>+968 99441515</td>
<td><a href="mailto:Ami156@yahoo.com">Ami156@yahoo.com</a></td>
</tr>
<tr>
<td>Abdul Rahman Al Ansari</td>
<td>Qatar Chamber of Commerce and Industry</td>
<td>+974 4833788</td>
<td>+974 4833304</td>
<td>+974 5512129</td>
<td><a href="mailto:qmcnc@qatar.net.qa">qmcnc@qatar.net.qa</a></td>
</tr>
<tr>
<td>Hosam Abdul Salam Abu Issa</td>
<td>Qatar Chamber of Commerce and Industry</td>
<td>+974 4833744</td>
<td>+974 4833376</td>
<td>+974 5505234</td>
<td><a href="mailto:hashissa@saliminternational.com">hashissa@saliminternational.com</a></td>
</tr>
<tr>
<td>Seif Yousef Al Kawsar</td>
<td>Qatar Chamber of Commerce and Industry</td>
<td>+974 5527766</td>
<td>+974 4665079</td>
<td>+974 5527766</td>
<td><a href="mailto:Alkwari_safi@hotmail.com">Alkwari_safi@hotmail.com</a></td>
</tr>
<tr>
<td>Ahmad Seimai Al Qdeibi</td>
<td>Kuwait Chamber of Commerce and Industry</td>
<td>+966 2 4744776</td>
<td>+966 2 4744775</td>
<td>+965 9783888</td>
<td><a href="mailto:ahmedeau@hotmail.com">ahmedeau@hotmail.com</a></td>
</tr>
<tr>
<td>Jasem Abdul Hamid Al Saqer</td>
<td>Kuwait Chamber of Commerce and Industry</td>
<td>+966 99633306</td>
<td>+966 22449333</td>
<td>+966 22449111</td>
<td><a href="mailto:Sgr_j@hotmail.com">Sgr_j@hotmail.com</a></td>
</tr>
</tbody>
</table>

## MEMBERS OF THE GULF FINANCIAL AND BANKING COMMITTEE

**First session - February 2008 - February 2010**

<table>
<thead>
<tr>
<th>Name</th>
<th>Entity</th>
<th>Telephone</th>
<th>Fax</th>
<th>Mobile</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abdul Nasser Jasem Al Medlia</td>
<td>Al Sharjah Chamber of Commerce and Industry</td>
<td>+9716 5681000/5115232</td>
<td>+9716 5681213</td>
<td>+97150 4817777</td>
<td><a href="mailto:aalmidfa@sib.ae">aalmidfa@sib.ae</a></td>
</tr>
<tr>
<td>Abdul Rahman Youssef Al Nuaimi</td>
<td>Ajman Chamber of Commerce and Industry</td>
<td>+9716 7644575</td>
<td>+9716 7644775</td>
<td>+97150 4288565</td>
<td><a href="mailto:chairman@nationalgroupuae.com">chairman@nationalgroupuae.com</a></td>
</tr>
<tr>
<td>Adnan Ahmed Yousef Al Asfaha</td>
<td>Bahrain Chamber of Commerce and Industry</td>
<td>+973 17 530031/3 530311</td>
<td>+973 17 540644/530147</td>
<td><a href="mailto:AdnanYousef@albara.com">AdnanYousef@albara.com</a></td>
<td></td>
</tr>
<tr>
<td>Faisal Mansour Al Olayan</td>
<td>Bahrain Chamber of Commerce and Industry</td>
<td>+973 17 581002/581000</td>
<td>+973 17 581007</td>
<td>+973 39608884</td>
<td><a href="mailto:alalwan@alumbank.net">alalwan@alumbank.net</a></td>
</tr>
<tr>
<td>Aya Al Zeir</td>
<td>Bahrain Chamber of Commerce and Industry</td>
<td>+973 17 365000</td>
<td>+973 17 365033</td>
<td>+973 39809690</td>
<td><a href="mailto:azeirajunith@albara.com">azeirajunith@albara.com</a></td>
</tr>
<tr>
<td>Mohammad Issa Matouss</td>
<td>Bahrain Chamber of Commerce and Industry</td>
<td>+973 17 525600/535303</td>
<td>+973 17 530695/533993</td>
<td></td>
<td><a href="mailto:m.mattouss@barakaonline.com">m.mattouss@barakaonline.com</a></td>
</tr>
<tr>
<td>Adel Seaid Al Mamir</td>
<td>Saudi Chambers Council</td>
<td>+966 3 8092232/3855</td>
<td>+966 3 8096336</td>
<td>+96650581831</td>
<td><a href="mailto:bsl.almameer@barakacapital.com">bsl.almameer@barakacapital.com</a></td>
</tr>
<tr>
<td>Mohammad Hasan Nidhi</td>
<td>Saudi Chambers Council</td>
<td>+966266557323+</td>
<td>+96662653723+</td>
<td>+96650582023</td>
<td><a href="mailto:mhnidhi@hotmail.com">mhnidhi@hotmail.com</a></td>
</tr>
<tr>
<td>Jamil Ben Ali Sultan</td>
<td>Oman Chamber of Commerce and Industry</td>
<td>+968 24 526000</td>
<td>+968 24 526207</td>
<td>+968 99267676</td>
<td><a href="mailto:jamilaish@gmail.com">jamilaish@gmail.com</a></td>
</tr>
<tr>
<td>Seif Yousef Al Kawsar</td>
<td>Qatar Chamber of Commerce and Industry</td>
<td>+974 5527766</td>
<td>+974 4665079</td>
<td>+974 5527766</td>
<td><a href="mailto:Alkwari_safi@hotmail.com">Alkwari_safi@hotmail.com</a></td>
</tr>
<tr>
<td>Abdul Bataqz Mohammad Al Sadiqi</td>
<td>Qatar Chamber of Commerce and Industry</td>
<td>+974 4592323</td>
<td>+974 4592324</td>
<td>+974 5350450</td>
<td><a href="mailto:alidhik@gmail.com">alidhik@gmail.com</a></td>
</tr>
<tr>
<td>Abdallah Soud Al Hmeid</td>
<td>Kuwait Chamber of Commerce and Industry</td>
<td>+966 22447315</td>
<td></td>
<td></td>
<td><a href="mailto:chairman@bk.com">chairman@bk.com</a></td>
</tr>
<tr>
<td>Abdal Majid Al Haji Al Shattii</td>
<td>Kuwait Chamber of Commerce and Industry</td>
<td>+966 22419739/22468791</td>
<td>+966 22417619/22462072</td>
<td></td>
<td><a href="mailto:chairman@bk.com">chairman@bk.com</a></td>
</tr>
<tr>
<td>Mustafa Mohammad Aljihar Hayat</td>
<td>Kuwait Chamber of Commerce and Industry</td>
<td>+966 224418073/1805885</td>
<td>+966 22447194</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Members of the Gulf Committee for Road Transport

<table>
<thead>
<tr>
<th>Name</th>
<th>Entity</th>
<th>Telephone</th>
<th>Fax</th>
<th>Mobile</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abdul Hakim Ibrahim Al Shammari</td>
<td>Committee president- Juhain Chamber of Commerce and Industry</td>
<td>+973 17 293001</td>
<td>+973 17 293013</td>
<td>+973 39661998</td>
<td><a href="mailto:hakim@alshammari.com">hakim@alshammari.com</a></td>
</tr>
<tr>
<td>Saoud Al Hadi Al Nifis</td>
<td>Deputy president- Saudi Chambers Council</td>
<td>9200000167</td>
<td>9200000168</td>
<td>9660539990</td>
<td><a href="mailto:roadtransportinggroup@gmail.com">roadtransportinggroup@gmail.com</a></td>
</tr>
<tr>
<td>Atiq Janmaa Faraj Nazih</td>
<td>Member- Dubai Chamber of Commerce and Industry</td>
<td>+97414028202</td>
<td>+97414028204</td>
<td>+97155579757</td>
<td><a href="mailto:Atiq.naasli@dhiaachamber.ae">Atiq.naasli@dhiaachamber.ae</a></td>
</tr>
<tr>
<td>Abdulrahman Salih Al Binnash</td>
<td>Member- Saudi Chambers Council</td>
<td>+96638114860</td>
<td>+966508888111</td>
<td>+9715332131</td>
<td><a href="mailto:info@otahsan.com">info@otahsan.com</a></td>
</tr>
<tr>
<td>Mohammad Abdul Karim Al Jundi</td>
<td>Member- Saudi Chambers Council</td>
<td>+9661 4038422</td>
<td>+966 1 4038459</td>
<td>+966 55446594</td>
<td><a href="mailto:mejammelkhalil@hotmail.com">mejammelkhalil@hotmail.com</a></td>
</tr>
<tr>
<td>Mohammad Saied Al Ahmadi</td>
<td>Member- Saudi Chambers Council</td>
<td>966 1 2019919</td>
<td>966 1 2019909</td>
<td>966 50222210</td>
<td><a href="mailto:al-ahmadi@albassami.com">al-ahmadi@albassami.com</a></td>
</tr>
<tr>
<td>Ali bin Abdullahi Al Badi</td>
<td>Member- Oman Chamber of Commerce and Industry</td>
<td>968 28 854441</td>
<td>968 28 855744</td>
<td>968 9945594</td>
<td><a href="mailto:Bad02@oamtel.net">Bad02@oamtel.net</a></td>
</tr>
<tr>
<td>Sufi Khanlah A Saidi</td>
<td>Member- Oman Chamber of Commerce and Industry</td>
<td>+968 28 816721</td>
<td>+968 28 817340</td>
<td>968 99311966</td>
<td></td>
</tr>
<tr>
<td>Sufi Yousef Al Kawari</td>
<td>Qatar Chamber of Commerce and Industry</td>
<td>974 5527766</td>
<td>974 4665079</td>
<td>974 5527766</td>
<td><a href="mailto:Alkawari_yafi@hotmail.com">Alkawari_yafi@hotmail.com</a></td>
</tr>
<tr>
<td>Ali bin Abdul Latif Al Momen Al Mohammed</td>
<td>Qatar Chamber of Commerce and Industry</td>
<td>+974 4335054</td>
<td>+974 4335867</td>
<td>+974 555587</td>
<td><a href="mailto:alh@doha-qatar.com">alh@doha-qatar.com</a></td>
</tr>
<tr>
<td>Osama Mohammad Al Neof</td>
<td>Kuwait Chamber of Commerce and Industry</td>
<td>+966 4842287</td>
<td>+966 99755972</td>
<td>+966 99799900</td>
<td><a href="mailto:osamaneof@hotmail.com">osamaneof@hotmail.com</a></td>
</tr>
<tr>
<td>Khalid Bader Al Roumi</td>
<td>Kuwait Chamber of Commerce and Industry</td>
<td>965 22427060</td>
<td>+966 2405093</td>
<td>+966 97989900</td>
<td><a href="mailto:khruma@alroutransport.com">khruma@alroutransport.com</a></td>
</tr>
</tbody>
</table>

## Members of the Human Resources and Gulf Labour Market Committee

<table>
<thead>
<tr>
<th>Name</th>
<th>Entity</th>
<th>Telephone</th>
<th>Fax</th>
<th>Mobile</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maryam Seif Al Shamsi</td>
<td>Al Sharjah Chamber of Commerce and Industry</td>
<td>+97150 6534515</td>
<td>+9716851119</td>
<td>+97150463515</td>
<td><a href="mailto:mariam@alshamsi.gov">mariam@alshamsi.gov</a></td>
</tr>
<tr>
<td>Mohammad Saeed Al Naaimi</td>
<td>Ajman. Chamber of Commerce and Industry</td>
<td>+9716746388</td>
<td>+9716746111</td>
<td>+97150746660</td>
<td><a href="mailto:Mohammad.a.lnaaimi@gmail.com">Mohammad.a.lnaaimi@gmail.com</a></td>
</tr>
<tr>
<td>Dr. Hussein Mahdi</td>
<td>Bahrain Chamber of Commerce and Industry</td>
<td>+973 17 212212</td>
<td>+973 17 225866</td>
<td>+973 39669977</td>
<td><a href="mailto:gulfics@yahoo.com">gulfics@yahoo.com</a></td>
</tr>
<tr>
<td>Dr. Saleh Meshibah Al Qahtani</td>
<td>Saudi Chambers Council</td>
<td>+966 3 8910099</td>
<td>+96638918331</td>
<td>+96650811304</td>
<td><a href="mailto:themanager235@yahoo.com">themanager235@yahoo.com</a></td>
</tr>
<tr>
<td>Ali bin Othman Al Zaid</td>
<td>Saudi Chambers Council</td>
<td>+96614000000</td>
<td>+96614018000</td>
<td>+96650570000</td>
<td><a href="mailto:alzaid@alakarta.com">alzaid@alakarta.com</a></td>
</tr>
<tr>
<td>Dr. Smir Mohammad Abdul Rahman</td>
<td>Saudi Chambers Council</td>
<td>+96662484119</td>
<td>+9666257333</td>
<td>+96655519001</td>
<td><a href="mailto:Abouassia@pgikahrawa.com">Abouassia@pgikahrawa.com</a></td>
</tr>
<tr>
<td>Mohammad Mahdi Al Abdhi</td>
<td>Oman Chamber of Commerce and Industry</td>
<td>+968 24 799746</td>
<td>+968 24791713</td>
<td>+968 99241434</td>
<td><a href="mailto:alhumaid@alchamberoman.com">alhumaid@alchamberoman.com</a></td>
</tr>
<tr>
<td>Seif Yousef Al Kawari</td>
<td>Qatar Chamber of Commerce and Industry</td>
<td>+974 4603444</td>
<td>+974 46031444</td>
<td>+974 555587</td>
<td>@<a href="mailto:alh@doha-qatar.com">alh@doha-qatar.com</a></td>
</tr>
<tr>
<td>Khalid Abdul Rahman Al Madkikheh</td>
<td>Kuwait Chamber of Commerce and Industry</td>
<td>+965 22419666</td>
<td>+965 22455770</td>
<td>+965 99788899</td>
<td><a href="mailto:alabrig@qualitynet.net">alabrig@qualitynet.net</a></td>
</tr>
<tr>
<td>Khalid Mahfai Al Khalid</td>
<td>Kuwait Chamber of Commerce and Industry</td>
<td>+965 24812177</td>
<td>+965 24845726</td>
<td>+965 99613838</td>
<td><a href="mailto:Khalid@kalhaldgroup.com">Khalid@kalhaldgroup.com</a></td>
</tr>
</tbody>
</table>

### The Federation of the Gulf Cooperation Council Chambers (FGCCC)
We would like to express our deepest thanks and gratitude to all the officials for their support and dedication, and a special mention to:
Their Highnesses and Excellencies, His Highness Sheikh Khalifa Bin Zayed Al Nahyan President of the United Arab Emirates, His Majesty Hamad Bin Isa Al Khalifa King of Bahrain, His Royal Highness Prince Sultan bin Abdulaziz Al Saud The Crown Prince of the Kingdom of Saudi Arabia, His Highness Sayyid Fahad bin Mahmood Al-Said Deputy Prime Minister for the Council of Ministers, Oman, His Highness Sheikh Hamad bin Khalifa Al Thani The Emir of the State of Qatar, His Highness Sheikh Sabbah Al-Ahmad Al-Jaber Assababah The Emir of the State of Kuwait, Her Excellency, Sheikha Lubna bint Khalid Al Qasimi, Minister of Foreign Trade - United Arab Emirates, HE, Dr. Hassan Abdulla Fakhro Minister of Industry & Commerce - Kingdom of Bahrain, HE, Abdullah bin Ahmad Zainal Ali Reza, Minister of Economy and Commerce - Kingdom of Saudi Arabia, HE, Maqbool bin Ali Sultan Minister of Commerce & Industry - Sultanate of Oman, HE, Abdullah bin Hamad Al Attiyah Deputy Prime Minister & Minister of Energy & Industry - State of Qatar, HE, Ahmed Rashid Al-Haroun Minister of Commerce and Industry, HE Sheikh Saleh Abdullah Kamel Chairman of the Federation of GCC Chambers, HE, Khalil bin Abdullah Al Khonji Chairman of Oman Chamber of Commerce and Industry, First Deputy Chairman of the Federation of GCC Chambers, HE, Sheikh Khalifa bin Jasm bin Mohamed Al Thani Chairman of Qatar Chamber of Commerce and Industry Second Deputy Chairman of the Federation of GCC Chambers, HE, Eng. Salah Salem bin Omair Al Shamsi Chairman of the Board of Directors, HE, Dr. Esam Abdulla Fakhroo, President of the Bahrain Chamber of Commerce & Industry, HE, Ali Mohammed Thunayan Al Ghanem Chairman of Kuwait Chamber of Commerce & Industry, HE Abdul Rahman Rashid Al Rashid Chairman of Asharqia Chamber, HE Abdul Rahman bin Hamad Al Attiyah The Secretary General of the Cooperation Council for the Arab States of the Gulf, Mr. Abdulrahim Hasan Naqi, Secretary-General of the Federation of GCC Chambers, HE, Adnan Al Kassar President of the General Union of Arab Chambers of Commerce, Industry and Agriculture, HE, Alessandro Barberis, President of EUROCHAMBRES, HE, Harvey Chang President CACCI, HE, Wan Jifei Chairman - CCPT. China Council for the Promotion of International Trade, Mr. Jialin Liu FGCCC Representation to China, New Century Int. Invest. Develop. Group Chairman, HE, Rifat Hisarciklooglu President Union of Chambers and Commodity Exchanges of Turkey (TOBB) Foreign Economic Relations Board (DEIK), HE, Dr. Amit Mitra Secretary General of (FICCI), HE, Omar Derraji Chairman of CPCCAF, for their editorials and speeches.
This publication has been initiated, developed and accomplished by the support and guidance of HE Sheikh Saleh Abdullah Kamel President of the Federation of GCC Chambers and Mr. Abdulrahim Hassan Naqi, FGCCC Secretary General and all the FGCCC team.

We would like to express our deep gratitude to Mr. Basil Awami International Relations Manager, Mr. Abdelouadoud El Omrani Translation Expert, Mr. Abdulhaleem Al Mohassen and all the FGCCC team for all the valuable assistance, patience and efforts they provided to make this Commemorative Book “Durat AL Khaleej” Book possible.

We hope this edition will be the best tool for the mutual understanding between the GCC Countries and its regional and international partners.

Special thanks to our sponsors for their involvement in this publication:
The FGCCC Official Delegate responsible for forging international relationships in order to link and facilitate communication between EUROCHAMBRES, US Chambers of commerce, CACCI (Asia Pacific Chambers), AICO (Central and South America) and FICCI (India), CPCCAF (Africa and French Language Countries) & China which together represent more than 55 million firms, including some 760,000 in GCC countries.

Qatar National Library
Leagal Deposit No.: 2009 - 57

GEOC advertising and Publicity wll.
Office No. 22, Building 58, 18 Exhibition Rd., Block 318, Hoora, Kingdom of Bahrain Company Registered No. 62454
Phone: (+973) 36 51 72 64
Web: www.geocgroup.com
email: geoc.group@gmail.com

GEOC Production Office
P.O.Box: 2353 Irbid 21110 Jordan
Tel: (+962) 272 53 569
Fax: (+962) 272 53 568
email: advertisement.geoc@gmail.com

Chairman: Eric Ohayon
Editor-in-Chief: Abedalhalem Al Mohassen
Art Director: Abdul Rahman Al Tamari
FGCCC Project Coordinator:
Mr. Basel Al Awami, International Director
Editing: Taylor Luck,
Mohammad Ghazal
Abdelouadoud El Omrani,
Credit for Pictures
The FGCCC, QNA, Eurochambres, Bahrain Tourism Agency, Oman News Agency (ONA), AGCCC, CCPIT; etc.
Advertising Services: GEOC
Printing House: Al Fanar printing press
The views expressed in this publication are not necessarily those of the publishers, who accept no responsibility for any errors, omissions or statements it may contain. The publishers reject any claim arising out of any action, which a company or individual may take on the basis of information contained herein.

All rights reserved. No part of this publication may be reproduced or transmitted in any form and by any mean without the Publishers’ prior written permission.

For all editorial and advertising enquiries, please call: 00962 2 72 53 569 or email: geoc.group@gmail.com
The Pearl Book is a Publication by GEOC GROUP in Cooperation With FGCCC
www.geocgroup.com
INVESTING IN THE GULF COUNTRIES

FGCCC OUTLOOK 2010
LEADING THE NEXT 30 YEARS
WHY THE GULF?

The Gulf Cooperation Council (GCC), located in Arabian Gulf and consisting of six states (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates) is one of the fastest-growing markets in the world and has become increasingly significant to the global economy.

It attracts an increasing amount of foreign investment across a broad range of sectors, and its rapid expansion and growth makes it an active seeker for modern infrastructure development, technological capacities and business services. Reforms and improvements have been made to strengthen the private sector to be less dependent on government or natural resources, making the area an attractive location for enterprises and expatriate workers and considering overseas expansions in a competitive market.

The combined GDP of the GCC is expected to reach $1.15trn according to projections issued by the Gulf Finance House (GFH), the Egyptian Al Ahli Bank and the Saudi American Bank (Samba). By 2018, total investment in the GCC could reach up to $670mn (Goldman Sachs Economic Paper No: 166, 2008).

The GCC’s common market grants national treatment to all GCC firms, and in doing so removes all barriers to cross country investment and services trade. Inter-state trade is expected to increase by 25% by 2010, and international trade is expected to increase by multiples (The GCC in 2020: Outlook for the Gulf and the Global Economy, Economist Intelligence Unit, March 2009). Because of its strategic location and history, the GCC has had long diplomatic and trade relationships with Europe, Asia and Africa, suggesting its long-term benefit from the expected growth in these continents.

The GCC’s share of world economy is projected to expand slightly higher than the aggregate global growth with an annual average of 4.5%, compared to 3.3% globally growth. Within 10 years, the GCC is expected to provide nearly one-quarter of the world’s oil supplies as well as increasing quantities of petrochemicals, metals and plastics (Economist Intelligence United Limited, 2009).

The GCC an attractive investment destination and consumer market for imported goods, information technology, and of services to a population that is considered one of the youngest and highest spending powers in the world. The total population in 1998 was over 28 million, but rose to 39 million by 2008, which makes it one of the highest rates of population growth in the world. Food imports alone will double from US$24bn (2008) to US$49bn by 2020 (The GCC in 2020: Outlook for the Gulf and the Global Economy, Economist Intelligence Unit, March 2009).

Investing in the GCC

Despite current economic crises, the GCC remains a very liquid region. Continued economic growth is forecasted across the region moving forwards.
in several key sectors. Any business considering investment in the Gulf should be centrally positioned to exploit one of the fastest-growing markets in the world. Business Friendly Bahrain can make that happen. Find out how >

Third party research below reinforces the region’s investment benefits across a variety of economic and FDI indexes.

**Inward FDI performance index** ranks countries by the FDI they receive relative to their economic size. It is the ratio of a country’s share in global FDI inflows to its share in global GDP. Bahrain continues to rank the 12th position out of 141 economies, ahead of all GCC nations. The **Outward FDI performance index** shows the share of a country’s outward FDI in world FDI as a ratio of its share in world GDP. Bahrain ranks 9th of 141 economies, and is the second ranking GCC economy ahead of the United Arab Emirates, Qatar and Saudi Arabia. Click here to download Full Report >

**January 2009-The Index of Economic Freedom, [The Heritage Foundation]** The report ranks nations according to their relative freedom across 10 different categories. Bahrain tops the Middle East in its score, and ranks number 16 worldwide. Bahrain’s economy is very free (74.8%) for a Middle Eastern country, with higher scores than the world average in eight of the 10 factors of economic freedom. Business freedom, fiscal freedom, monetary freedom, and especially financial freedom are high. The complete absence of income or corporate taxes in all industries except oil gives Bahrain a global competitive commercial advantage. Bahrain continues improving in its rank- in 2009 Bahrain ranked 19 worldwide and has improved by three ranks since then. Click here to view report >

**2009-Global Information Technology Report (2008-2009), [World Economic Forum INSEAD]** Recognized as the ‘gold standard’ for benchmarking the networked readiness and technological competitiveness of the world’s economies. Bahrain ranks 37th out of 134 studied countries. Its ranked has improved by eight points since the last annual report. Bahrain ranks the 3rd in the GCC when it comes to technological competitiveness. Click here to download report >

There are ample opportunities for doing business

| Indices Summary |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| **Index**       | **Bahrain**     | **Saudi Arabia**| **Kuwait**      | **Oman**        | **Qatar**       |
| Inward FDI      | 1               | 4               | 6               | 3               | 5               |
| Performance     | Index           |                 |                 |                 |                 |
| Outward FDI     | 2               | 5               | 1               | 6               | 4               |
| Performance     | Index           |                 |                 |                 |                 |
| Index of        | 1               | 6               | 4               | 2               | 3               |
| Economic        |                 |                 |                 |                 |                 |
| Freedom         |                 |                 |                 |                 |                 |
| Network         | 3               | 4               | 6               | 5               | 2               |
| Readiness Index |                 |                 |                 |                 |                 |

Investing in the Gulf Countries
in the UAE. At the present time the economy is booming - GDP having risen by 20.4 per cent in 2000. Although a significant proportion of that increase was due to higher oil prices, government encouraged industrial diversification is also contributing to continuing economic prosperity. A signatory of the General Agreement on Tariffs and Trade, the UAE supports a liberal economy and is committed to free trade. The UAE currency is secure and freely convertible. There are no restrictions on profit transfer or capital repatriation. Import duties are low (4 per cent) and in the case of foodstuffs, medicine, agricultural products, and items imported for use in the free zones are non-existent. Labor costs are competitive and corporate tax and personal taxes are nil. In addition every effort is being made to reduce the paperwork involved in establishing a business in the UAE. These factors combined with a strategic, accessible location, an excellent reliable infrastructure and an extremely pleasant and safe working environment bode well for future investment.

Introduction

The unprecedented economic transformation which has taken place in the UAE since the formation of the state has been largely funded by the judicious use of oil revenues. However, although oil and gas production remain the primary source of public revenue, the secret of the country's current economic success has been a determined government strategy of economic diversification, leading to the creation of new productive sectors. This, combined with re venue from foreign investment, has meant that the UAE economy has been relatively immune to the effects of plummeting oil prices: the weighted average of oil per barrel dropped from US $18.8 in 1997 to US $12.4 (-34 per cent) in 1998. During the 1970s and 1980s such a decline would have triggered a major setback.

General Economic Trends 1998

According to the Central Bank Annual Report for 1998, UAE gross domestic product at current prices (GDP) decreased from Dh 180.6 billion in 1997 to Dh 170.1 billion in 1998 (-5.8 per cent), despite substantial growth in most economic sectors. This drop was largely attributable to a 31 per cent decline in the value of the oil sector output, from Dh 53.5 billion in 1997 to Dh 37 billion in 1998, due to low oil prices. In addition, because of the close link between oil and gas prices and petroleum products, which constitute the bulk of the manufacturing sector's output, values decreased in this sector, albeit very slightly, from Dh 20.23 billion in 1997 to Dh 20.19 billion in 1998, despite increases in production volume. However, overall, the non-oil sector contribution to GDP rose from Dh 127.1 billion in 1997 to Dh 133.1 billion in 1998, achieving growth rate of 4.7 per cent, partially alleviating the negative impact of the decline in the oil sector.

The relative significance of the wholesale, retail trade and maintenance services sector increased to 12 per cent in 1998, (up from 10.8 per cent in 1997), following an increase in domestic trade activity and the decline in manufacturing output mentioned above. Accordingly, this sector was
ranked second after the oil sector which had a 21.7 percent share of total GDP. Government services retained its third place position in 1998, accounting for 11.6 percent of GDP, nearly half the oil sector's contribution. This is mainly attributed to continued investment in education, health and cultural services to keep pace with population growth.

The real estate and business services sector, at 10.7 percent, recorded a sizeable growth of 5 percent in 1998, compared with 1997, while the construction sector increased by 1 percent over its 1997 value to reach 9.6 percent. Efforts made to promote tourism and trade reflected positively on the hotel and restaurant sector which grew by 7.2 percent in 1998, compared with 1997. This sector, according to the Central Bank, has recently been one of the most attractive for investment. Advances in air, sea and land transportation and storage, as indicated in foreign trade data, in addition to continual development of communications, led to a 5.7 percent increase in the value added to this sector in 1998. Financial institutions and insurance grew by 6 percent in 1998 as a result of increased activity in the banking and financial sector. Significant increases were also recorded in the electricity, gas and water sector which grew by 11 percent in 1998, to become the fastest growing sector. This was mainly attributed to major capital investment directed at improving and expanding services in response to burgeoning domestic consumption. Abu Dhabi emirate's share of GDP continued to account for more than half of total GDP, though it dropped from 59 percent in 1997 to 55.3 percent in 1998. In contrast, Dubai and Sharjah's shares rose slightly in 1998 to reach 27.9 percent and 9.9 percent respectively, while the remaining emirates ranged between 0.6 percent and 2.8 percent. The decline in GDP, on the one hand, and the increase in population on the other, caused GDP per capita to drop to Dh 61,600 in 1998, a 10.5 percent fall when compared with 1997 per capita GDP. Available data on GDP by major expenditure categories show that final consumption reached Dh 119.3 billion in 1998, a 4.3 percent increase compared with 1997. The ratio of final consumption to GDP also rose from 63.3 percent in 1997 to 70.2 percent in 1998. This increase was mainly concentrated in private consumption which rose by 5.1 percent to reach Dh 90.7 billion in 1998, against Dh 86.2 billion in 1997. This was due, in part, to the rise in population, increased demand for re-exports and increased levels of individual expenditure. On the other hand, despite an expansion government services, public consumption rose only slightly to reach Dh 28.6 billion in 1998, up from Dh 28.1 billion in 1997, an indication of the success of fiscal policy in rationalizing expenditure.

The UAE dirham continued to strengthen during 1998, benefiting from its fixed rate against the US dollar which, in turn, witnessed marked improvement in its exchange rate against other major currencies. With regard to monetary and banking developments at the end of 1998, compared with 1997, money supply rose by 9.5 percent to reach Dh 27.8 billion. This increase was distributed between monetary deposits, which grew by 1.59 billion (8.8 percent), and currency with the public, which rose by Dh 829 billion (2.2 percent) to Dh 71.04 billion. As increased private sector demand for money and quasi-money continued, private domestic liquidity expanded by 4.2 percent to reach Dh 98.83 billion.

Public Finance 1998

The Central Bank reported that the consolidated government account revenues (the consolidated accounts group the federal budget and the budgets of the larger emirates) dropped by 24 percent in 1998 to Dh 42.7 billion, as opposed to Dh 56.2 billion in 1997. This was mainly due to a decline in earnings from exports resulting
from the fall in oil prices. Tax revenues (customs duties, fees and other revenues) decreased by 4.8 percent to Dh 7.9 billion, accounting for 18.4 per cent of total revenues. Neve ruthless, during this period customs revenues actually increased by 8.7 per cent to Dh 1.8 billion, the decline occurring in other tax revenues. Non-tax revenues decreased by 27.3 per cent in 1998 to reach Dh 34.8 billion, against Dh 47.9 billion in 1997, forming 81.6 per cent of total revenues. The drop was mainly attributed to lower receipts for oil and gas exports as joint-stock corporations actually rose by Dh 899 million (41.8 per cent) over the period to reach Dh 3.1 billion. Likewise other non-tax revenues increased by Dh 1.6 billion (35.2 per cent) to reach Dh 6.3 billion.

Expenditures recorded a substantial increase in 1998, reaching Dh 71.6 billion, against Dh 64.4 billion in 1997 (11.2 per cent). In particular development expenditures rose by 28.2 per cent to reach Dh 13.9 billion in contrast to 10.8 billion in 1997. Loan and equity participation increased by 30.6 percent in 1998 compared with their 1997 level, reaching Dh 7.2 billion, of which 41.2 per cent was spent locally. The substantial decline in oil and gas revenues, which resulted from the fall of oil prices and the country's adherence to its production quota as set by OPEC, coupled with the increase in development expenditure and in the amount of loans and equity participation, had an effect on the deficit which reached Dh 28.9 billion in 1998, in comparison to an adjusted deficit of Dh 8.2 billion in 1997. The entire deficit was financed by returns on government investments. The total deficit constituted 17 per cent of GDP in 1998, compared with 5.1 percent in 1997 and 13 percent in 1996.

**Balance of Payments 1998**

The Central Bank reported that the UAE balance of payments (trade of goods and services, transfers and capital flow) achieved an overall surplus of Dh 2.8 billion in 1998, compared with 1.2 billion in 1997, despite a drop in the surpluses of both the trade balance and the current account. Preliminary data on foreign trade indicated a decrease, for the second consecutive year, in the trade balance surplus which reached Dh 11.6 billion in 1998, against Dh 27.2 billion in 1997 (-57.5 per cent). Exports and re-exports totaled Dh 111.49 billion in 1998 from around Dh 124.8 billion in 1997, while imports were recorded at Dh 99.92 billion slightly higher than the 97.7 billion figure for 1997. The current account surplus of around Dh 6.5 billion was well below the 1997 surplus of Dh 23.1 billion. The report showed that the balance of payment recorded a surplus mainly due to a sharp decline in capital outflow, which shrank to Dh 6.3 billion from Dh 24.3 billion. Net services also dropped to Dh 7.8 billion from Dh 8.5 billion and investment income to around Dh 17 billion from Dh 17.5 billion.

**Economic Trends 1999-2000**

GDP at current prices is expected to grow by about 5.2 percent in 1999 to Dh 185.08 billion, according to a study by the Research and Studies Department of the Abu Dhabi Crown Prince's Court released in mid-July 1999. This is significantly higher than earlier forecasts due to improved oil prices and more sustained growth in non-oil sectors. The study also estimated a 2.6 percent increase in 1999 GDP at fixed prices to Dh 160.94 billion.

Average per capita income at current prices was estimated by the study at Dh 62,957 in 1999
and forecast to be Dh 63,471 in the year 2000. Government revenues were projected to reach Dh 53.06 billion in 1999, of which Dh 35.31 billion were estimated to be revenues from oil exports. Expenditure is expected to reach Dh 77.35 billion, resulting in a budget deficit of Dh 25.6 billion, or 13.8 per cent of GDP.

Other forecasts for 1999 predict that import growth is likely to slow, but public spending on both current and capital items will push the import bill up to over Dh 128.49 billion by the year 2000 despite lower import prices from Asian suppliers. However, strong growth in other exports and re-exports will boost export values by 8 percent a year in 1999 and 2000. The trade surplus is expected to rise to nearly Dh 25.70 billion by 2000 and investment income continue to grow. The current account balance is projected to increase to Dh 25.32 billion in the year 2000 and its ratio to GDP to rise to 13.2 percent. At the time of writing the continued strength of oil prices would suggest that oil exports could well exceed Dh 40 billion despite the UAE’s decision to cut oil output by more than 300,000 barrels per day in line with an OPEC agreement to trim production to stabilize supplies and support prices. The agreement has already pushed prices up by nearly 100 per cent and the price of UAE crude oil is projected to average more than US $15 in 1999.

**Into The New Millennium**

The UAE is expected to increase its industrial diversification drive in the new millennium. Emphasis on development of the finance, trade and services sectors will also be accelerated. Globalization will encourage the formation of larger banking units through mergers while the move towards emiratisation will also gain momentum. Having invested heavily in infrastructure since the establishment of the state, the Government is actively encouraging the private sector to participate in further infrastructure development in transport, communications, telecommunications, energy and ports. Private sector investment in industry, involving public shareholding, inflow of foreign capital and technology transfer is expected to increase. New corporate, stock market and banking legislation, a review of the laws governing economic activity and the development of additional legislative and administrative frameworks that promote efficiency and transparency will be key factors in economic development.

**Free Zones**

The increased number of free zones operating in the country is serving to offer a wider range of options to potential investors, including 100 percent ownership of investments. The massive Jebel Ali Free Zone (JAFZ) has become one of the largest industrial complexes worldwide which, together with the adjacent port, the world’s largest manmade harbour, has continued to attract investors. Fujairah Free Trade Zone (FTZ), which was awarded an ISO 9002 certificate in 1999, offers businessmen the location advantage of an east coast port as well as the benefits of partnership with the Fujairah Government. FTZ has been growing at a rate of 20-22 percent annually and currently has over 125 projects registered at the zone, representing sector investment worth Dh 750 million. Trade value out of the zone by the end of 1999 should top Dh 1 billion. Arab, Gulf and international capital investment in Sharjah’s Hamriyyah Free Zone had exceeded Dh 2.5 billion by the end of 1999, with local investment accounting for 50 percent. The Sharjah Government has invested Dh 600 million in infrastructure projects in the zone.

**Saadiyat Free Zone Authority**

The US $3.3 billion Emirates Global Capital Corporation (EGCC), which was incorporated in April 1999, has been granted a 50-year concession by Saadiyat Free Zone Authority (SFZA) to establish a major new commodities market and free zone on Saadiyat island near Abu Dhabi. The concession
Pearl Book

Investing in the Gulf Countries

covers an area of 26 square kilometers. EGCC will develop a 50,000 square meter trading center with a stock exchange, futures exchange and clearing house and warehouses, the requisite commercial and residential real estate and physical infrastructure, including a port with storage facilities and a freight airport. Construction of the necessary infrastructure is scheduled to take three years to complete. Planned facilities on the island, which will have a six-lane bridge to link it with Abu Dhabi, will include a marina, an extensive exhibition center, a luxury hotel, a golf course, an equestrian club, a motor racing circuit, water and power plants, a telecommunications network and other utilities. The Basic Law for the Authority imposes no restrictions on foreign ownership of companies and assets and allows full repatriation of capital and profits as well as exemption from all taxes. Companies and residents will be offered land on lease for periods of 50 years or more and leases will be fully transferable. Since the announcement of its creation in July 1996, the Saadiyat project has attracted considerable attention from regional and global investment and banking circles. The project will have a major impact on many economic sectors including trade, industry, agriculture, real estate, building contracting and engineering, banking, brokerage, insurance, tourism, hotel, entertainment and services, as well as providing employment for nationals. Saadiyat Free Zone, shares in which will be offered on domestic and international markets, will give a major boost to the UAE’s investment policy and is intended to complement the Jebel Ali Free Zone and other zones in the country and the AGCC.

Dubai Airport Free Zone Authority
Dubai Airport Free Zone Authority (DAFZA), one of the most recently established free zones in the UAE, grants licenses to companies with an international reputation who intend to invest properly in environment-friendly projects that are not labour-intensive. The emphasis is on long-term gains within the context of a five-year business plan. By mid-1999, 54 percent of the 50 companies operating out of DAFZ were European, 32 percent American, 4 percent each from the Far East, Middle East and GCC states and 2 percent from Africa. Applicants to date include global dealers in the jewellery, diamonds, crystal, cosmetics, electronics and computer industries. The free zone has been allocated an area of 1.2 million square meters, including 473,000 square meters of apron space, which will be developed in stages over the coming years.

Ajman Information Technology Park
Ajman Free Zone (AFZ) commenced work in July 1999 on the region’s first information technology park. The park will be developed in two phases, the first of which, a pilot project of 10 offices, is under way. A further Dh 5 million will be invested in a purpose-built block that will house 100 offices. The IT park will offer a ‘move in and plug in’ facility in which a company can start operating as soon as it occupies designated premises. The park offers all the facilities needed for an effective business operation - PCs, ISDN, phone and fax lines, Internet access and related services - to attract IT developers and IT support centers, besides emerging Internet retailing, wholesale and e-commerce business. AFZ already has a wide cross-section of companies involved in textiles, medical equipment, furniture, foodstuffs, tobacco derivatives, watches, electrical appliances, paper, metal and plastic products. In 1998 the number of companies operating
out of AFZ quadrupled and in the first six months of 1999 the zone grew by 7.5 percent from 400 to 430 companies. Total capitalization of companies now stands at Dh 1.1 billion (US $300 million).

Income Tax
The UAE does not have any enforced federal income tax legislation for general business. An income tax decree has been enacted by each Emirate, but in practice, the enforcement of these decrees is restricted to foreign banks and to oil companies. This practice is not likely to change in the near future as the relevant mechanisms with which to implement the tax decrees have not yet been established. The decrees indicate, however, that if taxation were enforced, taxes could be imposed retroactively.

Foreign banks are taxed at 20 percent of their taxable income in the Emirates of Abu-Dhabi, Dubai and Sharjah. The tax is restricted to the taxable income which is earned or deemed to be earned in that particular Emirate. Oil Companies (which include any chargeable person that deals in oil or right to oil both off-shore and on-shore) pay a flat rate of 55 percent on their taxable income in Dubai and 50 percent in the other Emirates. In addition, they pay royalties on production.

Personal incomes, including all forms of salary and capital gains wherever arising, are not subject to taxation in any of the Emirates.

Customs Duty
Under the terms of an agreement on customs tariffs with countries of the GCC, all Emirates are bound to levy a minimum customs duty of 10 percent on luxury goods and 4 percent on the C.I.F. value of all other goods imported, excluding certain items such as alcohol and cigarettes. Recently, the federal government has approved a tobacco tax rate of 50 percent.

In practice, however, exemptions are made for a wide range of goods. In cases where customs duties are charged, it is generally restricted to 1 percent.

Other Local Taxes
Municipal taxes are levied in most Emirates on annual rental paid at 5 percent for residential premises and 10 percent for commercial premises. Other local taxes include a 5 percent tax on hotel services and entertainment.

Business Environment - Introduction
UAE government policy recognizes that the private sector is of major importance in the drive for diversified economic growth and full employment for nationals. The creation of a facilitative business environment, which encourages local investors to put their wealth to productive use, as well as attracting foreign investment, has been an important aspect of this policy. Key elements in the UAE’s incentive strategy have been the provision of first-class industrial facilities and business support services, the reduction of red tape and streamlining of administrative procedures, as well as the updating of commercial laws and regulations to meet international obligations, increase transparency and ensure effective protection for investors. Favorable tax laws and political stability also assist in making the UAE a prime business location.

World Trade Organization
The UAE joined the World Trade Organization (WTO) in 1995 in the knowledge that developing countries, including Arab states, cannot ignore WTO - sponsored agreements and their impact on the global economy. At the time, the Ministry of Economy and Commerce argued that joining WTO would provide an opportunity for the country to contribute to future commercial decisions and policies and that, as a country aspiring to become a regional trade hub, adherence to the General Agreement on Tariffs and Trade (
GATT), a WTO-sponsored multilateral trade treaty, would help boost the UAE’s industries and exports. Other relevant WTO treaties are the General Agreement on Trade in Services (GATS) and the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS). Although the WTO prohibits discrimination in investments or shareholding between nationals and non-nationals, the UAE has been granted certain exemptions for its financial services sector. Nevertheless, WTO agreements will have a direct impact on domestic services such as insurance, banking, transport, tourism, property, brokerage, investment, construction, communications and information, all of which will be required to improve performance to be able to compete globally.

Abu Dhabi Chamber of Commerce and Industry
A bridge between the private sector and government has been provided by the Abu Dhabi Chamber of Commerce and Industry (ADCCI) for over 30 years. Since its inception in April 1969, operating from a two-room apartment in the capital, the ADCCI has grown in stature to become the largest chamber of commerce in the AGCC states, with a membership of 51,399 at the end of 1998, increased from 27 in 1969. It is now housed in an imposing building on the Corniche. For more information, visit www.adcci-uae.com

Private Sector Partnership
Policies pursued by ADCCI have enhanced the private sector’s partnership in local enterprise. In addition to developing economic regulations and offering advice to the government in this field, ADCCI provides a wide range of services, including setting up the Sheikh Khalifa Fund to provide technical and financial support for small and medium enterprises initiated by national youth; establishing a database to furnish businessmen and investors with up-to-date commercial information; organizing trade fairs in Abu Dhabi; sending delegations abroad to promote Abu Dhabi as a commercial center; as well as initiating training programmes such as ‘Passport for Work’, which trains nationals to join the private sector.

Trade Fairs
To mark its thirtieth anniversary, in 1998 the chamber opened a new hall for membership registration and the processing of official documents. It also established a new center for businessmen and another for businesswomen, issued 6,118 certificates of origin and organized 37 trade fairs. The chamber participated in the Cairo International Fair, the Lisbon International Expo Fair, the Second UAE Exhibition in Beirut and the Baghdad International Exhibition. In addition, during 1998 the chamber received 39 international trade delegations and official delegations from the ADCCI visited Oman, India, Taiwan, Britain, Thailand, Malaysia, Singapore, Australia, Finland, Sweden, Norway and Denmark, to promote Abu Dhabi as an investment opportunity.

One-Stop Shop
ADCCI has also been concerned with setting up a one-stop shop at Abu Dhabi Municipality to facilitate the issue of trade licenses in the capital. The measure, initiated by the Higher Consultative Committee of Abu Dhabi Emirate, is aimed at simplifying and expediting procedures for issue of trade licenses. By the end of 1999 applications for commercial licenses sent by e-mail were due to be processed within four hours, instead of three to four months. The multi-departmental
section comprises representative offices of the Ministries of Labour and Social Affairs, Economy and Commerce, Information and Culture, the ADCCI, Civil Defence and Abu Dhabi Police. The project is the first phase of a comprehensive development of the municipality’s infrastructure.

New Business Support Services in Dubai
Dubai has also been streamlining its administrative procedures to provide an efficient service for investors. A telephone and fax hotline has been installed at the Dubai Naturalization and Residency Department. The 24-hour computerized system, operating in Arabic and English, can handle enquiries about documents needed for all types of visas, including visit, transit, investor, work and domestic servant visas. Callers can access information about documents needed to open a company file at the department, documents for stamping and canceling visas, court appointments, changing visas and departure certificates. A 50 percent reduction in municipality fees levied on business in Dubai, which was announced during 1999, should also assist business development in that emirate. The municipal levy, originally set at 10 percent of the lease rental, is a major establishment cost for any company. Dubai Municipality, the Department of Economic Development and the Dubai Chamber of Commerce and Industry are working together to ensure that the new system operates efficiently.

Intelak
In an effort to ensure that the smallest investor is not forgotten, Dubai has also launched an innovative programme in which ‘individual establishment’ trade licenses are granted to UAE nationals to set up businesses at home once they have satisfied home ownership requirements. The experimental programme aims to encourage housewives, nationals with spare time, and those who have low-budget projects to establish businesses without facing the competitive risks of the open marketplace. Introductory seminars and technical and economic advice will be provided. Products from such businesses will be marketed through promotional shows and on the Internet.

Offsets
The UAE has made it a condition that foreign firms bidding for lucrative defence contracts should invest a portion of the value of the deals in joint venture projects with local partners. The UAE Offsets Group (UOG), which manages this offset programme, has developed its role to become a pioneering institution playing a vital part in the establishment of joint ventures. Under the offsets programme, foreign defence firms are entitled to hold up to a 49 percent stake in the joint ventures with the rest being held by local private investors. Projects must generate added value to the UAE within a period of seven years. Since 1992 the offsets programme has announced 31 projects, 17 of which are in operation, with a total investment of around Dh 2 billion. The projects range from a ship-building company to a health care center. Abu Dhabi Shipbuilding Company, a Dh 178 million venture, was one of the first public shareholding firms to be set up under the scheme. The two biggest ventures are The Oasis International Leasing Company, an aircraft leasing firm, and TABREED, which has developed innovative cooling systems, each capitalized at Dh 500 million. Assault, with which the UAE signed a US $3.2 billion defence deal, has contributed to five separate offset projects, including a horticulture project, a plant for manufacturing fire-fighting materials, a business services company, as well as
fish processing and fish farming companies.

**Dolphin Gas Network**  
UOG’s participation in the Dolphin Regional Gas Network, a US $8-10 billion project to build a regional gas network from Qatar to UAE and Oman, was announced in early 1999 (See section on Oil and Gas). The Dolphin project represents a strategic initiative to attract investment in industrial sectors in the UAE and other regional countries by modernizing the gas supply infrastructure and is intended to provide a framework to stimulate investment in a variety of related industries throughout the value-added gas chain. It will provide employment and wide investment opportunities in financial and other industrial fields. Key potential regional customers for gas from Dolphin will include the offset programme’s own initiatives, especially Sina’at which has been set up with a capital of Dh 550 million to develop basic industries and petrochemical facilities. Other customers will include independent power producers, aluminum smelters, iron and steel plants and gas trading operations.

**Intellectual Property**  
Recognition of the close link between the protection of intellectual property rights and foreign investment has acted as an incentive for vigorous action against intellectual property violations in the Emirates.

**International Obligation**  
The UAE is a member of the Paris Convention for the Protection of Industrial Property, the World Intellectual Property Organization (WIPO), and a signatory of the WTO Agreement on Trade - Related Aspects of Intellectual Property (TRIPS) with which it must comply by the year 2000. The latter deals with such issues as copyright, trademarks, patents, industrial designs and trade secrets. The country also acceded to the International Patent Cooperation Treaty in 1998, which protects inventions registered with the International Bureau at WIPO and local patent offices.

**Domestic Law**  
Federal Law No. 40/92, Protection of Intellectual Works and Copyright, was issued on 28 September 1992, embracing all aspects of intellectual property such as trademarks, patents, industrial design and copyright. After an extended grace period, the law was implemented in the second half of 1993. In June 1999 the UAE National Committee for Industrial Property Protection discussed amending the federal law within the context of TRIPS, including regulations governing the protection of patents on pharmaceuticals. The initiative to amend the law in line with WTO obligations was announced by the Ministry of Finance and Industry in mid-1997 and work has been under way ever since. All articles of the legislation as well as subsequent by-laws are being reviewed.

**Enforcement**  
Enforcement of trade marks comes under the purview of the Ministry of Economy and Commerce, the copyright law under the Ministry of Information and Culture and the patent and design law under the Ministry of Finance and Industry. Enforcement is also assisted by the Ministry of Interior, particularly the police and the Criminal Investigations Department, Dubai’s Department of Economic Development and Sharjah Municipality. International organizations that are also engaged in the anti-piracy drive in the UAE are the Motion Pictures Association (MPA) the Business Software Alliance (BSA) and the International Federation of the Phonographic Industry (IFPI). In July 1999 thousands of pirated audio and videocassettes, compact discs and computer play station tapes confiscated in a series of government raids were destroyed and some shops selling the goods were shut down. The raids on video and CD shops in Dubai and the Northern Emirates were carried out by the Ministry of Information and Culture, Dubai.
Police Economic Crime Section and the Business Software Alliance. In August, a trader who had been convicted of selling pirated videocassettes had his sentence increased from the original Dh 5,000 fine to three months’ imprisonment following an appeal brought by the Motion Picture Association Middle East.

Reduction in Piracy Levels
In the last few years the UAE has achieved tremendous results in fighting piracy at the local and federal levels. As a result the UAE continues to have the lowest piracy level in the Middle East according to statistics released by the Business Software Alliance (BSA). Of the US $190 million revenue estimated to have been lost by the IT industry on account of illegal copying of software in the Middle East, the UAE’s contribution was a mere US $3.6 million. On a global scale, the estimated loss of revenue in the UAE is not even 1 percent of losses perceived to be suffered by IT companies due to software piracy in countries such as the UK, Canada, Germany and France.

E-Commerce
In order to keep abreast of commercial trends worldwide, the UAE intends to set up an Internet-based central financial forwarding and clearance facility known as the Payment Gateway Server (PGS). Several top companies are working with government departments to establish the facility which is expected to be the first of its kind in the AGCC area.

PGS, a major step in the introduction of e-commerce, is the equivalent of central clearing and forwarding of financial transactions carried out on the Internet. The server, which will permit secure electronic transactions, is an intermediary between Web-based merchants, financial institutions and consumers.

Companies Law
Under Federal Law No. 8, business organizations may take one of seven forms: 1) Public Shareholding Companies; 2) Private Shareholding Companies; 3) Limited Liability Companies; 4) General Partnerships; 5) Limited Partnerships; 6) Partnerships Limited by Shares; and 7) Shareholding Companies. Companies not taking one of these forms are not legally recognized, and persons contracting in their name will be jointly and severally liable for the obligations arising from such contracts. Exceptions apply only for companies located in a Free Trade Zone.

Furthermore, the law sets forth the general rule that participation of UAE nationals should never be less than 51 percent in any commercial enterprise. Some business forms and structures are generally not available to foreign investors, as will be elaborated below.

Public Shareholding Companies
A minimum of 55 percent of the shares of a public shareholding company must be offered to the general public. The minimum amount of capital for a public shareholding company is DH 10 million, of which a minimum of 25 percent must be settled on subscription. A shareholder’s liability is limited to the nominal value of his shares in the company’s capital. The PSC must have at least ten founders, unless a government entity is involved, in which case the number of founders may be lower. Shares are registered in a share register and cannot be issued at a price lower than nominal value; all shares have equal rights. The Board of Directors
of this type of company must have a minimum of three and no more than twelve directors. The chairman, as well as a majority of the board, must be UAE nationals.

In the event, a public shareholding company loses half its capital, its board of directors is required to call a general meeting of shareholders to consider the continuation or dissolution of the company. If the board fails to call such meeting or if the meeting fails to reach a decision on the subject, any interested party may file a lawsuit seeking the dissolution of the company.

**Private Shareholding Company**
A private shareholding company must have a minimum of three shareholders. The minimum capital of a private shareholding company is DH 2 million. Shares may not be offered to the public. The private shareholding company’s incorporating documents must preclude public offering of shares.

**Limited Liability Company**
A limited liability company can be formed by a minimum of two and a maximum of fifty persons. Shareholder liability is limited to the value of shares held in the company’s capital. The minimum capital required to establish a limited liability company is DH 150,000 in Abu Dhabi and DH 300,000 in Dubai. Management is handled by no more than five designated managers, who are not necessarily members of the company. Non-UAE nationals may own up to 49 percent of an LLC.

The Companies Law provides that an LLC may engage in any lawful activity except insurance, banking and investment of money for others.

**Partnerships**

**General Partnership**
General partnerships are formed by two or more UAE nationals who are jointly and severally liable for its debts. This form is generally not available to non-nationals. Only the names of actual partners can be included in the company name, but the company may have a special trade name.

Interests of a partner can be transferred as stipulated in the partnership agreement or with the approval of all partners. The management may include one or more managers who are UAE nationals and who may or may not be partners in the company. The dissolution of a partnership may occur on the death, insanity, bankruptcy or withdrawal of one of the partners. The remaining partners, however, may unanimously decide to continue the partnership, provided that such decision is registered in the commercial register.

**Limited Partnership**
A limited partnership is composed of one or more general partners who are jointly and severally liable for all of its debts, and one or more limited partners who are liable for the limited partnerships debts only to the extent of his capital contribution. A limited partner may not participate in the management or have his name appear in the name of the partnership. All general partners must be UAE nationals.

**Partnership Limited by Shares**
A partnership limited by shares has both general partners with unlimited liability and partners whose liability is limited by their shares in the capital. General partners must be UAE nationals while participating partners may be non-nationals. The capital must be at least DH 500,000 and has to be divided into negotiable shares of equal value. Some formalities regarding the incorporation of a joint stock company are also applicable to a partnership limited by shares.
Joint Ventures
A joint venture is formed by agreement between two or more natural persons or legal entities, and its objectives and terms are governed by the joint venture contract. This agreement is not subject to registration in the Commercial Register.

A joint venture may be carried out only in the private name of one of the UAE national partners.

Structures Available to Foreign Investors General
A foreign investor may choose to participate with up to 49 percent in a company formed in one of the structures open to foreign investors. Despite the requirement that the majority of shares must be held by UAE nationals, it is still believed by some to be the easiest solution to carry out business in the UAE. Other available methods are the establishment of a branch or the use of commercial agency agreements. Special attention should also be paid to the possibilities offered by the Free Trade Zones where businesses are exempt from most requirements applicable in the regular UAE territory.

Branches
A foreign company may establish a branch in the UAE but a local sponsor or agent is required who must be either a citizen of the UAE or a company wholly-owned by citizens of the UAE. A branch must be registered with the local chamber of commerce and the municipality. Since February 1990, branches of foreign companies (including those already in existence) are also required to register with the Ministry of Economy and Commerce.

Under Commercial Law No. 8 of 1984 and Ministerial Decision No. 69 of 1989, a branch office of a foreign company does not have a separate legal entity. It merely represents the mother company and carries out business under its name. A branch office is usually permitted to promote and to market the products of its parent and enter into transactions and offer service to customers in its name. The UAE agent will render the necessary services for obtaining of licenses, visas and other permits and run the business of the office without assuming any financial obligation.

Commercial Agency
In order to make use of and conduct commercial agency activities, a foreign business is required to appoint an agent (an UAE national or a company owned by UAE nationals) for doing business in the UAE. Commercial agencies are governed by the Federal Commercial Agencies Law, Federal Law No. 18 of 1981, as amended by Law No. 14 of 1988. According this law, all commercial agency agreements have to be registered with the Federal Ministry of Economy and Commerce.

The Federal Commercial Agencies Law grants a commercial agent certain statutory rights which cannot be waived by contract. The most important are (1) any agent is entitled to territorial exclusivity in at least one Emirate and, accordingly, will receive infringement commissions on transactions concluded by the principle himself or by others within his territory; (2) the agent is entitled to prevent products subject to their agency from being imported into the UAE, if the agent is not the consignee; and (3) it is not permissible for a principle to terminate an agency agreement without the agent’s approval except for reasons accepted by the Commercial Agencies Committee of the Ministry of Economy and Commerce, even if the term of the agreement has been initially limited by agreement. In absence of a justifiable reason, the failure to renew an agreement may entitle the agent to compensation.

It is possible to appoint an agent with rights to the entire UAE or for each or more than one of the single Emirates. The agents may themselves appoint distributors or sub-agents.
According to the Court de Cassation (Federal Court of Appeal) in Abu Dhabi, any dispute arising out of commercial agencies must be submitted first to the Commercial Agencies Committee and any judgment of the courts given without such first submission will be null and void.

Getting Started

There are ample opportunities for doing business in the UAE. At the present time the economy is booming - GDP having risen by 20.4 per cent in 2000. Although a significant proportion of that increase was due to higher oil prices, government encouraged industrial diversification is also contributing to continuing economic prosperity. A signatory of the General Agreement on Tariffs and Trade, the UAE supports a liberal economy and is committed to free trade. The UAE currency is secure and freely convertible. There are no restrictions on profit transfer or capital repatriation. Import duties are low (4 per cent) and in the case of foodstuffs, medicine, agricultural products, and items imported for use in the free zones are non-existent. Labor costs are competitive and corporate tax and personal taxes are nil. In addition every effort is being made to reduce the paperwork involved in establishing a business in the UAE. These factors combined with a strategic, accessible location, an excellent reliable infrastructure and an extremely pleasant and safe working environment bode well for future investment. (Source UAEinteract.com)

Choose an Emirate from below:

**Abu Dhabi:**
Reserve a trade name:
[http://www.abudhabi-online.gov.ae/adcci/trade\_name/reserve\_tradename\_public.asp](http://www.abudhabi-online.gov.ae/adcci/trade_name/reserve_tradename_public.asp)

**Dubai:**
Register a company
[http://www.dubaidb.gov.ae/mainddb/ePay/CompanyRegistration_E/RegistrationOnlineForm.jsp](http://www.dubaidb.gov.ae/mainddb/ePay/CompanyRegistration_E/RegistrationOnlineForm.jsp)

**Sharjah:**
Doing Business in Sharjah
Certificate of Origin
[http://www.sharjah.gov.ae/co]()
Commerce & Tourism

**Ajman:**
Chamber of Commerce
[http://www.ajcci.co.ae/](http://www.ajcci.co.ae/)

**Ras Al Khaimah Chamber of Commerce**

**ENTERING THE U.A.E. MARKET**

Foreign enterprises wishing to conduct business in the U.A.E. may do so either by establishing a formal, permanent presence in the U.A.E., or by using a commercial agent. There are several methods pursuant to which a foreign entity may be licensed on a permanent basis in the U.A.E, including:

- Incorporating a Limited Liability Company ("L.L.C.");
- Establishing a Branch office or Representative office;
- Establishing a wholly owned entity in one of the U.A.E. Free Trade Zones.

By establishing a presence under one of these methods, a foreign entity is permitted to engage in all activities as licensed in the U.A.E. While the scope of activities that may be conducted through these vehicles can include contracting, providing services and possibly manufacturing, foreign entities operating pursuant to these alternatives may engage only in those activities licensed by
the relevant U.A.E. authorities. Such foreign entities also will remain subject to the relevant restrictions that reserve certain activities, such as commercial agency activities, for wholly U.A.E. owned enterprises.

Each of these business forms is discussed in detail below.

**ESTABLISHING PERMANENT PRESENCE IN THE U.A.E. Incorporating a Limited Liability Company:**
Foreign investors are permitted to hold an equity ownership in U.A.E. companies as long as 51% of the equity is held at all times by U.A.E. nationals. The preferred company form for foreign investors is the Limited Liability Company (“LLC”) due to, among other factors, its flexible management structure, and protection of minority shareholders. The LLC requires a minimum of two and a maximum of 50 members and in all cases must have a minimum of 51% U.A.E. ownership. The minimum capitalization is Dh150,000. Management of the LLC is vested in the “managers” (up to five natural persons).

**Establishing a Branch or Representative Office:**
Through either a liaison office or a branch office, foreign entities may establish a presence with significantly less U.A.E participation than is required to establish a Limited Liability Company. Foreign companies are permitted to establish wholly owned branches and representative offices in the U.A.E.; however, these offices are limited in the activities they may conduct within the U.A.E. (Article 314 of the Commercial Companies Law). The primary difference between a representative office and a branch office is that a representative office theoretically is limited to gathering information and soliciting orders and projects to be performed by the company’s head office. In this regard, representative offices also are limited in the number of employees they may sponsor (typically three or four). In essence, a representative office acts merely serves as an administrative and marketing center for the foreign company. By contrast, a branch office is a full-fledged business, permitted to perform contracts or conduct other activities as specified in its license.

A foreign entity must appoint a U.A.E. national “service agent” for the branch or representative office. A service agency should not be confused with a commercial agency discussed below. The service agent is not permitted to own equity in or participate in the substantive management of the representative or branch office. In practice, a foreign entity typically contracts with the service agent to provide specific services such as assisting in communications with government departments (e.g., facilitating visas for foreign company personnel) or undertaking other administrative matters. The compensation of the service agent is a purely contractual matter between the service agent and the foreign entity, usually measured by the level of services provided or in some instances by the level of activity or turnover of the branch or liaison office.

Due to the interaction between the U.A.E. federal government and the government of the particular Emirate in which the branch office is to be located (e.g., Abu Dhabi or Dubai), it should be noted that registration entails submitting a number of applications and obtaining a number of approvals from several government departments. After the application is approved by the government of the Emirate where the branch is to be established, the approval of the federal government approval is then required.
Establishing an Enterprise in a Free Trade Zone:
The U.A.E. has established ten Free Trade Zones (“FTZ”), and two specialized FTZ targeting IT, e-business, and the media. These Free Trade Zones are in various stages of development. The primary benefit of establishing a branch office in a Free Trade Zone is 100% foreign ownership; however, conducting business in the U.A.E. market itself is prohibited. The FTZ’s were established to attract foreign capital and investors by offering incentives such as 100% foreign ownership of the enterprise; 100% import and export tax exemptions; 100% repatriation of capital and profits; No corporate taxes for 15 years, renewable for an additional 15 years; No personal income taxes; and Assistance with labor recruitment, and additional support services, such as sponsorship and housing.

An independent Free Zone Authority governs each free zone, and is the agency responsible for issuing FTZ operating licenses and assisting companies with establishing their business in the FTZ.

Most of the free zones are tailored to meet the needs of industrial, shipping and manufacturing enterprises. As such, the FTZ’s tend to be located near major ports and have large warehousing and storage facilities available. The exception is Dubai Internet City (“DIC”), which is a unique free zone dedicated to IT and e-business companies wishing to set up bases in the Middle East. Dubai Media City (“DMC”) is a FTZ based on the same concept as DIC, but with a focus on media rather than IT.

COMMERCIAL AGENCY
Foreign investors may decide to have an agent represent their interests in the U.A.E. instead of establishing a permanent presence. The U.A.E. Commercial Agencies Law (Federal Law No. 18 of 1981, as amended by Federal Law No. 14 of 1988) regulates and governs the appointment of commercial agents, sales representatives, and distributors in the U.A.E. This law defines a commercial agency as any arrangement whereby a foreign company is represented by an agent to “distribute, sell, offer, or provide goods or services within the UAE for a commission or profit”. (Article 1 of the Commercial Agencies Law). The Commercial Code (Federal Law No. 18 of 1993) augments the Commercial Agencies Law and establishes the regulatory framework for the various types of commercial agencies permitted under the law. The most common type of agency is the contracts agency, whereby the agent undertakes “on a permanent basis and in a specific area of activity, the instigation and negotiation of the conclusion of deals, to the advantage of the principal and in return for payment”. (Article 217 of the Commercial Code). Distributor contracts are treated like contracts agencies when they involve one agent as the sole distributor. (Article 227 of the Commercial Code).

The primary requirements and characteristics of commercial agencies are:
Commercial agents must be U.A.E. nationals or companies incorporated in the U.A.E. and owned entirely by U.A.E. nationals.

Commercial agents must be registered with the U.A.E. Ministry of Economy and Commerce to engage in commercial agency activities.

The agency agreement must be registered in order for the agent to avail himself of the protections afforded under the law and to have the agency relationship recognized under U.A.E. law.

Commercial agents are entitled to an exclusive territory encompassing at least one Emirate for the specified products (Article 5(1) of the Commercial Agencies Law).

Unless otherwise agreed, commercial agents are entitled to receive commissions on sales of the products in their
designated territory irrespective of whether such sales are made by or through the agent (Article 7 of the Commercial Agencies Law).

Commercial agents are entitled to prevent products subject to their agency from being imported into the U.A.E. if the agent is not the consignee. Commercial agents are entitled to receive compensation from the principal if the agency is terminated without substantial justification or if the agency is not renewed by the foreign principal, and the agent may be able to preclude the foreign party from appointing a replacement agent in such circumstance.

The Commercial Agency Law provides for compensation of the agents terminated without due cause only if the agency agreement has been registered with the federal Ministry of Economy and Commerce (MOEC). Many U.A.E. commercial agents will insist on a registered arrangement in order to avail themselves of the protection of the Commercial Agencies Law. Notwithstanding whether the agency agreement is registered and therefore subject to the protections provided in the Commercial Agency Law, foreign entities should note that the Commercial Code also may affect the relative rights and duties of the parties as noted above. In summary, foreign parties should consider carefully the application of the Commercial Agency Law and the Commercial Code in drafting any agreement to engage a U.A.E. party to perform any type of marketing, sales or other “commercial” activity in the U.A.E.

PUBLIC SECTOR PROCUREMENT

Pursuant to the Federal Regulation of Conditions of Purchases, tenders and Contracts, Financial Order No. 16 of 1975 (the “Public Tenders Law”), and subject to certain exceptions, only U.A.E. nationals, foreign entities represented by a U.A.E. agent, or foreign entities with U.A.E. partners (i.e., a U.A.E. entity with at least 51% U.A.E. ownership (“national entities”)) may bid for public sector tenders for the supply of goods and public works projects that are governed by the Public Tenders Law. As a result, foreign entities wishing to perform public sector contracts are generally required to have some level of U.A.E. national participation. Such participation typically takes the form of either:

A registered commercial agency;
A “service agent” of the foreign entity’s U.A.E. branch office; or
The majority owner of a joint venture in which the foreign entity owns 49% or less of a U.A.E. limited liability company (i.e., a national entity).

The following are three major exceptions to the application of the Public Tenders Law:

The Public Tenders Law does not apply to purchases and contracts conducted by the federal defense forces. In light of potential national security concerns, procurements for the federal defense forces are conducted pursuant to Decree 12 of 1986 of the Deputy Supreme Commander of the Armed Forces (the “Armed Forces Procurement Regulations”). The Armed Forces Procurement Regulations generally follow the Public Tenders Law by requiring bidders to be represented by commercial agents or national companies except with respect to cases requiring “rare specialization”. In practice, instances of rare specialization typically involve the sale of certain weapon systems and related materials, or sales which have been arranged on a government-to-government basis (collectively, “strategic military procurement”); however, there is no published definition of what items fall within this category.
The Public Tenders Law relates to federal government procurement and not procurement by the individual Emirate Governments. For example, Abu Dhabi has a procurement system, which generally tracks that of the Federal Public Tenders Law by requiring suppliers to have commercial agents or national companies that are registered with the Abu Dhabi municipality. However, there are differences in such areas as compensation, formality, and flexibility.

The general requirement for U.A.E. national participation is not uniformly observed by all government agencies in the context of certain direct sales to the public sector or private tenders in which the government solicits bids directly from relevant manufacturers, particularly in cases in which the goods or services are quite specialized or not widely available. These “exceptions” arise on a case-by-case basis.

**TAXES**

There is no federal income tax in the U.A.E. for general businesses. However, with respect to Dubai only, the Dubai Income Tax Ordinance of 1969 specifies that an organization that conducts trade or business, including the rendering of any services in Dubai, is subject to the following tax scale:

- Income between Dh 1,000,000 - Dh 2,000,000: 10% rate
- Income between Dh 3,000,000 - Dh 4,000,000: 30% rate
- Income between Dh 5,000,000 - Dh 5,000,000: 40% rate
- Income above Dh 5,000,000: 50% rate

### Ministry of Foreign Affairs - FEES

<table>
<thead>
<tr>
<th>Ser.</th>
<th>Fee's Description</th>
<th>Amt. in AED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Passport Renewal</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>Single Journey Visa</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Several Journey Visa</td>
<td>1,000</td>
</tr>
<tr>
<td>4</td>
<td>Origin Certificates Approval</td>
<td>50</td>
</tr>
<tr>
<td>5</td>
<td>Trade Power of Attorney</td>
<td>1,000</td>
</tr>
<tr>
<td>6</td>
<td>Attesting of Invoices &quot;Certificates of Origin&quot; according to the following categories</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>10,000 Dhs.</td>
<td>100</td>
</tr>
<tr>
<td>10,001</td>
<td>30,000 Dhs.</td>
<td>200</td>
</tr>
<tr>
<td>30,001</td>
<td>60,000 Dhs.</td>
<td>400</td>
</tr>
<tr>
<td>60,001</td>
<td>90,000 Dhs.</td>
<td>600</td>
</tr>
<tr>
<td>90,001</td>
<td>150,000 Dhs.</td>
<td>800</td>
</tr>
<tr>
<td>150,001</td>
<td>250,000 Dhs.</td>
<td>1000</td>
</tr>
<tr>
<td>250,001</td>
<td>500,000 Dhs.</td>
<td>1300</td>
</tr>
<tr>
<td>500,001</td>
<td>1,000,000 Dhs.</td>
<td>1500</td>
</tr>
<tr>
<td>500,001</td>
<td>1,000,000 Dhs.</td>
<td>2000</td>
</tr>
<tr>
<td>over 1,000,001</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CONTACTS, Government offices and departments of:

Dubai
Sharjah
Ajman
Umm al-Qaiwain
Ra’s al-Khaimah
Fujairah
Abu Dhabi

Federal Ministries

Ministry of Finance & Industry
The Minister: Sheikh Hamdan bin Rashid Al Maktoum
Minister of State: Dr. Mohammed Khalfan bin Kharbash
Undersecretary: H. H. Sheikh Ahmed bin Zayed Al Nahyan
Abu Dhabi, POB: 433; Tel: 02 6726000; Fax: 02 6663088
Dubai, POB: 1565; Tel: 04 3939000; Fax: 04 3939738
Email: mofi@uae.gov.ae
Website: www.fedfin.gov.ae

Ministry of State for Foreign Affairs
The Minister: Rashid Abdullah Al Nuaimi
Abu Dhabi, POB: 1; Tel: 02 6652200; Fax: 02 6668015
Dubai, POB: 3785; Tel: 04 2221144; Fax: 04 2280979
Email: mofa@uae.gov.ae

Ministry of Petroleum & Mineral Resources
The Minister: Obeid bin Saif Al Nassiri
Undersecretary: Nasser Mohammed Al Sharhan
Abu Dhabi POB: 59; Tel: 02 665 1810; Fax: 02 6664573
Email: mopmr@uae.gov.ae

Ministry of Planning
The Minister: Sheikh Humaid bin Ahmed Al Mu’alla
Undersecretary: Ahmed Abdulla Mansoor
Abu Dhabi POB: 904; Tel: 02 6271100; Fax: 02 6269942
Dubai POB: 207; Tel: 04 3531060; Fax: 04 3536240
Email: mop@uae.gov.ae
Website: www.uae.gov.ae/mop

Ministry of Higher Education and Scientific Research
The Minister: Sheikh Nahyan bin Mubarak Al Nahyan
Undersecretary (acting): Saif Rashed Al Suwaidi
Abu Dhabi POB: 45253; Tel: 02 6428000; Fax: 02 6427262
Email: mohe@uae.gov.ae
Website: www.uae.gov.ae/mohe

Ministry of Labour and Social Affairs
The Minister: Mattar Humaid Al Tayer
Undersecretary (Labour Affairs): Ahmed Atiq Al Jumairi
Undersecretary (Social Affairs): Mohammed Eisa Al Suwaidi
Abu Dhabi POB: 809; Tel: 02 6671700; Fax: 02 6665889
Dubai POB: 4409; Tel: 04 2691666; Fax: 04 2668967

Ministry of Public Works & Housing
The Minister: Rakad bin Salem Al Rakad
Undersecretary: Ali Hamad Al Shamsi
Abu Dhabi POB: 878; Tel: 02 6651778; Fax: 02 6665598
Dubai POB: 1828; Tel: 04 2693900; Fax: 04 2692931
Email: mpwh@uae.gov.ae

Ministry of Justice, Islamic Affairs and Awqaf
The Minister: Mohammed Nukhaira Al Dhahiri
Undersecretary: Sultan Saeed Al Badi

Ministry of Education & Water
The Minister: Humaid bin Nasir Al Owais
Undersecretary: Saeed Majid Al Shamsi
Abu Dhabi POB: 629; Tel: 02 6274222; Fax: 02 6269738
Dubai POB: 1672; Tel: 04 2626262; Fax: 04 2690064

Ministry of Education and Youth
The Minister: Dr. Abdul Aziz Sharhan
Undersecretary: Dr. Jamal Al-Mehairi
Abu Dhabi POB: 295; Tel: 02 6213800; Fax: 02 6313778
Dubai POB: 3962; Tel: 04 2994100; Fax: 04 299435
Website: www.education.gov.ae

Ministry of State for Financial & Industrial Affairs
The Minister: Dr. Mohammed Khalfan bin Kharbash
Dubai, POB: 1565; Tel: 04 3939000; Fax: 04 3939738
Email: mofi@uae.gov.ae
Website: www.uae.gov.ae/mofi

Ministry of Electricity & Water
The Minister: Humaid bin Nasir Al Owais
Undersecretary: Saeed Majid Al Shamsi
Abu Dhabi POB: 629; Tel: 02 6274222; Fax: 02 6269738
Dubai POB: 1672; Tel: 04 2626262; Fax: 04 2690064

Ministry of Planning
The Minister: Sheikh Humaid bin Ahmed Al Mu’alla
Undersecretary: Ahmed Abdulla Mansoor
Abu Dhabi POB: 904; Tel: 02 6271100; Fax: 02 6269942
Dubai POB: 207; Tel: 04 3531060; Fax: 04 3536240
Email: mop@uae.gov.ae
Website: www.uae.gov.ae/mop

Ministry of Higher Education and Scientific Research
The Minister: Sheikh Nahyan bin Mubarak Al Nahyan
Undersecretary (acting): Saif Rashed Al Suwaidi
Abu Dhabi POB: 45253; Tel: 02 6428000; Fax: 02 6427262
Email: mohe@uae.gov.ae
Website: www.uae.gov.ae/mohe

Ministry of Labour and Social Affairs
The Minister: Mattar Humaid Al Tayer
Undersecretary (Labour Affairs): Ahmed Atiq Al Jumairi
Undersecretary (Social Affairs): Mohammed Eisa Al Suwaidi
Abu Dhabi POB: 809; Tel: 02 6671700; Fax: 02 6665889
Dubai POB: 4409; Tel: 04 2691666; Fax: 04 2668967

Ministry of Public Works & Housing
The Minister: Rakad bin Salem Al Rakad
Undersecretary: Ali Hamad Al Shamsi
Abu Dhabi POB: 878; Tel: 02 6651778; Fax: 02 6665598
Dubai POB: 1828; Tel: 04 2693900; Fax: 04 2692931
Email: mpwh@uae.gov.ae

Ministry of Justice, Islamic Affairs and Awqaf
The Minister: Mohammed Nukhaira Al Dhahiri
Undersecretary: Sultan Saeed Al Badi

Investing in the Gulf Countries
Ministry of Economy & Commerce
The Minister: Sheikh Fahim bin Sultan Al Qasimi
Undersecretary: Abdul Raoof Al Mabarak
Abu Dhabi POB: 901; Tel: 02 6265000; Fax: 02 6215339
Dubai POB: 3625; Tel: 04 2954000; Fax: 04 2951991
Email: moec@uae.gov.ae
Website: www.uae.gov.ae/moec

Ministry of Information & Culture
The Minister: Sheikh Abdullah bin Zayed Al Nahyan
Undersecretary: Saeed Ghobash
Abu Dhabi POB: 17; Tel: 02 4453000; Fax: 02 4452504
Dubai POB: 5053; Tel: 042615500; Fax: 04 2635807
Email: mic@uae.gov.ae

Ministry of Interior
The Minister: Lt. Gen. Dr. Mohammed Saeed Al Badi
Undersecretary: Major General Sheikh Saif bin Zayed Al Nahyan
Abu Dhabi POB: 398; Tel: 02 4414666; Fax: 02 4414938
Dubai POB: 4333; Tel: 04 3980000; Fax: 04 3981119

Ministry of Communications
The Minister: Ahmed Humaid Al Tayer
Undersecretary: Abdullah Ahmed Lootah
Abu Dhabi POB: 900; Tel: 02 6651900; Fax: 02 6651691
Dubai Tel: 04 2953330

Ministry of Health
The Minister: Hamad Abdul Rahman Al Madfa
Undersecretary: Dr. Sheikh Saud Al Qasimi
Abu Dhabi POB: 848; Tel: 02 6330000; Fax: 02 6726000
Dubai POB: 1853; Tel: 04 3966000; Fax: 04 3965666
Email: moh@uae.gov.ae

Ministry of Defence
The Minister: Gen. Sheikh Mohammed bin Rashid Al Maktoum
Abu Dhabi POB: 46616; Tel: 02 4461300; Fax: 02 4463286
Dubai POB: 2838; Tel: 04 3532330; Fax: 04 3531974

Ministry of State for Cabinet Affairs
The Minister: Saeed Khalfan Al Ghaith
Secretary General: Juma Butti Al Bawardi
Abu Dhabi POB: 899; Tel: 02 6811113; Fax: 02 6812968
Dubai POB: 5002; Tel: 04 3967555; Fax: 04 3978884
Email: moca@uae.gov.ae
Website: www.uae.gov.ae/moca

Ministry of State for Supreme Council Affairs
The Minister: Sheikh Majed bin Saeed Al Nuaimi
Undersecretary: Yousef Ahmed Abu Al Reesh
Abu Dhabi POB: 545; Tel: 02 632 3900

Minister of Economy and Commerce:
Ministry’s Responsibilities and Tasks
Through exercising its functions, the Ministry aims at participating in realizing the economic development, upgrading the living standard and bringing about prosperity for the nationals. Increasing productivity and constantly striving to realize economic and customs unity between the Emirates members of the Federation.

Areas of responsibilities:
To suggest economic and commercial policy with a view to realizing economic development, increasing productivity, upgrading the living standard and achieving prosperity for the nationals.
To come up with the necessary plans, programs, and projects to implement the above-mentioned policies, once those are approved.
To suggest bills for laws and regulations organizing commercial and economic activities, and supervise implementation thereof.
To prepare legislation organizing the support of the cooperation between public and private activities, encourage savings and investment.

To suggest bills for laws organizing step-by-step phases which are suitable for realizing the economic and customs unity between the Emirates of the Federation in collaboration with the Ministry of Finance & Industry and other concerned ministries.

To cooperate with the concerned ministries in concluding economic and commercial agreements, follow up on the activities of economic organizations, hold international and regional fairs and exhibitions, and do whatever could lead to supporting the trade exchange with other countries.

To prepare studies and researches on economic development. Other functions entrusted to the Ministry in accordance with other laws.

**Ministry's Information**
for more information, visit
- Ministry of Economy and Commerce
- Information on Economic affairs
- Information on Trade affairs
- Information on Business affairs

Ministry’s Contact Info.
**To contact Ministry of Economy and Commerce**
Abu Dhabi
Tel No 00971-2-6265000

**Foreign Currency Control**
The UAE has no restrictions or regulations on foreign exchange. Capital, profits, interest, and royalty payments may be repatriated freely. The local currency has been tied traditionally to the US dollar at the rate of US$ 1 to DH 3.67.

**Banking**
The current domestic financial market is best described as “over-banked.” It consists of forty-eight local and foreign commercial banks, two restricted license (specialized) banks, and thirteen foreign bank representative offices.

Central bank regulations announced on April 5, 1993, set the minimum capital to risk-weighted asset ratio at 10 percent, which is 2 percent higher than the minimum level recommended by the Basel Concordat committee on banking supervision. The reduction of higher risk assets may cause concomitant declines in UAE bank profits, but it is anticipated that this will strengthen the banking industry.

Most banks provide trade, project and consumer financing. They re-export financing accounts for a large portion of trade finance, and this is viewed as having substantial prospects for growth. Loan decisions are based on project viability and the credit worthiness of the parties involved. Short-term loans (3-6 months) by commercial banks are offered at current interest rates. Project loans are given for five years. Consumer financing is also growing rapidly. Furthermore, the local banking system has well established correspondent relationships with international banks.

In the UAE, the marketing of financial products and services is regulated by the UAE Central Bank under Federal Law No. 10 of 1980 (the Central Bank Act).
Bank Law and related banking resolutions). Enforcement of Central Bank policy, however, is often undertaken by the local licensing authorities in the various Emirates.

The Central Bank Law establishes five principal categories of institutions in the UAE - commercial banks, investment banks, financial establishments, financial intermediaries, and monetary intermediaries - all of which must be licensed by both the Central Bank and the local licensing authorities. In addition to these five categories, current practice in the individual Emirates permits the licensing of financial or investment consultants. These consultants are not required to obtain a Central Bank license.

**Commercial Banks**

The Central Bank Law defines a commercial bank as any establishment which customarily receives funds from the public, grants credit and banking facilities, and conducts other banking operations prescribed for commercial banks either by law or by customary banking practice. In the UAE, customary banking practice includes the marketing and sale of investment products and services, including the sale of securities and various funds.

**Investment Banks**

Central Bank Resolution No. 21 of 1988 regulates the activities of investment banks. Investment banks are defined as merchant or development banks or banks which provide medium or long term financing. The Central Bank Resolution authorizes investment banks in the UAE to offer financial products and services, including the issuance of financial instruments and the management of investment portfolios.

On June 1, 1997, the Emirates Bank Group, which is controlled by the Dubai government, launched UAE’s first mutual investment fund with an initial capital of about US$ 8.2 million. The fund offers non-UAE nationals their first opportunity to invest in the UAE’s tightly restricted equity market up to a limit of DH 500,000. The huge response by foreign investors prompted the UAE Central bank to raise its original ceiling of 20 percent of foreign investment to 49 percent. When the fund closed for public subscription on June 15, 1997 the investment totaled to US$ 74.5 million.

**Financial Establishments**

The Central Bank Law permits financial establishments to lend money and to undertake other financial transactions but does not allow them to accept deposits. The Central Bank has adopted a policy that prohibits financial establishments from offering financial products and services. In comparison to commercial banks, the only activity that financial establishments may undertake which commercial banks may not is the lease of equipment and machinery.

**Financial Intermediaries**

Financial intermediaries are brokers. Regulations issued under the UAE Central Bank Law allow licensed brokers to market and to sell foreign and local shares and financial instruments in consideration for a commission. Local and foreign companies may obtain a brokerage license from the UAE Central Bank.
Monetary Intermediaries
Monetary intermediaries are money changers. They are not authorized to market or to sell investment products and services.

Investment Consultants
The UAE Central Bank has not published regulations on investment consultancy. Under the existing policies of the individual Emirates, a company licensed as an investment consultant may advise and assist clients in pursuing various investment strategies but may not directly sell investment products. Sales of investment products introduced by consultants are, therefore, typically booked outside the UAE. Consultants are also not expected to receive investment funds from clients, although they may assist in the transfer of those funds. Consultants may not provide credit facilities or open accounts for clients but may assist them in opening accounts with brokers and banks. If properly authorized by the client, the consultant could also manage such accounts.

The UAE Central Bank has issued instructions to local municipalities that they may issue investment consultancy licenses but only after first consulting the Central Bank.

The UAE Central Bank has recently moved towards a tighter policy regarding investment companies and financial consultants. In the future, such companies will have to obtain a license from the Central Bank and to report under the rules it has established. Investment Companies for the purpose of these regulations have been defined as undertakings which are involved in investment in securities or in the management of trust funds or investment portfolios on behalf of others. The minimum paid up capital for investment companies (including branches of foreign companies) is DH 25 million, increasing to a larger amount depending on the activities of the company. Financial consultants, on the other hand, are deemed to be individual professionals or groups of professionals providing advice to individuals or companies about the value of securities and other financial instruments or giving recommendation about investing. For these, licenses can be issued with a minimum paid in capital of DH 1 million.

Accountants and Auditors Regulations
Thus far, no local professional body of accountants has been established in the UAE, but many of the large, international accounting firms maintain offices in the UAE. According to the new Federal law Concerning the Organization of the Auditing Profession No. 22 of 1995 and the supplementing Ministerial Resolutions No. 49 of 1996 and No. 7 of 1997, foreign accounting firms can now only be listed in the register of active accountants if they have operated in the UAE prior to the effective date of the 1995 law. Further, the new law requires that all foreign firms will have to take on UAE nationals as partners. A five year transition period is granted to the existing firms to comply with the new standards.

Bahrain is the most mature, well-established business hub with the largest financial institutions in the Gulf. With a track record of nearly 40 years, Bahrain is still the financial services leader in the entire region. The Central Bank of Bahrain (CBB), the country's single regulator, is unquestionably the region's best and most respected regulator. Countries in the Gulf look to Bahrain when formulating their own regulations and structures, because of Bahrain's tested, transparent and enforced rule of law.

Bahrain provides a free, open and transparent environment for businesses and has a globally competitive, value-creation story which focuses on sustainability, skills and good governance.

Bahrain has always focused its efforts on the building of foundations, ahead of the building of landmarks.

What’s exceptional about Bahrain is that its economy is mature and diversified, which means that instead of depending on oil, it has focused on productivity-led growth. According to the Conference Board Survey, Bahrainis are five times more productive than the regional average. There is a unique vision for the future which is based on sustainable and productive economic diversification across various sectors. Bahrain is committed to free market and democratic principles as the best means of respecting the rule of law, serving the needs of businesses and individuals, and above all, ensuring the long-term prosperity of its people.

So, why must you make Bahrain your first choice for your MENA business operations?

- Bahrain’s business environment is the most open and liberal in the Middle East, ranking the 16th in the world (Source: Index of Economic Freedom, 2009).
- Bahrain is the gateway to Middle East and the best market access to growing Gulf economies.
- Bahrain’s respect for the rule of law provides a good environment for businesses.
- Bahrain has the longest, most stable track record in business in the region.
- Bahraini society is liberal and enjoys the highest quality of life in the region.
- The operational costs are amongst the most competitive in the region.
- Bahrain has by far the most educated and skilled workforce in the Gulf.

Business environment

The Middle East’s Freest Market

Free markets help businesses prosper. Bahrain is the 16th freest economy in the world, and the freest economy in the Middle East, ahead of Japan, Belgium, Austria, Germany, Sweden and Norway (Source: 2009 Heritage Foundation/Wall Street Journal Index of Economic Freedom). According to the index, there are ten components that are measured from 0 (no freedom) to 100 (maximum freedom) to determine a nation’s.
economic freedom. The averages of these ten components give an overall economic freedom score for each country. The ten components of economic freedom are business freedom, trade freedom, fiscal freedom, government size, monetary freedom, investment freedom, financial freedom, property rights, freedom from corruption and labor freedom.

Free markets, which allow businesses to operate without interference whilst benefitting from the protection of an established rule of law, are essential if businesses are to thrive. The success of liberal economies over the past 100 years has shown this to be the case.

Our free markets mean that businesses are allowed to operate freely with minimal red-tape and foreign ownership restrictions. Bahrain’s bilateral trade and economic agreements with 43 countries, including China, France, India, Singapore and the United Kingdom, mean that there is a huge market for Bahrain’s goods and services. Bahrain was also the first Gulf country to put into force a Free Trade Agreement with the United States.

**The Middle East’s most Liberal Business Environment**
- Independently ranked the Middle East’s freest economy, ahead of Germany, France, India and China 2009 according to the Heritage Foundation/Wall Street Journal Index of Economic Freedom
- No need for “ring-fenced” free zones as with the other Gulf states as 100% foreign ownership exists across the country
- Lowest taxes and operating costs
- 100% foreign ownership is allowed in over 95% of business activities with no need for local partners
- Free repatriation of capital, profits and dividends

**Established Legal Framework**
Bahrain has a tried-and-tested legal and regulatory environment in which investors can trust to fairly protect their interests in an open and transparent manner. To promote high business standards, the government has created a number of regulating bodies to support business development. Additionally:

Bahrain’s financial sector has the most experience and the longest track record and effective regulations in the Middle East, governed by the Central Bank of Bahrain (CBB). The CBB is considered the best regulator in the region. The CBB, the single regulator in the country, is recognized internationally for its regulation, innovation, transparency, non-discriminatory treatment, license management and operational efficiency. A comprehensive regulatory rulebook from CBB is regularly updated and provides comfort to those investing that they are conducting business in a transparent and well-supervised environment. The positive reputation of the CBB, together with key endorsements from the IMF and other external bodies, has contributed to Bahrain’s continued attractiveness as a hub for finance in the Gulf.

Bahrain was the first country in the Gulf to enjoy a Free Trade Agreement (FTA) with the United States, a testament to Bahrain’s high economic standards and stability. Aside from trading advantages that stimulate the flow of investments between the two nations, Bahrain introduced further liberalisations to the financial market which resulted in greater expansion in the industry.

The GCC, of which Bahrain is a member, has recently signed an FTA Agreement with Singapore which is currently awaiting ratification. The GCC has also recently installed an FTA with EFTA (made up of Switzerland, Norway, Iceland and Liechtenstein). Moreover, the GCC is currently in negotiations to conclude an FTA with the European...
Union, China, Japan, India, Pakistan, Australia, New Zealand and MRECONSUR (Argentina, Brazil, Paraguay, Uruguay, Venezuela as full members in addition to Chile, Bolivia, Columbia, Ecuador and Peru as Associate Members).

The information communication technology sector (ICT), is regulated by the Telecommunications Regulatory Authority who is in charge of promoting fair competition among established and newly licensed operators. Intellectual property have been supplemented and enhanced to provide protection to right holders.

• The International Centre for Dispute Resolution (ICDR), the international division of the American Arbitration Association, and Bahrain’s Ministry of Justice and Islamic Affairs is due to open an arbitration and mediation center in Bahrain in October 2009. The Bahrain Chamber for Dispute Resolution-AAA (BCDR), will administer the arbitration and mediation of domestic and regional commercial disputes, including insurance, construction, financial services and energy disputes. (Source: ICDR.org)

• Since 2001, foreign firms and GCC nationals and companies have no restriction on land ownership. Non-GCC nationals could own high-rise commercial and residential properties in addition to businesses in specific geographic areas in such fields as banking and finance, tourism, health and training institutes. Non-GCC nationals and foreign owned companies are allowed to own land and build properties in all business and industrial areas, as well as substantial parts of other areas.

Gateway to the Middle East
Bahrain is uniquely located at the heart of the Gulf. Our reputation for cultural neutrality and good relations with our neighbours provides a neutral platform for business, enabling companies to serve other markets in the Middle East with great ease. This makes Bahrain the perfect hub for operations in the fast-growing Gulf, Middle East and North Africa (MENA) markets.

Access to every market in the Middle East is fast and efficient, by air, sea and road. In total, Bahrain is spending $2.9bn to upgrade its logistics infrastructure. This is why DHL has chosen Bahrain as its regional headquarters, due to the excellent transport in infrastructure and low operating costs.

The Middle East Choice for Market Access
Bahrain has the shortest travel time between its seaport, airport and the logistics processing zone of anywhere in the Gulf enabling more efficient and faster processing of trade goods.

By Land
Saudi Arabia is a 40 minute car drive (23km) via King Fahd Causeway from central Manama. Almost 500,000 trucks cross the causeway into Saudi Arabia every year; this figure is expected to grow.

As of 2013, the Bahrain-Qatar Friendship Causeway will provide direct access to Qatar within 50 minutes.
By Sea
The Khalifa bin Salman Port, together with the Bahrain Logistics Zone, is designed to be one of the region’s largest shipping and transport hubs. Its port capacity will increase tenfold over the next three years.

The Kingdom’s new sea port is equipped with the latest handling and IT technologies, as well as six 300-meter berths and four cranes. Danish ports management company, APM Terminals (APMT), has invested $62m in systems and handling. In total, the investment of the port is approximately $500m. (MEED Special Report: Bahrain – Vision 2030 plan takes shape).

New port to service estimated 100 million people living in Saudi Arabia’s Eastern Province, Qatar, Kuwait, Iraq and Iran.

By Air
Gulf Air has the most intra-regional connections of any airline in the Gulf. Additionally, Bahrain Air, Bahrain’s other jet carrier has frequent flights to similar destinations.

Bahrain International Airport will soon be home to the Cargo Oasis, an expanded cargo handling facility that will treble Bahrain’s international air cargo to a capacity of one million tones per annum, a level comparable with London’s Heathrow Airport and have capacity for 27 large cargo planes to be handled at any given time.

<table>
<thead>
<tr>
<th>Destination</th>
<th>Airtime from Bahrain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riyadh, Saudi Arabia</td>
<td>1hr 10 min</td>
</tr>
<tr>
<td>Jeddah, Saudi Arabia</td>
<td>2hr 30 min</td>
</tr>
<tr>
<td>Doha, Qatar</td>
<td>50 min</td>
</tr>
<tr>
<td>Kuwait City, Kuwait</td>
<td>1hr</td>
</tr>
<tr>
<td>Dubai, United Arab Emirates</td>
<td>1hr</td>
</tr>
<tr>
<td>Abu Dhabi, United Arab Emirates</td>
<td>1hr 10 min</td>
</tr>
<tr>
<td>Mascat, Oman</td>
<td>1hr 30 min</td>
</tr>
</tbody>
</table>

Source: www.GulfAir.com

Lowest tax & costs base
Cost Competitiveness
Bahrain has the lowest tax jurisdiction within the region, offering a level platform nationally and not just within specific and regulated ring-fenced ‘free zones’. Bahrain permits 100% foreign ownership of industrial projects and the establishment of representative offices of foreign companies with no local sponsor.

Since 2001, foreign firms and GCC nationals were allowed by law to be land owners. Non-GCC nationals could own high-rise commercial and residential properties in addition to businesses in specific geographic areas in such fields as banking and finance, tourism, health and training institutes. Since 2006, all nationalities were able to own commercial or investment properties, with exception to high rise-residences and specific properties in large developments which could be owned free hold.

Bahrain offers the best value for money - it has the lowest living costs within the region and operating costs for businesses.

Businesses can run successfully by cutting costs, and city living remains amongst the lowest and best quality in the GCC. In a study conducted by UBS on 73 cities worldwide based on rent, food and services, Bahrain ranked the lowest in cost of living compared to its neighbours. Within the GCC, the report studied living costs in Dubai (United Arab Emirates), Doha (Qatar) and Manama (Bahrain).

According to the survey covering a “basket” of 27 services, including haircuts, phone charges, dry cleaning, movietickets, and restaurantmeals, Dubai was most expensive ahead of Doha then Bahrain.

Dubai “service basket” was $890 higher than New York and London and even more so than the global average of $503. The same basket
Investing in the Gulf Countries

would cost $620 in Doha and $450 in Manama. In terms of rent, a 3-bedroom unfurnished apartment in Dubai would cost $3,710. An unfurnished 3-bedroom apartment in Doha would cost $2,290 and $1,900 in Manama.

The only other cities that were overall more expensive than Dubai were Hong Kong and New York, respectively.

The Lowest Taxes in the GCC
Bahrain has the lowest corporate and personal taxes in the GCC with:
- No capital gains tax and no withholding tax.
- No personal income tax.
- No tax on capital gains.
- No withholding tax.
- No restriction on repatriation of capital, profits or dividends.
- Few indirect taxes (e.g. 10% municipal tax on rents)
A report published by the World Economic Forum (WEF) concluded that Bahrain has the fourth most favourable tax regime in the world, out of the 55 leading economies surveyed.

The Financial Development Report ranked Bahrain 27th, overall, in terms of its financial system, up from 28th in 2008. It concluded that Bahrain “shows competitive advantages in the quality of its institutional environment, including a substantially liberalized financial sector and solid corporate governance.”

As a result of its open, well-regulated economy Bahrain is ranked as having the fourth most favourable tax regime, is 12th in terms of being a low cost location to do business and was hailed for its substantially liberalised financial sector (16th) and solid corporate governance (20th).

The report also gave Bahrain high marks for liberalisation of the domestic financial sector, with Bahrain being ranked 1st for corporate governance and 2nd for private monitoring of the banking industry.

Value for Money and Low Cost Base
- Companies can support customers from a high-quality, low cost base.

- High quality, value-for-money business infrastructure. Office costs in Bahrain are 56% lower than in Dubai Global (Source: Investment House Real Estate Report 2007) and 48% lower than in Doha (Source: Gulf Business Salary Survey, 2008).

- There is a flat rental rate for industrial land ranging between USD 1.33 and 1.75 per square metre per year

A Cost Efficient Business Base

<table>
<thead>
<tr>
<th>Country</th>
<th>Sales and Marketing Head (US Dollars)</th>
<th>General Manager (US Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAE</td>
<td>14,025</td>
<td>19,110</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>14,550</td>
<td>18,230</td>
</tr>
<tr>
<td>Qatar</td>
<td>14,475</td>
<td>16,200</td>
</tr>
<tr>
<td>Bahrain</td>
<td>12,400</td>
<td>13,723</td>
</tr>
</tbody>
</table>

Source: Annual Salary, Gulf Business 2009

Corporate income tax rates in GCC Countries

Source: Ernst & Young Worldwide Corporate Tax Report, 2007
Business Zone

The Bahrain Investment Wharf is a 1.7 million m² zoned Industrial development comprised of:

- Industrial Park: For medium and small industries (800,000 m²)
- Logistics Park: For warehousing, storage, cold storage, redistribution, and IT services (190,000 m²)
- Business Park: For low-rise office blocks, training centre, conference and exhibition halls (70,000 m²)
- Residential Park and service Buildings: For retail units, labor accommodation and hotel (640,000 m²)

The Bahrain International Investment Park

- Investment up to date stands at $750m
- Modern business zone housing international and manufacturing companies (250,000 m²)
- Zero corporate tax Exemption from GCC customs duties
- Freedom of hiring for five years
- 100 per cent foreign ownership and renewable 50-year leases 84 companies have signed up, taking 60 per cent of the site and employing 8,400 people Tenants include Kraft Foods and Saudi Arabian Amiantit Company. (Source: Meeed.com-Special Report: Bahrain - Vision 2030 plan takes shape).

Cost of living index %
Manama - 100%

<table>
<thead>
<tr>
<th>General Index</th>
<th>Food</th>
<th>Alcohol</th>
<th>Household Supplies</th>
<th>Personal care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manama</td>
<td>100</td>
<td>132</td>
<td>140</td>
<td>188</td>
</tr>
<tr>
<td>Abu Dhabi</td>
<td>111</td>
<td>173</td>
<td>187</td>
<td>215</td>
</tr>
<tr>
<td>Doha</td>
<td>114</td>
<td>225</td>
<td>142</td>
<td>178</td>
</tr>
<tr>
<td>Dubai</td>
<td>125</td>
<td>212</td>
<td>113</td>
<td>161</td>
</tr>
<tr>
<td>Kuwait</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
<tr>
<td>Muscat</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
<tr>
<td>Riyadh</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
</tbody>
</table>

Tobacco

<table>
<thead>
<tr>
<th>General Index</th>
<th>Food</th>
<th>Alcohol</th>
<th>Household Supplies</th>
<th>Personal care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manama</td>
<td>100</td>
<td>132</td>
<td>140</td>
<td>188</td>
</tr>
<tr>
<td>Abu Dhabi</td>
<td>111</td>
<td>173</td>
<td>187</td>
<td>215</td>
</tr>
<tr>
<td>Doha</td>
<td>114</td>
<td>225</td>
<td>142</td>
<td>178</td>
</tr>
<tr>
<td>Dubai</td>
<td>125</td>
<td>212</td>
<td>113</td>
<td>161</td>
</tr>
<tr>
<td>Kuwait</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
<tr>
<td>Muscat</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
<tr>
<td>Riyadh</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
</tbody>
</table>

Utilities

<table>
<thead>
<tr>
<th>General Index</th>
<th>Food</th>
<th>Alcohol</th>
<th>Household Supplies</th>
<th>Personal care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manama</td>
<td>100</td>
<td>132</td>
<td>140</td>
<td>188</td>
</tr>
<tr>
<td>Abu Dhabi</td>
<td>111</td>
<td>173</td>
<td>187</td>
<td>215</td>
</tr>
<tr>
<td>Doha</td>
<td>114</td>
<td>225</td>
<td>142</td>
<td>178</td>
</tr>
<tr>
<td>Dubai</td>
<td>125</td>
<td>212</td>
<td>113</td>
<td>161</td>
</tr>
<tr>
<td>Kuwait</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
<tr>
<td>Muscat</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
<tr>
<td>Riyadh</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
</tbody>
</table>

Clothing

<table>
<thead>
<tr>
<th>General Index</th>
<th>Food</th>
<th>Alcohol</th>
<th>Household Supplies</th>
<th>Personal care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manama</td>
<td>100</td>
<td>132</td>
<td>140</td>
<td>188</td>
</tr>
<tr>
<td>Abu Dhabi</td>
<td>111</td>
<td>173</td>
<td>187</td>
<td>215</td>
</tr>
<tr>
<td>Doha</td>
<td>114</td>
<td>225</td>
<td>142</td>
<td>178</td>
</tr>
<tr>
<td>Dubai</td>
<td>125</td>
<td>212</td>
<td>113</td>
<td>161</td>
</tr>
<tr>
<td>Kuwait</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
<tr>
<td>Muscat</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
<tr>
<td>Riyadh</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
</tbody>
</table>

Transport

<table>
<thead>
<tr>
<th>General Index</th>
<th>Food</th>
<th>Alcohol</th>
<th>Household Supplies</th>
<th>Personal care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manama</td>
<td>100</td>
<td>132</td>
<td>140</td>
<td>188</td>
</tr>
<tr>
<td>Abu Dhabi</td>
<td>111</td>
<td>173</td>
<td>187</td>
<td>215</td>
</tr>
<tr>
<td>Doha</td>
<td>114</td>
<td>225</td>
<td>142</td>
<td>178</td>
</tr>
<tr>
<td>Dubai</td>
<td>125</td>
<td>212</td>
<td>113</td>
<td>161</td>
</tr>
<tr>
<td>Kuwait</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
<tr>
<td>Muscat</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
<tr>
<td>Riyadh</td>
<td>132</td>
<td>92</td>
<td>114</td>
<td>132</td>
</tr>
</tbody>
</table>

Source: Economic Intelligence Unit, 2008

Highly skilled workforce

Bahrain’s business sector is supported by the most productive, highly-skilled bilingual national work force in the GCC (approximately 72% of the financial services workforce are Bahraini), and according to the Conference Board Report, Bahrainis are five time more productive than the average GCC worker. That is because Bahrain has an advanced education system, which continues to improve. Bahrain’s government has introduced education reforms that will continue to improve education and skills in line with the requirements of the private sector, adopting best practice from some of the world’s most successful educational models.

There are 60 international schools offering curricula from Europe, the US, Japan and India. Several higher-education institutes have also set up graduate and post-graduate programs in Bahrain, including New York Institute of Technology and DePaul University. For Finance, the Bahrain Institute for Banking and Finance (BIBF) is a leading world-class provider of training, education and professional development
The Labour Fund (Tamkeen) is spending US$100 million to provide over 18,000 Bahraini nationals with sector-specific skills training over the next four years. For example, the government funded Bahrain Polytechnic offers a variety of degrees to support the needs of the economy and give more Bahrainis more choice over the skills they want to develop. Degrees offered at the polytechnic range from a BA in Business, BA in Engineering Technology, Diploma in Office Administration, a Higher Diploma in Transport, Flight and Logistics and a Bachelor Degree in Information Communication Technology (ICT).

The Human Capital Development program offered through Tamkeen’s numerous training partners such as Ernst & Young, The Bahrain Institute of Hospitality & Retail (BIHR), BDO Jawad Habibi, has been designed to address challenges in the labor market and to put forward solutions to improve employability and career progression for Bahrainis in the private sector. Programs that are offered include aeronautic maintenance engineering, healthcare, hospitality and accounting & finance.

Open Society & Lifestyle
The most socially liberal country in the Gulf
Bahrain is an open, tolerant and welcoming society that has long respected people of all cultures, ethnicities, denominations and genders. Bahrain is a place without prejudice, and is the most politically liberal country in the Gulf with a long-standing social openness and tolerance. Being the first in the Gulf to start education for both males and females, Bahrain has a record for appointing women and religious minorities to public office. Expats and Bahraini nationals are well integrated in both professional and social circles. Bahrain has the richest heritage and culture in the GCC. Professionals from abroad can feel at home in Bahrain and enjoy our warm, rich culture and long-established respect for diversity. With its melting pot society, boutique restaurants, and a thriving arts scene and café culture, there is an authenticity about Bahrain that is unique in the Gulf. High-standard private schools with a variety of internationally recognized curricula have long been running in Bahrain, and continue to enroll students from different backgrounds and ethnicities.

Highest Quality of Life
Low inflation and sustainable growth mean that the quality of life is amongst the highest in the GCC, especially for families.

Click here for more information on Bahrain’s competitive costs.
Women's Role in Bahraini Society
- First in the Gulf to start male and female education
- Record for appointing women and religious minorities to public office.
- Freedom of press and religion
- Women hold high-level positions in business and politics and enjoy fair and equitable social freedoms

- In 2001, the Supreme Council for Women was created as an advisory body to the government on women’s issues and to promote women’s rights in the Kingdom to ensure women’s full participation in society. It has been at the forefront of the campaign for the introduction of a unified personal status law and has published studies, worked to coordinate campaigns with other women’s rights groups, and sought to promote female candidates for the 2006 municipal and general elections.

@bahrain is a unique commercial, educational and entertainment destination that is strategically located on 1 million square meters next to the Bahrain International Circuit (BIC), ‘The Home of Motorsport in the Middle East’. @bahrain provides rich, cutting edge experiences that span 10 interconnected industry sectors: Exhibition & Convention Facility; Hotels; Multi-Purpose Indoor Arena; Lifestyle Plaza incorporating Retail & Leisure and Techtainment; Auto Club and Engineering Facility; Research Institute; Technopark; Light Industry; and Education and Training.

Lifestyle@bahrain will offer a range of restaurants and boutiques to provide comfort and convenience to a wide array of visitors. Customers will experience an intimate street-like atmosphere as opposed to that found in large-scale shopping malls. Whilst the focus is primarily on providing food and beverage to visitors, there will be small merchandise and retail servicing shops targeted at the types of visitors coming to @bahrain as well as additional entertainment options like cinemas and a bowling centre.

A Growing Economy

| Population*       | 1,039,297 |

Domestic Output

<table>
<thead>
<tr>
<th>GDP at Current Prices (Million) **</th>
<th>BD 8,235.28</th>
<th>USD 21,902.22</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per Capita (BD) *</td>
<td>BD 6,683.02</td>
<td>USD 17,773.89</td>
</tr>
</tbody>
</table>

Public Finance

| Revenues (Million) *          | BD 2,036.7 | USD 5,416.73 |
| Expenditures (Million) *      | BD 1,818.1 | USD 4,835.35 |
| Surplus/Deficit (Million) *   | BD 42.9    | USD 114.10   |
| Total Outstanding of Domestic Public Debt (Million) ** | BD 705.0 | USD 1,874.99 |
| as % of GDP *                 | BD 8.6     | USD 22.87    |

External Sector

| Trade Balance (Million) *      | BD 806.8  | USD 2,145.73 |
| Current Account Balance (Million) * | BD 1092.9 | USD 2,906.63 |
| as % of GDP *                  | BD 15.8   | USD 42.02    |
| Overall Balance of Payments (Million) * | BD 531.9  | USD 1,414.62 |
| as % of GDP *                  | BD 7.7    | USD 20.48    |

*2007 Figures **2008 Figures
Source: Central Bank of Bahrain, Economic Indicators, March 2009

Bahrain in Business Reports

Advisors and business analysts can refer to third party research that reinforces Bahrain’s investment benefits across a variety of economic and FDI indexes.


The economic freedom index measures the degree to which the policies and institutions of countries are supportive of economic freedom. The annual report is published in conjunction with the Economic Freedom Network, a group of independent research and educational institutes. Hong Kong retains the highest rating for economic freedom. The other top 10 nations are: Singapore, New Zealand, Switzerland, Chile, the United States, Ireland, Canada, Australia, and the United...
Kingdom. Bahrain has substantially increased its scores and improved its relative levels of economic freedom. Bahrain’s overall rank has jumped 11 places from 31st to 20th - marking it amongst the “20 freest economies” in the world. Remarkably Bahrain is the only economy that has showed an upward trend amongst the GCC economies covered in the report - UAE, Kuwait and Oman regressed in this year’s report. Bahrain has showed tremendous improvement in the area of -“Regulations” (5th) compared to (34th) in 2008- thus improving by 29 places. In addition Bahrain (1) tops the Labor Market regulation sub area - leading worldwide followed by Uganda (2), United States (3) and Hong Kong (4).

January 2009 - The Index of Economic Freedom,

The report ranks nations according to their relative freedom across 10 different categories. Bahrain tops the Middle East in its score, and ranks number 16 worldwide. Bahrain’s economy is very free (74.8%) for a Middle Eastern country, with higher scores than the world average in eight of the 10 factors of economic freedom. Business freedom, fiscal freedom, monetary freedom, and especially financial freedom are high. The complete absence of income or corporate taxes in all industries except oil gives Bahrain a global competitive commercial advantage. Bahrain continues improving in its rank - in 2009 Bahrain ranked 19 worldwide and has improved by three ranks since then.

September 2008 - Doing Business Report (2009),

The report tracks regulatory reforms aimed at improving the ease of doing business by measuring their impact on 10 indicator sets of business regulation that record the time and cost to meet government requirements in starting and operating a business, trading across borders, paying taxes, and closing a business. Out of 181 tracked economies, Bahrain ranks 18th, the second of GCC nations after Saudi Arabia and ahead of Qatar, the UAE and Kuwait.

September 2008 - World Investment Report,

The report focuses on trends in foreign direct investment (FDI) worldwide, at the regional and country levels and emerging measures to improve its contribution to development. Every issue of the report includes analysis of trends on FDI during the previous year, rankings of the largest transnational corporations in the world, an in-depth analysis of selected topics related to FDI, policy analysis and recommendations and a statistical annex with data on FDI flows and stocks for 196 economies. The Inward FDI performance index ranks countries by the FDI they receive relative to their economic size. It is the ratio of a country’s share in global FDI inflows to its share in global GDP. Bahrain continues to rank the 12th position out of 141 economies, ahead of all GCC nations. The Outward FDI performance index shows the share of a country’s outward FDI in world FDI as a ratio of its share in world GDP. Bahrain ranks 9th of 141 economies, and is the second ranking GCC economy ahead of the United Arab Emirates, Qatar and Saudi Arabia.
Recognized as the ‘gold standard’ for benchmarking the networked readiness and technological competitiveness of the world’s economies. Bahrain ranks 45th out of 127 studied countries. Its ranked has improved by five points since the last annual report. Bahrain ranks the 3rd in the GCC when it comes to technological competitiveness, ahead of Saudi Arabia and Kuwait.

June 2008 - Economic Indicators Report, The Central Bank of Bahrain
Presents data on a selection of key economic and social indicators for the Kingdom of Bahrain. Published on a quarterly basis.

March 2008 - Economic Indicators Report, The Central Bank of Bahrain
Presents data on a selection of key economic and social indicators for the Kingdom of Bahrain. Published on a quarterly basis.

Evaluates the financial condition and performance of financial intermediaries and markets, identifies potential risks to financial stability and proposes remedial supervisory actions for any recognized vulnerabilities. The report is published semi-annually.

The role of the Economic Development Board
The Bahrain Economic Development Board (EDB) is a dynamic public agency with an overall responsibility for formulating and overseeing the economic development strategy of Bahrain, and for creating the right climate to attract direct investment into the Kingdom.

The Bahrain EDB is chaired by His Highness the Crown Prince, Shaikh Salman bin Hamad Al Khalifa, and its Board of Directors includes government ministers and as well as industry executives, enabling public and private sectors to work closely together.

The role of the EDB is to provide leadership by uniting all of the Kingdom's shareholders through a unified vision, and to develop key strategies for sustainable growth. The EDB also acts as a facilitator, helping all of Bahrain's stakeholders to understand and adopt the changes necessary for progress. In addition, the EDB provides sound project management to ensure that all agreed reform initiatives are implemented in an effective and timely manner.

EDB Mission Statement
Our mission is to grow and diversify Bahrain's economy by developing a strategy that supports the advancement of a modern business environment, encourages inward investment and enables us to compete in the global marketplace.

We are dedicated to raising living standards by creating greater opportunities for our citizens and to make Bahrain the Gulf's most welcoming, business friendly location. We will accomplish these goals by working in partnership with the
How does EDB help investors wishing to set up a business in Bahrain?

Key services
For businesses who are considering setting up Gulf operations based in Bahrain, the Business Development team at the EDB is the first point of contact to assist investors in assessing feasibility — costs, workforce requirements, regulatory, legal/tax, fit and market opportunity — which given our strategic location and transport infrastructure — includes not only Bahrain, but also the Gulf states and the wider Middle East North Africa markets.

The department is comprised of a team of sector specialists and relationship managers who can answer questions and provide sector-specific assessments and information. They can also share case examples of other companies that have set up in Bahrain, and make introductions as appropriate.

Depending on your requirements, a relationship manager from the EDB will help assess the business case and opportunity in more detail. Based on the assessment phase, the relationship manager will refer your business to the Bahrain Investment Centre which offers an efficient and helpful one-stop-shop for setting up a business when a decision to invest is made, the relationship manager will liaise with the relevant Ministries as well as the business community to ease the process of setting up. For example, they can make introductions to the Labour Fund which can in turn support in the education and training of Bahraini employees. Finally, EDB’s true point of difference is in its Aftercare Programme, which seeks to help companies succeed not just in the set-up phase, but continues to support them once they are up and running. The EDB recognises the need to help companies not just in the short-term to attract their investment, but to enable them to succeed in the long-game — to everyone’s mutual benefit.

We encourage you to visit Bahrain, and discover our unique advantages as the Gulf’s most business-friendly gateway to the Middle East. Upon your visit, the EDB will schedule a tailored visit programme, introduce you to key people in your industry and familiarize you with what Bahrain can offer your business.

When you choose Bahrain, you will continue to receive our support after you set up your business. Business Friendly Bahrain is not just about bringing you here; ultimately it is about helping you succeed.

Business etiquette
Bahrain is the most liberal and tolerant country within the GCC. The Kingdom has a rich mixture of cultures and there are few restrictions beyond those you would find in most western industrialized countries, the main exception being during Ramadan when it is forbidden to eat, drink or smoke in public during daylight hours.

Dress code: There are no restrictions or requirements for dress code; you will see a wonderful variety. During the day it is advisable to observe a ‘normal business’ dress code. For black tie events the norm would be national dress or dinner jackets for gentlemen, evening gowns or cocktail dresses for
the ladies who may find it well advised to bring a warm wrap given the prevalence of air conditioning and the fact that it is considered polite to have your shoulders covered at all times.

**Greeting:** When doing business, handshakes are always used and can last a lot longer than you may be used to. Always use the right hand. Holding hands among men is common so do not be surprised if your hand is held while you are led somewhere. If you are introduced to a woman as a male, it is advisable to wait and see if a hand is extended. If it is not, then do not try to shake hands.

**Hospitality:** Coffee, or kahwa, is not just a drink it is a ceremony for visitors and guests. Drinking coffee together is a symbol of harmony and trust. Served in tiny porcelain cups with no handles, the coffee will be offered immediately after pouring and it should be taken with the right hand; the cup will not be full. More rounds and refills may well be offered so you should signal when you are finished by shaking your cup slightly from side to side and handing the cup to the coffee server, you should never put the cup down on the table.

**Meetings:** In Middle Eastern culture, it is often the case that initial meetings are focused on relationship building. Much time may be spent in light conversation and it is advisable to establish an atmosphere of openness and friendship before embarking on business matters.

As with other countries and many walks of life, it is advisable to go out of your way to be punctual for meetings but be patient and not be surprised if someone’s schedule has drifted and your meeting does not start on time.

Decisions are often made more slowly in the Middle East than in some other cultures, partly because decisions often take place by consensus. You are well advised to factor these realities into the way you approach business propositions.

*Source: EDB WEBSITE - www.bahainedb.com 2010/01*
Why SAUDI ARABIA?

How many countries can offer secure supplies of low-cost energy, a geographical launch pad to a vast market and a custom-designed, “turnkey” solution for your new venture or investment? One of the Top 20 destinations for foreign direct investment in the world, Saudi Arabia can do all this - and much more.

Saudi Arabia – a nation on the move

Saudi Arabia has long been recognized as a powerhouse of the Middle East. Now’s it’s poised to become one of the world’s top 10 most competitive nations and with that, one of the most lucrative markets for strategic investment.

The Kingdom of Saudi Arabia (KSA) is undergoing an exciting transformation. One of the most enterprising nations in the Middle East, Saudi’s vast natural energy combined with the long-term vision and strategic planning of its rulers has helped to create today’s stable, robust economy. Now, Saudi is looking to the future with an ambitious program of accelerated growth and development that will position it firmly as a new global force.

Setting targets for a dynamic new Saudi

Saudi’s unique geographic features offer investors distinct business advantages: unmatched supplies of oil and gas mean that energy costs are low and constant plus, having borders with three continents ensures it can provide highly-efficient transport links.

To capitalize on these geographic advantages, Saudi has set itself three strategic targets: to become the global capital of energy. Up and downstream petrochemicals, minerals, power and water are all vital to the Saudi and global economy.

to act as a transport and logistical hub between east and west. KSA’s roads, railways and air links create a potential consumer base of more than 250 million, all within 3 hours’ reach.
to transform its knowledge-based industries, ie healthcare, life science, education and IT. These industries are all crucial drivers of long-term, sustainable change.

Building a nation of sustainable prosperity

KSA is a nation that is looking to and preparing for, a different kind of future, a future that’s more inclusive, expansive, sustainable and integrated on both economic and social levels; a future that revolves around investment. New communications infrastructures, new transport routes, state of the art industrial complexes, dynamic training opportunities and a commitment to greater business efficiencies – all of these things and many more will be delivered through Saudi’s focused investment, helping to build a nation of sustainable prosperity.

Saudi has set itself a challenge – to become one of the world’s top 10 most competitive economies by 2010. This makes it the place to be for ambitious investors and businesses that want to be part of a compelling and exciting future.

The Kingdom is investing massively to enhance
its value proposition to foreign businesses, both with infrastructure and with reform. His Majesty King Abdullah bin AbdulAziz Al Saud, Custodian of the Two Holy Mosques, has directed the Saudi government to become one of the world’s Top 10 most competitive economies by 2010—the 10x10 mission. In pursuit of this goal, the organs of government have initiated a multi-faceted reform strategy that has made the Kingdom one of the easiest places in the world to do business.

Meanwhile, Saudi Arabia is investing tens of billions of dollars into the launch of four Economic Cities: public-private partnerships that will create tomorrow’s most attractive investment platforms for foreign companies. These unprecedented developments combine world-class infrastructure, cutting-edge design principles, and special incentives and streamlined processes to create foreign investment-led hubs in knowledge-based industries and other crucial sectors.

The Hard Facts:
Being one of the world’s Top 10 most competitive economies makes Saudi Arabia the perfect investment opportunity. But that’s not the only reason why:

Saudi Arabia is ranked 4th in the world for “fiscal freedom” and it’s the 7th most rewarding tax system in the world. It’s the world’s freest labor market in the world according to the World Economic Forum.

One of the world’s 25 largest economies (24th) and the largest economy in the MENA region.

One of the world’s fastest growing countries: per capita income is forecasted to rise from $20,700 in 2007 to $33,500 by 2020. It’s the world’s fastest reforming business climate. It’s the largest free market in the MENA. Represents 25% of total Arab GDP. It has 25% of the world’s oil reserves.

13th out of 181 countries for the overall ease of doing business globally. 7th in terms of ease of paying taxes. 1st for ease of registering property and it’s the largest recipient of Foreign Direct Investment in the Arab world.

**Saudi Arabia offers a dynamic and robust economy, perfect for serving the world’s most demanding markets.**

Dynamism and growth
The performance of both Saudi Arabia and MENA’s economies have exceeded world growth. Meanwhile, Saudi’s non-oil sector has delivered accelerating growth rates as the economy diversifies.

---

### Real GDP, (Bn USD), 2008

<table>
<thead>
<tr>
<th>Country</th>
<th>Real GDP (Bn USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kingdom of Saudi Arabia</td>
<td>227</td>
</tr>
<tr>
<td>Egypt</td>
<td>94</td>
</tr>
<tr>
<td>UAE</td>
<td>122</td>
</tr>
<tr>
<td>Bahrain</td>
<td>13</td>
</tr>
<tr>
<td>Qatar</td>
<td>38</td>
</tr>
<tr>
<td>Kuwait</td>
<td>73</td>
</tr>
</tbody>
</table>

Notes: Estimated figures for all countries. The figures in USD have been calculated by multiplying the exchange rate (between local currency and USD) with Real GDP figures available in local currency. The exchange rate has been calculated using the Nominal GDP figures in local currency and in USD.
Source: “World Economic Outlook Database”, IMF, April 2009
Encouraged by robust GDP growth and macroeconomic stability, consumer confidence is well above the regional average. Growing private credit and increased public expenditures on infrastructure and other projects provide a broad basis for robust opportunities across the Middle East, but in Saudi Arabia these are translating into particularly strong and sustained growth in domestic demand KSA itself has never been more committed to supporting economic growth. Robust growth in government revenues is supporting double-digit increases in government expenditures on social, infrastructure, and other investment projects. Perhaps even more crucial in the long term, an increasingly deregulated and competitive economic environment is supporting an explosion of business formation as the private sector takes an increasingly prominent role in the economy.

Foreign investment

The variety of domestic and export-oriented investment opportunities in Saudi has attracted steadily increasing foreign direct investment as the economy has been progressively opened. UNCTAD’s World Investment Report recorded FDI inflows into the Saudi economy totaling US$18 billion in 2006, making Saudi Arabia the top FDI destination in the Arab world and one of the Top 20 in the world.
Economic stability
Sound macroeconomic management and an inflection point in world energy markets have made the KSA’s economy stable, despite the global financial crisis. Saudi Arabia’s economy ranks 3rd in the world for macroeconomic stability as a result of “a healthy fiscal environment, relatively low interest rates, and inflation that has been kept under control.”

The International Monetary Fund’s 2008 World Economic Outlook notes that “regional growth remains strong” as “global financial market turmoil has had little direct effect on the Middle East.” While much of the world economy has recently been affected by a global liquidity squeeze, Saudi Arabia’s twin surpluses in the government budget and current account have made KSA an attractive, high-liquidity environment for local and foreign ventures.

Market size
As the region’s largest economy and the world’s 24th largest exporter, the sheer size of the markets that Saudi-based projects serve is “a competitive advantage, allowing Saudi businesses to benefit from economies of scale.” With excellent access to Saudi and other MENA markets, as well as the advanced and emerging economies of nearby Europe and Asia, market exposure for Saudi-based projects is not only vast but also highly diversified.

![Balance of Trade (imports vs. exports) (USD Bn), 2008](image)

Notes: Data of KSA is for the year 2007, while that of the other countries is for the year 2008
Source: United Nations Commodity Trade Statistics Database

Cluster development
Investors in Saudi Arabia enjoy increasingly well-developed business clusters and value chains that set the nation apart from its neighbors and from other emerging economies. The World Economic Forum ranks the Kingdom 39th in the world for Local Supplier Quantity and 35th for both Value Chain Breadth and Production Process Sophistication. Well established, competitive and efficient, Saudi Arabia’s domestic industries—from energy and chemicals to transportation—provide industrial projects with exceptional opportunities for cost savings.

Key fact: unparalleled access
Location wise, Saudi sits at the hub of the world’s most dynamic economies, and a launch-pad to 250 million consumers. Straddling the Red Sea and the Arabian Gulf, Saudi Arabia offers unparalleled access to a diverse portfolio of markets. To the west and north, the Kingdom’s strategic geographic location offers access to the advanced markets of
the European Union and the fast-emerging transition economies of Eastern Europe and the Commonwealth of Independent States (CIS). To the east, Saudi Arabia is a gateway to the rapidly industrializing economies of the South Asian subcontinent and the Asia-Pacific region. To the west and south lie Africa’s vast resources and emerging consumer markets.

Saudi Arabia is thus a leading production and logistics platform, offering investors the flexibility and diversification that comes with exposure to the world’s largest and most dynamic economies. To capitalize on this competitive advantage, the Kingdom has embraced an open economy by joining the World Trade Organization (WTO), and is directing large-scale investments into sea, air, rail, and road infrastructure that will tighten its links to the global economy.

Saudi Arabia is the world’s 12th and 33rd largest exporter of merchandise and commercial services, respectively. As the largest economy in the newly launched Gulf Common Market, Saudi Arabia is an ideal gateway to the regional marketplace.

Key fact: 400 million consumers and the world’s fastest-growing economies
The Kingdom itself forms the beating heart of the Middle East / North Africa (MENA) region, with some 400 million consumers and many of the world’s fastest-growing economies. Saudi Arabia’s 27 million increasingly prosperous consumers form the largest market in the region, and as GDP expands they are making galloping contributions to domestic demand.

As wealth reaches previously less developed areas of the country, attractive opportunities are emerging to cater to pent-up demands in sectors such as healthcare, power and water, and consumer goods.

The Kingdom has an excellent track record of economic stability even as it registers among the world’s highest growth in domestic demand. The Milken Institute’s 2007 Capital Access Institute rates Saudi Arabia’s macroeconomic environment as the world’s best (out of 122 countries ranked).

Key fact: The world’s 8th highest education spender
Education is central to the Kingdom’s development agenda as nowhere else in the world. As the world’s 8th highest education spender, Saudi Arabia is investing heavily in education and training programs to furnish investors with a workforce capable of world leadership in a knowledge-based economy.

Meanwhile, the Kingdom matches its robust investment in skills with one of the world’s most pro-business regulatory frameworks: the World Economic Forum rates Saudi Arabia’s labor market as the 7th freest in the world.

In addition to the Kingdom’s skilled local workforce, Saudi Arabia has long welcomed an abundance of foreign workers to the country, including both highly skilled professionals and low-cost labor. With the Kingdom’s expansive, well established infrastructure for accommodating expatriate workers of all kinds, companies based in Saudi Arabia are able to easily draw upon talent from around the region and the world.

With a 0% individual income tax, the Kingdom offers exceptional economics for employers, as well as an attractive incentives for industrious opportunity-seekers.

Key fact: 13th for Ease of Doing Business
The World Bank rates Saudi Arabia as the easiest place to do business in the entire MENA region. Among Arab countries, the Kingdom is the easiest place to register property, get credit, and start a business; and it is the 7th easiest place in the world to pay taxes. The investment environment in the Kingdom
reflects traditions of liberal private enterprise policies; its new Foreign Investment Law allows 100% foreign ownership of projects and real estate.

In addition, the Kingdom is an acknowledged world leader in the core determinants of international competitiveness. The Kingdom has received recognition for:

- Unbeatable Fiscal Environment.
  With extremely low taxes and excellent incentives, Saudi Arabia is ranked 4th in the world for “fiscal freedom.” Earnings from Saudi-based operations are highly secure due to the Kingdom’s very stable currency. The Saudi Riyal is pegged to the dollar without restrictions on foreign exchange or repatriation of profits.

- Business-Friendly Regime.
  The World Economic Forum lauds the Saudi economy for the absence of stifling government intervention: the Kingdom ranks 20th in the world for both least burdensome regulation and least wasteful public spending. It is estimated to take just 15 days to open a business in the Kingdom, by far the lowest on the Arabian Peninsula.

- Openness to Trade.
  Saudi Arabia’s economy is exceptionally open to trade, with the lowest average weighted tariff rate in the entire MENA region. In an effort to further boost trade, the Government reduced port handling fees by 50% in early 2008.

Key fact: Great Quality of Life
Long a home to foreign workers and visiting executives, Saudi Arabia offers an exceptional array of secure, comfortable, luxurious living arrangements for short-term and long-term visitors that provide an enjoyable experience of advanced modern life.

The Kingdom’s famous compounds offer first-rate security in a country with already extremely low crime rates, as well as impressive entertainment and leisure facilities such as swimming pools, supermarkets, fitness clubs, bowling alleys, and even golf courses.

Workers bringing their families to the country can share all of these amenities with the many other expatriate families leading comfortable lives in Saudi Arabia, along with an array of first-rate international schools for their children in every city. State-of-the art health facilities are located throughout the country, staffed by physicians and specialists from across the world.

In addition to these essentials, visitors to Saudi Arabia can enjoy and endless array of unique and distinctive activities, whether they are looking for spectacular cultural sites, sporting events, shopping, or simply a desert picnic under the stars.

Having already risen from 67th to 13th in the World Bank / International Finance Corporation’s Ease of Doing Business rankings in the span of four short years, Saudi Arabia is committed to becoming one of the world’s Top 10 most competitive economies by 2010, and is embarking on an ambitious reform and investment path to achieve that goal: the 10x10 mission.

With the world’s deepest petroleum reserves and current account surpluses consistently in excess of 20-25% of GDP, the Kingdom of Saudi Arabia is flush two of the world’s scarcest resources: energy and investment capital.

Key fact: It’s Energy Rich
Secure, low-cost access to fuel and feedstock furnish excellent
project economics for Saudi-based industry. At the same time, public and private-sector actors in the Saudi economy are using their strong cash positions to dramatically improve the Kingdom’s infrastructure and business facilities through projects such as the planned Economic Cities. Amid tightness in global liquidity and energy markets, Saudi Arabia remains a cash- and energy-rich investment platform where business can flourish.

Key fact: A Commitment to the best

Already ranked the easiest place to do business in the MENA region, Saudi Arabia is undertaking aggressive reforms and investments to become one of the world’s Top 10 most competitive economies by 2010: the 10x10 mission

As the world’s fastest-reforming economy, Saudi Arabia has seen growing momentum and recognition for its economic transformation. In just four years, Saudi Arabia has risen from 67th to 13th position in the World Bank’s Ease of Doing Business Index and is currently number one in the Middle East. The Kingdom ranks 3rd and 7th in the world, respectively, for ease of registering property and paying taxes.

Of course, it is no surprise that Saudi Arabia offers the world’s most competitive energy prices to investment projects. As such, Saudi Arabia continues to be a natural choice for investors in all energy-intensive industries.

But competitive advantage in today’s Saudi Arabia run much deeper than just energy. It’s about creating a world-class business environment that combines an ease of conducting business with low costs. It’s about unfettered access to regional markets and financial services. Above all, it’s about our country’s vision, and our shared commitment, to seeing your business thrive.

When you’re ready to invest in Saudi Arabia, SAGIA is the government’s investor-friendly face. As well as a progressive regulatory environment, generous financial incentives and one of the world’s most stable currencies, the Kingdom offers an excellent standard of living – thanks to our huge experience in hosting expatriate workers and professionals from around the world.

This is the challenge facing today’s Saudi and one that has inspired SAGIA to embark on its most ambitious project to date – to position KSA as one of the world’s top 10 most competitive economies by 2010. This is the 10x10 mission.

Introducing the 10x10 strategy

Already ranked as the easiest place to do business in the entire MENA region, Saudi Arabia has set its sights on something even more challenging. The cornerstone of Saudi Arabia’s economic future is its ability to compete with other nations. This means creating a climate in which innovation, excellence and competitiveness are prioritized.

Unveiling the 10x10 mission

Three major initiatives have been implemented to help Saudi achieve its 10x10 target:

1. The National Competitiveness Center (NCC)
   The NCC is an independent body, set up to monitor, assess and support competitiveness in KSA. NCC is committed to pushing KSA up to the top tier of economic competitiveness.

2. Economic Cities
   To transform the economic landscape in Saudi, SAGIA is building an integrated system of Economic Cities which will be a beacon of best practice across the world. In these enterprising new metropolises, businesses will have everything they need to develop rapidly and profitably.

3. Sector opportunities
   SAGIA is actively pursuing investment in the sectors where Saudi has a current or potential competitive advantage. These include energy, transport and knowledge-based industries.
The story so far…
The drive for 10x10 has motivated reforms in many of the areas crucial to global competitiveness.

Judicial reform
In 2007, King Abdullah, Custodian of the Two Holy Mosques, approved new regulations allowing the establishment of a supreme court, an appellate court and specialized labor and commercial tribunals along with a SAR 7 billion plan to upgrade judicial facilities.

Infrastructure
Extensive improvements to Saudi’s transport system are in progress including construction and upgrades of multiple new seaports, airports, road links and rail developments including the Medina-Mekkah monorail, the Land Bridge and the north-south Mineral Line.

Energy
The Electricity and Cogeneration Regulatory Authority of Saudi Arabia launched its Electricity Industry Restructuring Plan in 2006 with the intention of moving toward a competitive wholesale electricity market in Saudi Arabia.

Education
Saudi Arabia is already enjoying significant success in its new education strategy with a further SAR 12 billion being distributed over the next five years. An increase in school funding coupled with school building and teacher recruitment programs has led to a phenomenal increase in literacy rates from 33% in 1970 to 83% today. Meanwhile, in higher education, the King Abdullah University of Science and Technology (KAUST) along with other teaching and research institutions will play a crucial role in Saudi’s future competitiveness.

Health
KSA has made huge strides in improving the nation’s health with infant mortality greatly reduced and life expectancy doubled over 50 years. Primary and secondary healthcare is available to all Saudi Arabian residents and the quality of the healthcare system is ranked highly by the WHO – ahead of many nations in the Global Competitiveness Index (GCI) Top 10.

Technology and innovation
Advanced new technology is crucial to KSA’s competitiveness. Saudi Arabia’s Communications and Information Technology Commission (CITC) is currently implementing a Universal Service Fund to provide voice and Internet coverage to 100% of households over the next seven years.

Meanwhile, to boost Saudi’s capacity for innovation, the Ministry of Commerce is developing a new industrial development strategy to encourage regional diversification, foreign direct investment, private sector involvement, and the introduction of knowledge-based industries in Saudi Arabia.

National Competitiveness Center
The NCC is spearheading a new attitude to competition and achievement throughout Saudi Arabia.

Investing in the Gulf Countries
Established by SAGIA in 2006, the National Competitiveness Center (NCC) is passionate about its role in Saudi's future. Its presence heralds a new attitude to achieving excellence that will help drive sustainable prosperity throughout the nation. With the achievement of 10x10 firmly in its sights, the NCC has three main purposes: to act as a think tank, a facilitator and a communicator of change. Here's how it works.

**NCC as a think tank**
Research plays a critical role in Saudi's change process. To find out what works and what doesn't the NCC is monitoring the implementation and results of change programs as well as assessing the competitiveness of the economy. This fundamental, grass-roots work will help to spur modernization throughout the business environment and inspire greater competitiveness.

**Recent initiatives include:**
- A plan to eliminate the minimum capital requirement for Limited Liability Companies and to monitor the progress of its implementation.
- Collaborating with SAGIA sector heads on initiatives designed to boost competitiveness. For example, the upgrading of ICT infrastructure and improving primary school enrollment rates.
- Measuring the success of the KSA's competitiveness change efforts through the monitoring of three globally accepted measures of competitiveness and related indicators to evaluate progress towards 10x10.

**NCC as a facilitator**
The NCC is a vibrant force for change and it’s committed to sharing its knowledge and enthusiasm wherever it identifies new opportunities for improvement. It creates forums for discussion between the public and private sectors that help to enhance understanding and collaboration.

**Recent activities include:**
- Establishing Cluster Advisory Councils that bring together public and private stakeholders in key clusters (eg education, real estate, ICT) to identify and collaborate on competitiveness improvement initiatives.
- Supporting ministerial meetings with fact-based analysis to advocate reforms.
- Coordinating with SAGIA to help organize the Global Competitiveness Forum (GCF), which has featured global leaders and thinkers such as Microsoft Chairman Bill Gates, Harvard Business School Professor Michael Porter, Nissan CEO Carlos Ghosn and many others. For more information on the 2008 Global Competitiveness Forum, please visit: [http://www.gcf.org.sa/](http://www.gcf.org.sa/)

**NCC as a communicator**
The third strand of the NCC remit is to inspire and generate momentum for its work throughout every aspect of Saudi life. By publishing its many success stories, the NCC is confident that competitiveness will become firmly embedded in the government, the private sector and the general public.

To find out more about the NCC and its inspirational work, please visit: [http://www.saudincc.org.sa](http://www.saudincc.org.sa)

**Industrial Cities**
Saudi Arabia’s fourteen “industrial cities”, comprising 92.8 million square meters, are managed by the Saudi Industrial Property Authority (MODON). Each industrial city has an on-site Administration to handle the day-to-day needs of investors and oversee the site development process.
The primary task of MODON is planning industrial cities in the Kingdom and to encourage establishment, development and management, maintenance and supervision including, but not limited to, the following:

- Implement the strategy to develop the industrial cities;
- Develop rules and procedures relating to the establishment of industrial cities and their development, management, maintenance and operation.
- Propose appropriate locations of land belonging to the state to establish industrial cities and recommend necessary suggestions to the Supreme Economic Council for approval and adoption by the Council of Ministers for specific industrial city. Also, acquire land owned by the private sector and licensing for its development by the private sector for specific industrial cities according to its regulations and executive statute.
- Cooperate with the relevant authorities to provide services and necessary facilities to set limits of industrial cities.
- Encourage the private sector to establish, develop, manage, operate and maintain industrial cities.
- Grant licenses to developers/operators of specific industrial city in accordance with its bylaws.
- Take necessary steps to protect the environment in specific industrial cities in coordination with the relevant authorities.
- Supervise the performance of developers/operators to ensure their commitment to the terms of development and operation, or any one of these; and successful implementation of terms and conditions.
- Seek to resolve disputes amicably between the developers and operators of industrial cities and between specific users or tenants and residents.
- Encourage establishing modern technology zones and their expansion by providing necessary services and support entrepreneurs for their innovative ideas.

**Business Centers**

**SAGIA is committed to enhancing the experience of investing and operating in the Kingdom by serving as an information clearinghouse while providing comprehensive licensing and support services.**

**SAGIA Business Center**

Originally launched as our ‘One-Step Shops’, SAGIA Business Centers support investors by providing them with a single source of information and an ‘under one roof’ application processing service.

The Centers simplify the investment process by bringing together representative offices from all the government departments and agencies related to investors’ needs. The government agencies assist with everything from license approvals and business start-ups to providing Investor Cards – which offer a host of benefits and perks.

At SAGIA Business Centers, you’ll find representation from the following agencies, offering immediate delivery of over 100 different services:

<table>
<thead>
<tr>
<th>Industrial City</th>
<th>Total Area (M²)</th>
<th>City Contact Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riyadh 1st.</td>
<td>451,000</td>
<td>01-265 2061</td>
</tr>
<tr>
<td>Riyadh 2nd.</td>
<td>18,786,000</td>
<td>01-265 2280</td>
</tr>
<tr>
<td>Jeddah 1st.</td>
<td>12,807,000</td>
<td>02-636 4929</td>
</tr>
<tr>
<td>Dammam 1st.</td>
<td>2,704,000</td>
<td>03-847 3331</td>
</tr>
<tr>
<td>Dammam 2nd.</td>
<td>25,487,000</td>
<td>03-812 1019</td>
</tr>
<tr>
<td>Makkah</td>
<td>730,117</td>
<td>02-520 4927</td>
</tr>
<tr>
<td>Qaseem</td>
<td>1,542,934</td>
<td>06-322 0649</td>
</tr>
<tr>
<td>Ahsa</td>
<td>1,543,000</td>
<td>03-3330144</td>
</tr>
<tr>
<td>Madinah</td>
<td>9,949,000</td>
<td>02-636 4929</td>
</tr>
<tr>
<td>Assir</td>
<td>2,663,000</td>
<td></td>
</tr>
<tr>
<td>Al-Jouf</td>
<td>3,000,000</td>
<td></td>
</tr>
<tr>
<td>Tabuk</td>
<td>4,000,000</td>
<td></td>
</tr>
<tr>
<td>Hail</td>
<td>2,560,000</td>
<td></td>
</tr>
<tr>
<td>Najran</td>
<td>6,550,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Area</strong></td>
<td><strong>92,773,051</strong></td>
<td></td>
</tr>
</tbody>
</table>
Investors can also find a range of other facilities, allowing them to meet their business needs without leaving the Center:

- Information Desk
- Legal Advisory
- Financial Advisory
- Managerial Advisory
- Saudi Telecom Company
- Banking Service

**Economic Cities**

Forget everything you know about ‘industrial parks’ and ‘free zones’. Saudi Arabia’s **four new Economic Cities** – fully planned and under construction – are exactly that: new cities, where up to five million residents will live, work and play. Each will be an exciting metropolis, designed to maximise investment potential and deliver huge advantage to businesses located there.

At a cost of more than $60 billion, Saudi Arabia’s economy is being propelled onto a whole new level with the construction of four integrated Economic Cities. This visionary development project will promote economic diversification, create over a million new job opportunities, homes for 4-5 million residents – and, most significantly, contribute $150 billion to Saudi’s GDP.

**Unparalleled standards of living**

Built on specially selected greenfield sites and strategically located around the nation, each city is being planned to the highest possible specification as the ultimate in 21st century urban living and working. Residents and workers will enjoy a virtually unique combination of high-quality housing, modern amenities, excellent sports and recreational facilities and world-class specialist healthcare. International schools will offer global curricula for workers’ children from all over the world while luxurious malls will offer shops and restaurants featuring the finest goods and food from around the globe.

**A benchmark for world-class, sustainable design**

Each city will feature modern building design, world-class services and infrastructure and ubiquitous connectivity. These built-in advantages, combined with attractive investment incentives and a supportive regulatory environment will create significant competitive advantages for business. SAGIA is also working with leading environmental institutions to ensure that the Economic Cities are developed with minimum negative environmental impact and maximum energy efficiency and sustainability.

**The jewel in the crown of KSA’s Economic City development scheme, King Abdullah Economic City is the largest private sector project in the region.**

<table>
<thead>
<tr>
<th>Area</th>
<th>168 million sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Size</td>
<td>US$27 billion</td>
</tr>
<tr>
<td>Jobs</td>
<td>1 million</td>
</tr>
<tr>
<td>Population</td>
<td>2 million</td>
</tr>
<tr>
<td>Zones</td>
<td>Sea Port, Industrial Zone, Central Business District, Waterfront Resort Area, Education Zone, and Residential Zones</td>
</tr>
<tr>
<td>Focus</td>
<td>Ports, Logistics, Light Industry and Services</td>
</tr>
</tbody>
</table>

Located off the Red Sea, between the two Holy Cities of Mecca and Medina and the commercial
hub of Jeddah, King Abdullah Economic City (KAEC) is a dazzling metropolis that’s set to become one of the most important cities in Saudi Arabia. Home to two million people, when completed, it will be the size of Washington, DC.

A diverse and thriving metropolis
KAEC is a prime example of Saudi Arabia’s commitment to encouraging private sector driven development. With numerous incentives and measures in place to promote private sector participation, KAEC’s US$27 billion investment will be entirely funded by private capital - the largest private sector project in the region. The city is being built by a consortium headed by global real estate giant Emaar Properties and a select number of Saudi investors.

Key features
KAEC is made up of six integrated elements.

1. Seaport
The seaport will be the region’s largest with a container capacity exceeding 10 million TEU and a specialty Hajj terminal.

2. Industrial Zone
This will cover 40 million square meters and will be dedicated to industrial and light-manufacturing facilities, hosting up to 2,700 industrial tenants. International experts have been consulted to ensure that the industrial zone is line with environmental best practice.

3. The Central Business District
KAEC will offer 3.8 million square meters of prime office and mixed-use commercial space and features a 14 hectare financial district which will be the region’s largest, playing host to the world’s leading banks and investment houses.

4. Residential and Resorts
KAEC will be the ideal place to live and enjoy leisure time. Hospitality will be world-class with 25,000 hotel rooms planned in more than 120 hotels. KAEC will have 250,000 apartments and 25,000 villas. The retail component of KAEC will cover 8.7 million square meters and house over 50,000 shops.

5. The Education Zone
Education in the city will be first rate, offering high quality, high-performance primary and secondary school education. A number of schools will cater to children in each community and a university campus will accommodate 18,000 students.

6. Key business sectors
Saudi’s unlimited petroleum resources will provide low-cost feedstock for a range of petroleum derivatives including high-end plastics manufactured in the planned Plastics Valley for automotive, biomedical, construction and food packaging applications.

Elsewhere, the city’s state of the art port will make KAEC a global hub for light industries. With its close proximity to resource-rich Africa and the Middle East, the presence of innovative foreign and domestic industries and exceptional access to consumer markets in Europe, Africa and Asia, the city offers a wealth of opportunity.

For more information, please visit: [http://www.kingabdullahcity.com/](http://www.kingabdullahcity.com/)

Rising majestically from the desert, the Prince AbdulAziz bin Mousaed Economic City will be the largest and most modern transportation and logistics hub in the Middle East.

<table>
<thead>
<tr>
<th>Area</th>
<th>156 million sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Size</td>
<td>US$8 billion</td>
</tr>
<tr>
<td>Jobs</td>
<td>55,000</td>
</tr>
<tr>
<td>Population</td>
<td>300,000</td>
</tr>
<tr>
<td>Zones</td>
<td>Logistics &amp; transportation Center, Dry Port, International Airport, Petrochemical Industries Center, Business Center, Knowledge Center, Agriculture industries, Mining Center, Entertainment Area</td>
</tr>
<tr>
<td>Focus</td>
<td>Logistics, agribusiness, minerals, and construction material</td>
</tr>
</tbody>
</table>
Located in the northern-central region of Hail, the Prince AbdulAziz bin Mousaed Economic City (PABMEC) will occupy 156 million square meters of land at the crossroads of key Middle Eastern trade and transportation routes and will make full use of the region’s agriculture, minerals and climate. Representing an investment of US$8 billion, the city is expected to create 55,000 new jobs.

A transport hub for millions
PABMEC will be designed on cluster-based principles with an emphasis on transportation, logistics and supply chain centers. As one of the Middle East’s most advanced transport hubs, PABMEC will include a state of the art dry port, international airport and land freight sector. A new international airport is expected to serve three million passengers per year while the city’s railway station will serve two million passengers annually. The city’s dry port and operation centers will be capable of handling over 1.5 million tons of cargo annually. Meanwhile, expanded railway systems road connections with Jordan, Iraq and Madinah will strengthen flow through the city’s core infrastructural assets.

Key business sectors
As well as being a crucial transport hub for the region, PABMEC will play host to an agro-industrial zone, petrochemical and mining centers and processing and construction materials zones. In addition to its industrial zones, the city will also offer business, residential and recreational sectors and a knowledge center.

With an investment of US$7 billion, the new Knowledge Economic City will play a crucial role in transforming Saudi Arabia into a global force in knowledge-based industry.

### Taiba Complex for Technology and Knowledge-based Economy

<table>
<thead>
<tr>
<th>Area</th>
<th>4.8 million sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Size</td>
<td>US$7 billion</td>
</tr>
<tr>
<td>Jobs</td>
<td>20,000</td>
</tr>
<tr>
<td>Population</td>
<td>150,000</td>
</tr>
<tr>
<td>Zones</td>
<td>Taiba Complex for Technology and Knowledge-based Economy, Technological and Administrative Colleges, Theme Parks, Islamic Civilization Studies Centre, Complex for Medical Studies, Biological Sciences and Health Services, Complete Business Centre, Residential Areas, Passengers station, Commercial Area, King Abdul Aziz Mosque</td>
</tr>
<tr>
<td>Focus</td>
<td>Knowledge Based industries, Tourism and Services</td>
</tr>
</tbody>
</table>

Situated to the east of Al-Madinah, the Knowledge Economic City (KEC) will be a cultural landmark for visitors and a national center for knowledge-based industries.

A superior urban and cultural landmark
Designed in a classic Islamic style, this will be a city of unique character and heritage. Its development will complement the work of the King Abdullah Foundation, creating an alternative central business district for Al-Madinah with improved facilities and infrastructure and a superior urban environment. As well as being a cultural destination, it will be a draw for tourists who will enjoy a raft of exciting facilities including a theme park, world-class hospitality and outstanding retail. KEC plans to create 20,000 jobs in its new industrial, academic, cultural and commercial sectors. It will benefit from strong growth in the local economy, supported by the upgrade to international status of the Prince Mohammed Bin AbdulAziz Airport and the expansion of the Medina Central Zone.

Key features
KEC boasts a number of complementary elements.

Taiba Complex for technology and knowledge-based economy
Supporting technological research and
development in the region, the Taiba Complex’s unique location near Al-Madinah will help it to attract the best talent from around the world. Its extensive facilities and support services will be focussed on a number of areas including E-Government, E-Libraries, E-Education, Arabic-language technologies and technologies for managing religious tourism.

**Technological and administrative colleges**
KEC’s exciting new technological and administrative colleges will attract a huge audience with their suite of advanced technical study options and facilities. These include scientific research laboratories, IT, software development, automation, multimedia and business administration.

**Islamic Civilization Studies Center**
This center will be a hub of intellectual activity, focused on collecting, developing and transmitting the knowledge, values and artwork of Islamic civilization, as well as finding Islamic solutions to contemporary problems (such as designing Islamic banking products).

**Business Center**
In the heart of the city, the business center will accommodate companies operating in Medina, as well as knowledge-based industries. The city is well equipped with an advanced infrastructure, as well as conference halls, exhibition centers and offices designed to accommodate up to 10,000 employees.

**Complex for medical studies, biological sciences and health services**
A specialized medical campus will provide medical services to the visitors and residents of Al-Madinah Al-Munawara while the Complex for Biological Sciences will concentrate on fields critical to KSA and the region, such as vaccine development, crop engineering and biotechnologies for waste and water treatment.

**Transport**
A network of transportation facilities is planned to connect the city to the Holy Mosque in Al-Madinah and to other major economic centers in the country. A central transportation station will connect the city with Prince Mohammed Bin Abdul Aziz International Airport and the city with Makkah, Yanbu, King Abdullah Economic City and Jeddah.

**Lifestyle**
Both tourism and commerce will be supported by planned commercial complexes, residential and hospitality facilities, a theme park and a mosque capable of accommodating 10,000 worshippers.

For more information, please visit: [http://www.madinahkec.com/](http://www.madinahkec.com/)

As KSA’s most prestigious, state of the art industrial zone, Jazan Economic City offers an unparalleled environment for energy intensive industries.

<table>
<thead>
<tr>
<th>Area</th>
<th>100 million sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Size</td>
<td>US$27 billion</td>
</tr>
<tr>
<td>Jobs</td>
<td>100,000</td>
</tr>
<tr>
<td>Population</td>
<td>300,000</td>
</tr>
<tr>
<td>Zones</td>
<td>Industrial Park (will occupy 2/3 of the City), Sea Port, Agriculture repackaging and distribution, Fisheries, Business and Cultural Center, Health &amp; Education Areas</td>
</tr>
<tr>
<td>Focus</td>
<td>Heavy Industries, Lifestyle, Agro Industries, and People Development</td>
</tr>
</tbody>
</table>

Located 60km northwest of Jizan City, Saudi’s most important port on the Red Sea, Jazan Economic City (JEC) is a state of the art industrial city that is geared to become an important logistics hub, a major destination for regional raw materials and an export platform for global consumer markets. As such, it’s expected to attract more than SAR 100 billion in investment and create 100,000 new jobs.
Excellent access to export markets
The city will benefit from two key advantages; its location, close to the main trade routes between Europe, Asia and Africa, means it will have excellent access to these export markets plus it will become a strategic point for receiving raw materials from surrounding countries that currently lack processing facilities.

Key features
JEC will feature a seaport, an industrial zone, a commercial business and cultural center, residential areas, public amenities such as hospitals and schools, as well as other academic and vocational training institutions.

Industrial zone
This will account for more than two-thirds of the overall project and will include a modern oil refinery and integrated petrochemical complex, a 500,000 tons per annum steel reinforcing bar and direct-reduced-iron factory, a copper refinery and smelting facility, fisheries, and an agro-industrial area to assist the development of local industry. The industrial zone will also include an aluminum complex with an integrated aluminum refinery which, it’s expected, will create 12,000 new jobs.

Transport
A large-scale investment campaign is planned for the new seaport and dry dock, an international airport, a proposed road running east, and a planned rail connection to Jeddah. These links will bolster JEC’s access to world markets while creating substantial opportunities for transport and logistics players.

Power and water
A 4,000 megawatt power and desalination plant will cater to JEC’s energy-intensive industries while generating excess capacity to be sold into the grid. The plant will provide about 200,000 cubic meters per day of potable water.

Commercial business district
A commercial business district is planned at the heart of the city, along with facilities supporting education, vocational training, recreation, sports, culture and worship, conventions and exhibitions, and civic administration.

Lifestyle
With planned apartments, villas and hotels surrounding a marina cove and developments extended into lush, green waterways, the city will offer stunning ocean views and sea breeze in a tranquil natural setting. State of the art energy conservation technologies will be employed in all buildings, especially the power intensive industrial facilities making the city a global leader in environmental best practice.
For more information, please visit:  

Quality of Life
Long a home to foreign workers and visiting executives, Saudi Arabia offers an exceptional array of secure, comfortable, luxurious living arrangements for short-term and long-term visitors that provide an enjoyable experience of advanced modern life.

The Kingdom's famous compounds offer first-rate security in a country with already extremely low crime rates, as well as impressive entertainment and leisure facilities such as swimming pools, supermarkets, fitness clubs, bowling alleys, and even golf courses.

Workers bringing their families to the country can share all of these amenities with the many other expatriate families leading comfortable lives in Saudi Arabia, along with an array of first-rate international schools for their children in every city. State-of-the art health facilities are located throughout the country, staffed by physicians and specialists from across the world.

In addition to these essentials, visitors to Saudi Arabia can enjoy an endless array of unique and distinctive activities, whether they are looking for spectacular cultural sites, sporting events, shopping, or simply a desert picnic under the stars.

Perched on the southeast coast of the Arabian Peninsula, Oman, under the enlightened leadership of H.M. Sultan Qaboos Bin Said, has been encouraging market-oriented policies and private sector development as the mechanism for prosperity and growth. Consequently, Oman has emerged as a modern State with world-class infrastructure in transport and communication, and the government and people continue to forge confidently ahead along the path of comprehensive development in political, economic and social sectors.

Oman is also known for its popular tourist attractions. Wadis, deserts, beaches, and mountains are areas which make Oman unique to its neighboring GCC nations (Wadis in particular). Jebel Shams is Oman’s tallest mountain, highest point, and is a popular destination for camping. Most of the major malls are located in Muscat, the capital, the largest being the Muscat City Centre. Other popular tourist activities include sand skiing in the desert, mountain-climbing, camel racing, and camping.

The Muscat Festival is usually held at the beginning of every year. During this event, traditional dances are held, temporary theme parks open, and concerts take place. Another popular event is the Khareef Festival, which is similar to Muscat Festival; however it is held in August in Salalah, Dhofar. During this latter event, mountains are packed as a result of the cool breeze weather during that period of time which rarely occurs in Muscat.

**EXPORT**

**NON-OIL OMANI ORIGIN EXPORTS**

The non-oil Omani origin exports increased from RO. 173 million during the year 1996 to RO. 1963 million in 2008 registering a Compounded Annual Growth Rate of 22%
**Major activities:**

1. To develop Strategy for Non-Oil Omani origin exports
2. To provide Trade and Market Information to the exporters:
   - Trade Statistics for International Business Developments through TradeMap
   - Business information for going global through ProductMap.
   - Comprehensive source of tariffs and market access measures through Market Access Map
   - Countries market analysis profile through Country Map
   - Generalized System of Preferences for Omani Products.
   - Market Reports for select products in target countries
3. To organize matchmaking meetings between Omani exporters and international importers by participating in the international exhibitions, Trade Missions and inviting buyers.
4. To Organize Workshop / Seminars on International Trade.

- Focus product categories (thrust products) and countries (target markets)
- Opportunities to leverage the GCC Customs Union and various FTAs signed / on the anvil – Arab FTA, FTA with USA, GCC-EU FTA and GCC- India FTA
- Ways and means to help Omani companies to market their products to the target markets
- Support services required to facilitate the achievement of the target
- Roles of various organizations in providing these support services

<table>
<thead>
<tr>
<th>TARGET MARKETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Arab Countries</td>
<td>Non-Arab Countries</td>
</tr>
<tr>
<td>Yemen</td>
<td>Kenya</td>
</tr>
<tr>
<td>Syria</td>
<td>Tanzania</td>
</tr>
<tr>
<td>Sudan</td>
<td>Iran</td>
</tr>
<tr>
<td>Libya</td>
<td>Ethiopia</td>
</tr>
<tr>
<td>Iraq</td>
<td>EU</td>
</tr>
<tr>
<td>Algeria</td>
<td>USA</td>
</tr>
<tr>
<td>Jordan</td>
<td>India</td>
</tr>
</tbody>
</table>

Click here to download the Executive Summary

**Investment**

The Sultanate of Oman, one of the most progressive countries in the Middle East, has achieved remarkable growth in all sectors of economy during the past years and is well on its course for excellent growth. Though oil remains single most important source of revenue, the expansion of non-oil sector is expected to make the growth and development process of Oman more sustainable in the long run.

The Sultanate encourages foreign capital that will enhance the overall development of the country. It should supplement local investment in utilizing its untapped resources, facilitate transfer of technology, know-how and managerial skills, and getting benefit from the worldwide connections of multinational corporation in opening new markets for Oman products.
Oman is committed to a policy of open market economy based on free competition in which the Private Sector is encouraged and facilitated to play leading role. World class infrastructure facilities, incentives packages, attractive corporate tax and tax holidays, simplification of ‘doing business procedures’ and transparent corporate governance has made Oman as an attractive destination for investment.

**Doing Business in Oman**

There are several positive features in the economic policy and environment of Oman that encourages the flow of investment into Oman. The government is continuously engaged in making the investment climate as conducive and investor-friendly as possible. Oman’s Foreign Capital Investment Law has been liberalized, permitting 70% foreign participation in companies automatically in most of the sectors and even 100% foreign capital investment is permitted for projects of national importance. The Law on Income Tax for companies has been amended providing for completely non-discriminatory treatment between fully Omani owned companies and other companies incorporated in Oman irrespective of the extent of foreign participation. An array of incentives are offered and the in the Ministry of Commerce & Industry a “One-Stop-Shop” for assisting the domestic and foreign investors in obtaining all required clearances quickly and from one window has been established. For an executive overview on investment climate, taxation and legal aspects please refer to [Doing Business in Oman](#).

**Recent Development**

A judicious macro economic strategy has ensured a strong economy for Oman and the preliminary estimates indicate a GDP growth rate at current prices about 40 percent in 2008. Oman’s economy has remained strong, not only due to the continued strength of international oil prices, but also due to various diversification activities. The economic diversification program made headway with the commissioning of many mega gas-based projects including Oman Polypropylene, Oman Methanol and Sohar Aluminium and several other projects are expected to go on stream shortly. Non-oil activities are expected to register a growth rate at 26.7 per cent and tourism, which is one of the main sectors targeted by the economic diversification strategy, grew by 22.3 percent in 2008.

The Executive Board of the International Monetary Fund (IMF) has commended Oman’s authorities for the country’s strong growth performance over the past few years, despite declining oil production. The Board of Directors welcomed, in particular, the steady progress in implementing structural reforms that has contributed to strong non-oil output growth. Oman has systematically been liberalizing its economy to ease the path for investment particularly overseas investment, and has introduced a number of policy and legislative changes to support this. For more information related to Oman’s economy, major projects under developments and commercial and administrative developments please refer to [A Summary of Economic, Commercial and tax developments in 2008](#).
Opportunities

Services Infrastructure - US $ 11.7 billion
Opportunities for: Contractors, Architects Quantity Survey
- Southern Express way, flyovers and road networks
- Dams and sanitary networks
- Water desalination plants
- Water resource development
- Residences, Shopping Malls, Commercial Complexes
- Air Port and Sea Port New/Expansion

Education & Health services

Services Oil & Gas - US $ 19 billion
Opportunities for: EPC Logistics Trade Supply Service and Training
- Exploration
- Production
- Transport
- Technology Innovation
- Service & Maintenance

Downstream Industrial projects

Services Tourism - US $ 20 billion
Event Management, Advertisement, PR, Tour Operators, MICE, Hotel Operators
Restaurants Leisure Management
- The Wave Resort
- Muscat Golf & Country Club
- The Blue City
- Ras Al Hadd
- Seafah Resort
- Salam Resort
- Convention Center
- Shinas Resort

Ras Al Hamra Resorts

Services Information Technology
IT Consulting, Data Center Management, System, Integration Training Call Center Software Development, Business Process

Outsourcing
- E-legislation
- Higher Education
- One Stop Shop
- National Statistic Online
- E-payment Gateway

E-Tendering

Services Others
- Management & Professional Institutes
- Specialized Industrial Training
- Venture Capital
- Financial Services
- International Trade
- Logistics

Insurance Services

The Omani Centre for Investment Promotion and Export Development (OCIPED) is a Government establishment, formed by a Royal Decree No. 59/96 dated 26th June 1996 of the Sultanate of Oman. The Centre aims at increasing the contribution of the Private Sector to the investments required for the development plans and promoting the export of Omani products to foreign countries to improve the balance of trade of the Sultanate.

The Working Group at the Centre operate under the guidance of the Board of Directors

OCIPED: Our Vision statement
Creation of wealth through investment promotion and export development

Our Mission
- Individual’s right to choose in commercial transitions.
- Ability to voluntary exchange goods and services.
- Freedom to compete.
- Protection of personal, intellectual and property rights.
- Ability to access to sound money.

Investment Promotion
The services rendered by the Directorate General of Investment Promotion are listed below:
- Providing information on investment climate, laws, procedures and also
• Organizing visit program and matchmaking meetings for foreign investors.
• Assisting investors to obtain various government approvals and obtaining debt funding from government or from commercial banks.
• Reviewing the project proposals prepared by the investors and advising them on the appropriate entry strategy for setting up operations.
• Assisting local investors to identify potential foreign partner and vice versa.
• Organizing Road shows or participating in International seminars in various countries to promote Oman as a destination for investment.
• Reviewing the investment laws, regulations and procedures and making recommendations to appropriate authorities for removing impediments for investment in coordination with private sector.
• Organizing local seminars and programs to encourage private sector initiatives for investment promotions.
• Supporting the existing companies to identify international partners.
• Carrying out specific studies related to investment promotion.
• Organizing various publicity programs and developing promotional materials.

Export Development
The services rendered by the Directorate General of Export Development to the Omani Industries are listed below:
• Providing Market information to exporters.
• Disseminating export enquiries to exporters.
• Providing information on Omani companies to importers.
• Organizing Matchmaking meetings between Omani exporters and International buyers.
• Providing assistance to exporters through OCIPED and its representatives.
• Organizing Seminars / Workshops to update the exporters.
• Promoting Omani products by participating in international exhibitions.
• Participating and organizing trade delegation abroad.
• Bringing out promotional materials and publications.
• Conducting export related market studies for Omani products.
• Conducting export strategy for Oman and contributing to the export promotion policies of the Sultanate.
• Developing Internet based trade information database.

Useful Links
Oman’s law offices
Private Sector / NGOs
Banks, Finance, Insurance & Investment
Media
Insurance & Investment
Government Sector
Public Sector
Foreign Missions in and out of Oman
Hotels
Rent-A-Car
Hospitals
Important Links for Tourists

Government Sector
Investing in the Gulf Countries

Pearl Book

of Commerce & Industry  www.mocioman.gov.om
Ministry of Education  www.moe.gov.om
Ministry of Finance  www.mof.gov.om
Ministry of Foreign Affairs  www.mofa.gov.om
Ministry of Health  www.moh.gov.om
Ministry of Heritage and Culture  www.mhc.gov.om
Ministry of Higher Education  www.mohe.gov.om
Ministry of Information  www.omanet.gov.om
Ministry of Interior  www.moi.gov.om
Ministry of Justice  www.moj.gov.om
Ministry of Legal Affairs  www.mola.gov.om
Ministry of Manpower  www.manpower.gov.om
Ministry of National Economy  www.moneoman.gov.om
Ministry of Oil & Gas  www.mog.gov.om
Ministry of Regional Municipalities, Environment  www.mmrmewr.gov.om
Ministry of Social Development  www.mosd.gov.om
Ministry of Sports Affairs  www.sportsoman.com
Ministry of Tourism  www.omantourism.gov.om
Ministry of Transport & Communications  www.comm.gov.om
Muscat Municipality  www.mctmnet.gov.om
National Survey Authority-Mod  www.nsaom.org
Oman Equestrian Federation  www.omanet.gov.org
Port Services Corporation  www.pscoman.com
Royal Air Force of Oman  www.rafo.gov.om
Royal Navy of Oman  www.wo.gov.om
Royal Oman Police  www.rop.gov.om
State Council  www.statecouncil.gov.om

Management Company  www.omanairports.com
Oman Cables Industry  www.omanairports.com
Oman Center For Traditional Music  www.omanart.org
Oman Chamber of Commerce And Industry  www.chamberoman.com
Oman Charitable Organization  www.oco.org.om
Oman Commercial Office in Dubai  www.ocodubai.com
Oman International Trade & Exhibition  www.ite.com
Oman Liquefied Natural Gas  www.omanlng.com
Oman Mobile  www.omanmobile.com
Oman National Engineering and Investment Company  www.onec.org
Oman National Transport Company  www.ontcoman.com
Oman Telecommunication Services Company  www.omanwsc.com
Oman Wastewater Services Company  www.omanwsc.com
Oman Yellow Pages  www.omantel-yellowpages.com
Omani Centre for Investment Promotion  www.ocipe.com
Omani Products Website  www.omaniproducts.com
Petroleum Development Oman  www.pdo.co.om
Public Authority For Craft Industries  www.paci.gov.om
Public Authority For Social Insurance  www.taminat.com
Public Establishment For Industrial Estates  www.peie.com
Salalah Port  www.salalahport.com
Secretariat General For State Audit  www.sgsa.com
Sultan Center  www.tscoman.com
Sultan Qaboos Cultural Center  www.sqcc.org
Telecommunications Regulatory Authority  www.tra.gov.om

Source: OCIPED OMAN - www.ociped.com/2010/01

Public Sector

Authority For Electricity Regulation  www.aec-oman.org
Capital Market Authority  www.omancma.org
Civil Aviation & Meteorology  www.met.gov.om
Directory of Institutes  www.institutes-oman.com
Geological Society of Oman  www.gso.org.om
Information Technology Authority  www.ita.gov.om
Knowledge Oasis Muscat  www.kom.org
Muscat Depository & Securities Registration  www.csdoman.co.om
Muscat Securities Market (MSM)  www.msm.gov.om
Oman Airports

Public Sector

Authority For Electricity Regulation  www.aec-oman.org
Capital Market Authority  www.omancma.org
Civil Aviation & Meteorology  www.met.gov.om
Directory of Institutes  www.institutes-oman.com
Geological Society of Oman  www.gso.org.om
Information Technology Authority  www.ita.gov.om
Knowledge Oasis Muscat  www.kom.org
Muscat Depository & Securities Registration  www.csdoman.co.om
Muscat Securities Market (MSM)  www.msm.gov.om
Oman Airports
WHY QATAR?

Overview
Qatar offers businesses a uniquely central location at the hub of Middle East and European trade and heart of decision-making. Geographically, the region’s immediate neighbors are UAE, Bahrain, Kuwait, Saudi Arabia and Oman.

Along with that Qatar provides businesses with rapid access to leading markets and suppliers. In the year 2000, the “Government of the State of Qatar” carried on its efforts to implement its policies aiming at diversifying income sources and developing the economic infrastructure. It intensified its efforts to provide the best possible utilization of its hydrocarbon wealth. As a result, several steps were taken to accomplish these objectives.

In the first place, the government has expanded exploration projects in oil and gas fields, and offered incentives to attract foreign investors to carry out similar projects in Qatar. In this regard, it has issued several laws to simplify investment procedures and liberated economy and developed the techniques of marketing gas from giant plants.

Parallel to this, the government implemented an economic policy in public expenditure and diversified sources of national income to include non-oil sources. Consequently, the country has witnessed tremendous economic improvement manifested by surplus in current account of expenditure scale, reduction of deficit in general budget and stability of inflation and exchange rates. The national economy has been developed tremendously during the past few years which were reflected positively on the general economic performance.

Gross Domestic Product (GDP)
According to the Qatar Statistics Authority the economy of Qatar has achieved a remarkable growth during the second quarter, April/June 2008 in various economic activities, Estimates indicate the “GDP” reached QR 96,169 Billion, compared with QR 59,820 Billion during corresponding quarter, April/June 2007 with a growth rate of 60.76%. While it reached QR 84,309 Billion during the preceding quarter, January/March 2008, with a growth rate of 15.35%. for more details please visit www.qsa.gov.qa

Growth Rate
According the Qatar Central Bank’s Statistical Bulletins the GDP” Growth Rate for the for the year of 2008 has achieved a remarkable growth during the first quarter, January/March 2008 9.2% for more details please visit www.qcb.gov.qa

Monetary Policy
The monetary management in Qatar is implemented by Qatar Central Bank (QCB) which was established by Law No. 15 in the year 1993 it is called the Qatar Monetary Agency (QMA). The main objective of the Qatar Central Bank (QCB) is to regulate the monetary, credit and banking policies in accordance with the general plans of the State in order to support the national economy and the stability of the currency. QCB has full powers over the monetary policies of the State, and supervises and controls banks and financial institutions.
Domestic Liquidity
The Domestic Liquidity increased by 27.5% during the first half of 2008 to reach a record level of QR 150.0 Billion compared to QR 117.6 billion as at year-end 2007.

Exchange Rate Policy
During the first half of 2008, the Qatari Riyal is officially pegged to the US dollar at a rate of 1 US$ = QR 3.640, and making a slight gain against the Sterling Pound by 1.4%.

Interest Rate Policy
The “QCB” Qatar Central Bank imposed a ceiling on interest rates offered by commercial banks on credits and Deposits. for second quarter, April/June 2008
The Lending rate at 5.50%, & the Deposit rate at 2.00%.

Foreign Trade
- Exports
Qatar’s Exports increased by 23.4% in 2007, to reach QR 152.951 billion, from QR 123.945 billion in 2006 the preliminary export data obtained from “QCB” Qatar Central Bank, the significant increases in export revenues comes from export of crude oil which continuing rally in oil prices, along export of LNG, chemicals and related products, and iron and steel.

- Import
Qatar’s imports (fob) increased by 33.8% in 2007 to reach QR 72.158 billion, from QR 53.911 billion in 2006 Preliminary data on imports obtained from the “QCB” Qatar Central Bank, show that Qatar’s Main items of import in 2007 consisted of machinery and mechanical appliances, base metals, Vehicles and transport equipment, and food products.

Investment Incentives
Qatar welcomes foreign participation in joint ventures through technology supply, market administration and equity participation. The Government offers several attractive incentives for joint ventures, such as:

The Main Incentives
Own up to 25% foreign investment in Qatar Shareholding Companies (QSCs) listed on the Doha Securities Market. [www.dsm.com.qa]
Ownership of properties and residential units in the “Pearl of the Gulf Island”, the “West Bay Lagoon”, and “Al Khor Resort Project” for 99 years & renewable for similar terms (Ref: Law No. 17 of 2004).
Investing in the banking and insurance sectors upon a decision of the Cabinet of Ministers. (Ref: Law No. 31/2004).
Entry visa and Residency Permit can be issues due to interests under the Foreign Investment Law & the Foreign Ownership of Real Estate Law. (Ref: Law No. 2 of 2006).
Allot a piece of land to set up investment project for a period not exceeding 50 years renewable (Ref: Law No. 13 of 2000).
No custom duties on imports of machinery, equipment & spare parts Intermediary goods Liberal immigration and employment rules to enable import of skilled and unskilled labor No export duties and no taxes on corporate profits for pre-determined periods. Securing loans from Qatar Development Bank. See: [www.qidb.com.qa]
**Others Government’s Incentives**
Providing the investors with all the necessary information and data they need. Easy access to world markets with first class air and sea connections. Stability and clarity of laws and rules, which contain the required guarantees. Stability and flexibility of foreign exchange and its rate. Excellent telecommunications facilities. Excellent medical and educational facilities.

**Quality of Life**

**Climate in Qatar**
According to its geographical location and climate, Qatar is classified as a hot subtropical desert; very hot and muggy between June and August and pleasant between November and February. It has arid; mild, pleasant winters; very hot, humid summers. The average annual rainfall is 81 mm, average maximum temperature is 31°C and average minimum temperature 22°C.

**Language**
Arabic (official), English commonly used as a second language.

**Social Customs**
The importation and consumption of alcohol is strictly regulated. However, liquor permits may be obtained by foreign employees and the major hotels are allowed to serve alcohol to guests in restricted areas. Qatar prohibits the brewing and trafficking in alcohol. Drunken behavior in public or driving under the influence of alcohol is an offense punishable by imprisonment, a fine or both and revocation of the offender’s driving license. Importing and using narcotics is illegal and punishable by heavy penalties. The possession of material deemed obscene is also punishable by a prison sentence. Qatar bans all pork products.

**Finance & banking**
Economic growth has naturally brought increasing demand for banking & financial products and services. The total domestic credit facilities increased by 24.4% during the first half of 2008 to reach QR 182,038 million, compared to QR 146,329 million as at year-end 2007. The Qatari banking sector comprises of a combination of national and foreign banks. A total of 17 banks currently operate in Qatar, nine of which are Qatari institutions, including six commercial banks and three Islamic institutions also represented is the local branches of seven foreign banks. The Work, is now underway to ensure all financial institutions active in Qatar can operate in a high-quality legal and financial services environment, benchmarked to international standards the Government of Qatar announced an ambitious plan to integrate all banking, insurance, capital markets, securities, asset management and other financial services into a single, on-shore jurisdiction under the control of a sole financial regulatory body that, after a suitable transition period, will apply a single set of laws to all regulated institutions.

**Education**
The State of Qatar has adopted an ambitious educational reform program that is designed to give Qatari students the necessary skills and knowledge that are required for pursuing advanced studies in Qatar and abroad and provide the state with qualified human resources for the local job market. Reform is underway and started with the creation of the Supreme Education Council (SEC), which is tasked with directing education policy at all stages. One of its first
steps was to set up independent schools, which is a government-funded school that is granted autonomy to carry out its educational mission and objectives while being held accountable to terms agreed to in an operating contract. All Independent Schools must meet established curriculum standards in Arabic, English, mathematics and science, as well as comply with periodic financial audits. Tuition is free for Qatari’s and others eligible for public education. Along with this The State of Qatar, establish Qatar Foundation which using innovative strategies and programs focusing on capacity building and character development at the heart of Education City are six universities, Qatar Science and Technology Park, which is situated there, as a base for research, turning the dream of a knowledge-based economy into a reality. For benefits that are more valuable, please visit: www.english.education.gov.qa & www.qf.org.qa & www.qu.edu.qa

Health Care
Besides being distinguished by its comprehensiveness, diversity and efficiency in terms of equipment and human resources, health care in the State of Qatar is based on the sober philosophy that medical care should be available for all residents of Qatar, citizens and expatriates alike. Health care establishments, cadres, curative and preventive medical services, and equipment have undergone substantial upgrading and improvements. Qatar has an opportunity to create a health care system that will provide the most effective and advanced health care to its people and to become a model for the world to follow. His Highness the Emir created the NHA in 2005 and gave it responsibility to guide reform in Qatar in order to establish one of the world’s most admired and renowned health systems. For more information please visit: www.nha.org.qa

Hamad Medical Corporation (HMC), the premier non-profit health care Established by Emiri decree in 1979 has rapidly developed highly specialized medical facilities capable of providing state of the art diagnosis and treatment of diseases that previously could only be managed in overseas medical centers. for more information please visit www.hmc.org.qa

Sports
the Football is the national sport, the national team have achieve several achievements by win the 15th Asian games gold medal in 2006 & the gulf cup in Doha2004 .
On Oct. 25 2007 Doha launched its bid for the 2016 Summer Olympics, and hosting the Olympic and Paralympic Games in Doha in 2016 will extend the Olympic ideals to millions of new hearts and minds. This would unleash the power of the Olympic Movement and peaceful sport to create understanding, hope and change that could unite the entire region with the rest of the world. For more information, please visit www.doha2016.org

As part of the State’s commitments for hosting the 2006 Asian Games, the games Qatar build a $700 million ‘sports city’ which include 5,000 apartments for athletes and sports officials to www.doha-2006.com. This have herald the first ever major sporting event of such a magnitude in the region.

The Government also has started to sponsor many premier sporting events to attract. World-class sports personalities and supporters. The Khalifa Tennis and Squash Complex annually host Qatar ExxonMobil Open 2009 commencing
Housing & Utilities
The State of Qatar attempts to create the optimum living conditions for its citizens. This is done through raising health, economic and social standards and providing suitable housing that is appropriate to the size, needs and social customs and traditions of each family. The Credit facilities extended by commercial banks to the land, housing and construction sector increased by 77.6% during the year 2007 to reach QR 27,966 million, compared to QR 15,745 million in 2006. The Government provides housing for citizens. It consists of the following facilities purchased:

- The size of the plot in Doha be a minimum of 625 square meters, and outside the capital city the minimum size has been fixed at 1000 square meters.
- The limit for Doha is QR1280 per square meter, while on the city outskirts it is QR800 per square meter.
- The area of the plot should have prior approval of Urban Planning and Development Authority.
- The housing loan amount, has been raised to QR1.2m from QR600,000.

For benefits that are more valuable, please visit www.up.org.qa and www.qidb.com.qa.

Barwa Real Estate has announced Barwa Housing Program (which is located in two separate areas one in “West Al Saliya” and the other at “Musaiimeer” in South Doha). With 1984 housing units are constructed in the two locations. The Mesaiimeer area will have 992 double bedroom and triple bedroom apartments, have been signed with more than 650 beneficiary families that are getting ready for occupation. The delivery of these units will happen in February, 2009. For benefits that are more valuable, please visit: www.barwa.com.qa.

Transport

Cars
Cars can be rented on most foreign licenses. Foreigners resident in GCC countries can rent a car if they can show a residence visa from their country of residence. Avis, Budget and Euro car rates per day for a small car, including insurance and unlimited mileage, is about QR150. There are rental desks at the airport and also in some hotels. There is also an agency in Doha -- Al-Muftah Rent-A-Car on Musheireb Street -- which often gives rates cheaper than QR150 per day.

Business Environment in Qatar
Economic Reform Procedures
Qatar is reforming its economic policies to cope with the effects of the declining oil prices, reduce financial imbalances, reassure and stimulate the private sector and continue the effort to intensify diversification, economic flexibility and liberalization.

The effort was very successful and resulted in the establishment of enterprising petrochemical and other heavy industries. The present decline of oil prices gives a strong motivation to intensity efforts, start privatization programmed, remove obstacles impeding private investment and growth and...
enhance economic performance efficiency by restructuring the state’s budget.

On the other hand, the state is concerned with preparing draft laws which stipulate that non-Qatari investors can own more than half of the shares of joint ventures, alongside with other incentives aiming to stimulate the contribution of the private sector in the development process.

The Ministry of Finance, Economy and Commerce has signed a number of agreements with several countries on economic, commercial and technical cooperation, joint mutual investment protection and tax duplicity prevention in line with the state’s efforts to strengthen economic relations with the world and consequently attract foreign investments and facilitate exchange of capitals with foreign markets. The importance of these agreements is reflected in the legal guarantees they provide for the economic activities of national and foreign investors inside Qatar and abroad. Reforms are carried out in a setting of a democratic background.

His Highness the Emir has announced the formation of a committee responsible to draw out a permanent constitution and prepare for the election of a new advisory council by direct and free ballot.

This will give the country a good image and make investors more confident when they know they have all the guarantees in a State where law and order are prevailing.

**Tourist Visa**

To apply for tourist visa one of the registered hotels in Qatar, must submit an Application to the Immigration Department (Airport Visa Section). Visa is usually issued within 24 hours, is valid for 14 days, and can be extended for another 14 days. Citizens listed under 33 countries are issued visitor entry visas before arriving at the border. The service is provided 24 hours a day.

**Business Visa**

To apply for business visa a company or a recognized establishment must submits an application to the Immigration Department (Airport Visa Section). Visas are usually issued within 24 hours, are valid for 14 days, and may be extended for another 3 months. The Businessmen holders of passports of certain countries “United States, Britain, France, Italy, Germany, Canada, Australia, New Zealand, Japan, the Netherlands, Belgium, Luxembourg, Switzerland, Austria, Sweden, Norway, Denmark, Portugal, Ireland, Greece, Finland, Spain, Monaco, the Vatican, Iceland, Andorra, San Marino, Lichtenstein, Brunei, Singapore, Malaysia, Hong Kong, South Korea”. Can get direct entry visa without obtaining previous visas at borders of the state. The visa is valid for 2 weeks and renewable for another 2 weeks and the service is provided 24 hours a day. GCC residents are granted a visa at the Airport. The visa is valid for 14 days and may be extended for another 14 days.

**GCC Residents Visa**

GCC residents are granted a visa at the Airport. The visa is valid for 14 days and may be extended for another 14 days.

For more information & applying on line please visit:


**Investment Atmosphere**

Qatar is taking active steps to make itself more investor friendly, with economic and financial stability It enjoys a very high degree of political, social and internal stability, good and balanced relations with all countries of the region and a distinguished geographical location and international standing, which created a healthy investment atmosphere and made the country an ideal place of opportunity where investors can realize substantial profits. The economic and financial stability has also helped to establish the supporting
infrastructure required to increase the activities of the non-oil economic sectors. According to Qatar Central Bank, this sector’s contribution to total GDP during the second quarter, April/June 2008, of 39.4% of total GDP during the second quarter, April/June 2008, the foreign investors may invest in all sectors of the national economy. Provided that they shall have, Qatari partner(s) whose share in the capital shall not be less than 51%, and the company is legally established in accordance with provisions of law.

The foreign investors may, upon the Minister’s decision, increase their share in project capital from 49% up to 100% in the fields of agriculture, industry, health, education, tourism, development and exploitation of natural resources, energy or mining. For more details regarding to that please refer to the Law No. (13) of the year 2000, Law No. (31) of the year 2004 on Amendment of some provisions of Law No. (13) of the year 2000.

The foreign investors may investing in the banking and insurance sectors upon a decision of the Cabinet of Ministers. (Ref: Law No. 31/2004).

Investors can own up to 25% foreign investment in Qatar Shareholding Companies (QSC’s) listed on the Doha Securities Market.

Ownership of properties and residential units in the “Pearl of the Gulf Island”, the “West Bay Lagoon”, and “Al Khor Resort Project” for 99 years & renewable for similar terms (Ref: Law No. 17 of 2004) & Entry visa and Residency Permit can be issued due to interests under the Foreign Investment Law & the Foreign Ownership of Real Estate Law. (Ref: Law No. 2 of 2006).

Manufacturing Sector
This sector is the third largest contribution to GDP among non-oil and gas sectors in 2007, at a growth rate by 20.8% at current prices, contributing QR 19,511 million which represent 7.5% of total GDP. The Manufacturing Sector started to invest in industries and contributed in establishing small and medium-scale industrial projects in the fields of oil, gas, petrochemicals, fertilizers, and steel, which utilize natural gas as feed-stock and/or fuel. Including textiles and footwear, household articles, production of flour, cement, concrete, plastics manufacture and marketing of products in local and international markets. This sector is strongly supported by the Government as a part of a general policy to diversify income sources and to maximize the utilization of Qatar’s natural resources. The government has organized annually exhibition “Made in Qatar 2009” More than 300 companies are participating to display and promote local products. & aims to highlight Qatar’s most ambitious industrial projects as well as all national industries from different sectors.

Oil Sector
Qatar’s oil reserves stood at 25.7 billion barrels in December 2007. The State of Qatar conducts its vision for oil operations industry through State-owned Qatar Petroleum (QP), which manages Qatar’s oil, gas, fertiliser, petrochemicals and refining enterprises in Qatar and abroad. QP has in its new five-year plan (2008 - 2012), budgeted an overall QR 222.7 billion for projects in crude oil, natural gas, gas-to-liquids, refining, petrochemicals, industrial cities and others for more details’ please visit: www.qp.com.qa.
Natural Gas sector
Qatar’s Natural Gas Proven reserves currently estimated at over 902 trillion cubic feet (tcf), which is equivalent to about 162 billion barrels of oil. These reserves would translate into 14% of the world total and will be sufficient to support planned production of natural gas for over 200 years. QP has initiated and developed two major LNG projects with foreign shareholders for utilizing the North Field gas for exports in the form of LNG. These projects are Qatar gas, and Ragas, which currently operate LNG facilities with a combined production capacity of around 31 million tons per annum for more details’ please visit: www.qatargas.com & www.rasgas.com.

Privatization Program
The State of Qatar has completed the transformation of Qatar Public Telecommunication into a joint stock company under the name of Qatar Telecom. This was the first phase of privatization program prepared in collaboration with the World Bank. 45% of the shares of (Q-TEL) were offered for sale for all investors without exception, which reflects the strong resolve of the government to involve the private sector in the development process and which is considered a daring step to attract foreign capitals to participate in successful Qatari projects.

The privatization programmed serves the strategic objectives of realizing economic development, upgrading the performance of companies and improving the standard of services extended to citizens and residents. Privatization shall doubtless help in vitalizing the activities of the Qatari bourse.

It is seen as a means of achieving a number of goals including contributing to remedy the budget deficit, reducing administrative and financial burdens, increasing economic growth rates, reducing the prices of commodities and services and enlarging the ownership base in society. The privatization programmed carried out by the state is expected to cover other giant establishments. Privatization drive has been introduced to Qatar relatively late.

However, it is now on track moving consciously in accordance to plans aiming to restructure the country’s economy, taking into consideration all factors that could affect the banking system and the size of liquidity available inside and outside the country.

Qatar Science & Technology Park:
A free-trade zone, 100 % foreign ownership making it easy and attractive to establish a technology-based company in Qatar. It is a home for technology-based companies from around the world, and an incubator of start-up enterprises. We provide premises, services and support programs that help organizations to develop and commercialize their technology. For benefits that are more valuable, please visit: www.qstp.org.qa.

Qatar Financial Center
Attract international financial institutions and multi-national corporate to establish them in a best-in-class international financial centre in Doha – Qatar has become a significant player in the global economy. The Centre has been designed to attract international financial services institutions and major multi-national corporations to share in the vision of a long-term and mutually beneficial partnership with Qatar. For benefits that are more valuable, please visit: www.qfc.com.qa & www.qfcr.com.

Doha Securities Market
Find opportunities to invest savings in stock trading carry out studies and collect data and information on bonds exchanged in the market now the investors can Own up to 25% foreign investment in Qatar Shareholding Companies (QSC’s) listed on the Doha Securities Market. The capital value of Doha Securities Marked rose...
towards QR 279 Billion, the end of 2008. The continuation of the capital value upturn at the Qatari bourse reflects the good standing of the listed Qatari companies and the credibility of the Qatari economy. For benefits that are more valuable, please visit: www.dsm.com.qa

Qatar Chamber of Commerce and Industry

The oldest Chambers of Commerce in the GCC Countries. Qatar Chamber of Commerce & Industry (GCCCI) provide a wide range of activities commensurate with national, regional and international developments and serve the commercial, industrial and agricultural interests of its participants in the private sector. For benefits that are more valuable, please visit: www.qcci.org

Banking and Financial System

First: Qatar Central Bank

Qatar Central Bank was established in August 1993 to replace Qatar Monetary Fund. It works to uphold the stability of the finance market. Its capital has been increased to reach QR. 1 billion. The strength of the Qatari Riyal is attributed to the strength the Qatari economy and the huge revenues of hard currency earned from the exports of oil, gas and heavy industries products, in addition to the stability of the banking system. The Bank has been continuing its policy to liberalize interest rates since 1995. According to this policy banks are free to determine the interest rates without restrictions, which created the right condition for healthy competition among the banks operating in the country. For more information, please visit the www.qcb.gov.qa.

Second: National Commercial Banks

During the past two years, commercial banks have increased their assets, deposits and profits. Their efficiency is far beyond the ratio of 8% stipulated by Basel International Capital Adequacy Directives. By the end of October 1998 assets in the banking sector in Qatar amounted to about QR 41.519 billion, clients deposits registered QR 24.945 billion and credit facilities increased by QR 99 billion to reach about QR 29.895 billion. One indicator of the strength of the banking system in Qatar is the continuous opening of new branches by existing banks. This expansion helps the banks to improve their banking and investment services. The banking sector holds the first position in the Qatari bourse in terms of the value of their circulated shares and the number of concluded share-sales contracts. This also indicates the prosperity of banking activity. Banks, directly and indirectly, play a major role in supporting economic development projects by securing loan or financing services to companies involved in the implementation of vital projects. The number of commercial banks operating in Qatar is 14. They include 6 national banks of which 2 operate in accordance with Islamic principles.

Third: Insurance Sector

The insurance sector is one of the saving and investment facilities available in the country’s economic structure. Presently, there are 8 insurance companies of which 4 are joint stock companies, while the rest are representative agencies of overseas companies. The latest indicators of the activity of insurance sector in Qatar reflect an outstanding growth represented in an increase in the number and diversity of the sector’s services, development of its work techniques and expansion of its role in the country’s economic and social development.
Insurance Companies participated with the national banks in the establishment of private companies.

Commercial Fairs and Conferences
Doha continues to host many public functions such as lectures and symposia throughout the year to discuss the economic realities of today: Their scope, the challenges they represent, and the negative or positive impact of global changes on them. The forums also deal with the economic futuristic prospects and the plans to revive the economy.

Local businessmen are urged very strong to organize and host foreign specialized fairs, which are conceived to contribute in strengthening and vitalizing trade relationship between Qatar and the rest of the world. Several fairs of different natures, general or specialized, in addition to international grand fairs are held in Qatar International Exhibition Center. Qatar has proclaimed its intention to host an important conference on natural gas entitled “Gas Tech” in the year 2000. In November 1997 Doha witnessed the convention of the MENA 4th economic conference, which alongside with other similar functions is believed to have provided good opportunities for businessmen in the local private sector to establish strong relations and contacts with their visiting counterparts to the advantage of all associates in the field of investment and commerce.

Thanks to its good international reputation, Qatar has succeeded with excellence to host such a grand international forum as well as several other international functions, which strongly indicates the ability on the part of the Qatari people to succeed in exercising the best organizational functions and live up to their international commitments.

It is worth mentioning that during the past few years more than 22 companies of which 60% are foreign have invested in Qatar more than QR 20 billion, and that Qatar still continues to witness the convention of various commercial and investment fairs as part of the effort to attract more foreign investments and retrieve the country’s emigrant funds. For more information, please visit the www.qiec.com.qa

Economic Sectors
Overview
The Qatar’s economy is expected to witness promising growth in this year 2009. Qatari economy’s vulnerability to oil price movements, as well as the finite nature of oil reserves has led the Government to exploit Qatar’s significant reserves of natural gas and to promote investment in the non-oil sector of the economy to lead to diversification efforts provides the momentum for reshaping the economy. According to the Qatar Statistics Authority, the economy of Qatar has achieved a remarkable growth during the second quarter, April/June 2008 in various economic activities, Estimates indicate the “GDP” reached QR 96,169 Billion, compared with QR 59,820 Billion during corresponding quarter, April/June 2007 with a growth rate of 60.76%, While it reached QR 84,309 Billion during the preceding quarter, January/March 2008, with a growth rate of 15.35% .

Qatar is one of the very few countries expecting growth this year, amidst the changing global economic climate, making it a very attractive destination for real estate investments both for commercial and residential properties. In addition to its strong economic standing, Qatar is also implementing freehold property laws for foreigners, which has increased investor confidence towards the State. Government officials believe that there will be about 800 towers in the country by 2016, as increasing disposable incomes and favourable legislation continue to drive the real estate growth.
The Oil & Natural Gas Sectors:

Qatar’s oil price has more than trebled to average $106.8 p/b during the first half of 2008. It increased by 11.3% in 2007 to average $70.0 p/b in 2007, compared to $62.9 p/b in 2006. The State of Qatar conducts its principal oil operations through State-owned Qatar Petroleum (QP), which manages Qatar’s oil, gas, fertilizer, petrochemicals and refining enterprises in Qatar and abroad. Qatar’s oil reserves as at December 2007 stood at 25.7 billion barrels. QP has in its new five-year plan (2008 - 2012), budgeted an overall QR 222.7 billion for projects in crude oil, natural gas, gas-to-liquids, refining, petrochemicals, industrial cities and others. Qatar currently has the second largest natural gas reserves in the world, after Russia, estimated at over 900 tcf. These reserves are located in the North Field which lies towards the North-East Of the main land, extending over an area of approximately 6,000 square kilometers, predominantly underlying the territorial waters of the State of Qatar. QP has initiated and developed two major LNG projects with foreign shareholders for the purpose of utilizing the North Field gas for exports in the form of LNG. These projects are Qatargas and RasGas. QP has more recently entered into joint Venture agreements for further utilizing the natural gas resources, by using advanced technology to convert gas into globally marketable liquid products.

In addition to its roles as the basis for the LNG industry, and as a fuel input for power generation, natural gas is used in a wide range of industries as feedstock to produce various value-added products for both domestic consumption and exports. These projects among others include QAFCO, QAPCO, QVC, QAFAC and Q-Chem.

Non-Oil & Gas sector

The total Non-Oil and Gas sector contributed 43.5% of total GDP in 2007. Such sectors are showing as follows:

Manufacturing industry

The Manufacturing sector made the third largest contribution to GDP among non-oil and gas sectors. This sector grew by 20.8% on 2007 at current prices, contributing QR 14,098 million in 2007, which represented 7.3% of total GDP. This sector supported by the Government as a part of a general policy to diversify income sources and to maximize the utilization of Qatar’s natural resources.

Finance, Insurance and Real Estate

This sector made the largest contribution to GDP among the non-oil and gas sectors. This sector is comprised of five sub-sectors: banking, insurance, financial intermediationservices, real estate and business services. In terms of relative contribution to GDP, this sector contributed QR 31,865 million, and grew by 49.0% at current prices in 2007. This sector presented 12.3% of Qatar’s GDP in 2007.

Building and Construction

The Building and Construction sector is quite evident around Doha over the past few years, this sector continues to be a major contributor to the GDP and employment of labor force. This sector witnessed a growth of 22.0% in 2007, contributing QR 14,634 million to overall GDP. Credit facilities extended by commercial banks to the land, housing and construction sector increased in 2007 by 77.6% during the year 2007 to reach QR 27,966 million, compared to...
Allocation for major public projects in the 2008/09 Budget increased by 160.0% to reach QR 59.5 billion, which covers the areas of public services, infrastructure, social and health services, education and youth welfare.

**Trade, Restaurants and Hotels**
The Trade, Restaurants and Hotels sector contributed QR 12,002 million to Qatar’s overall GDP in 2007, representing 4.6% of total GDP. This sector grew by 27.0% in 2007 will be one of the most promising in the coming years, as business, cultural, sports, education and tourism events aimed at promoting Qatar, gathers even more momentum. By organizing various festivities and taking part in various international tourism marts. For more information please visit [www.experienceqatar.com](http://www.experienceqatar.com).

**Transport and Communications**
This sector contributed QR 9,803 million to the overall GDP in 2007, and witnessed a growth of 36.9%. Qatar Airways [www.qatarairways.com](http://www.qatarairways.com) is the principal airline operating from Qatar, designated as the “National Carrier”, and is a joint public and private sector enterprise (being 50% owned by the Government). It currently flies to over 80 destinations in the Middle East, North Africa, Europe, the Indian subcontinent and the Far East. The Gulf Air is [www.gulfairco.com](http://www.gulfairco.com) is another major airline operating from Qatar and is owned by Oman, Bahrain and the Emirate of Abu Dhabi. The Supreme Council for Information and Communications Technology (ictQatar) is the telecommunications regulating authority in Qatar as per Law No. (34) of 2006. [www.ict.gov.qa](http://www.ict.gov.qa)

**Electricity and Water**
The Electricity and Water sector witnessed a growth of 23.2% in 2007, contributing QR 4,329 million to Qatar’s overall GDP. Most of Qatar’s electricity generation capacity comprises of gas turbines, which are fuelled by natural gas. Water desalination is achieved in tandem with electricity Generation. Ras Abu Fontas-B Plant, Qatar currently has an electricity generation capacity of 3,737 MW and a water generation capacity of 187 million gallons per day.

**Agriculture and Fisheries**
The Agriculture and Fishing sector has traditionally played only a minor role in the modern Qatari economy because of unsuitable weather and environmental conditions. Cultivable land accounts forlorlly approximately 0.7% of Qatar’s total surface area. This sector grew by 7.3% in 2007, contributing QR 250 million to Qatar’s GDP.

**Business Policy in Qatar**
Qatar’s strength is derived from its oil and gas revenues which have made it one of the wealthiest countries in the world in terms of per capita income. The Government of Qatar has ownership interests in several economic sectors, including oil and gases production, petrochemicals, and the steel and fertilizer industries. Government policy in recent years has recognized the need to promote greater private investment in core operating license is currently under bidding with a new operator to be announced by the last quarter of 2007.
industrial projects.  

**Foreign Ownership of Business and Incentives**

Generally, a non-Qatari national, whether natural or juristic, may engage in commercial activities provided the foreign participation in the entity does not exceed 49%. In October 2000, the Government enacted a new Foreign Investment Law aimed at promoting foreign investment in specific business sectors including agriculture, manufacturing, health, education, tourism power and projects which develop and utilize the State’s natural resources. The new law permits up to 100% foreign ownership in these business sectors. The law does not allow a non-Qatari to participate in banking, insurance, commercial agency or real estate trading activities.

The Government welcomes foreign investors and is keen to promote projects involving the transfer of foreign expertise and technology to the Qatari economy. The enactment of the new Foreign Investment Law confirms the Government’s commitment to attracting new investors to participate in the future development of business in the State. In addition to expanding the zone within which foreign investors can participate in the national economy and avail of 100% ownership in certain fields of the economy, the new Foreign Investment Law confers upon foreign investors privileges, which were not available to them previously, including:

- The right to lease land for the project for up to 10 years.
- The right to import the machinery, equipment and some of the primary materials required for the project.
- The exemption of the capital to be invested in the project from income tax for a period not exceeding 10 years.
- Exemption from import customs duties on the equipment and machinery to be imported for the project.
- Exemption from import customs duties on the primary raw materials and half-manufactured materials, which are not available in Qatar.
- Protection from confiscation by the state otherwise than for the public welfare, without discrimination and subject to fair and adequate compensation.
- The freedom to repatriate the profits of the project and its capital on liquidation; and the freedom to transfer the ownership in the project.

**The Tax Structure**

Law No. 11 of 1993 was issued on 14 July 1993 to cover the income tax system and filing procedure in Qatar. In general, the Law provides that any business activity carried out in Qatar will be subject to tax. An “activity” has been defined as any occupation, profession, service, trade or the execution of a contract or any other business for the purpose of making profit. Income tax is levied on partnerships and companies operating in Qatar whether they operate through branches or in partnership with foreign companies.

There are no personal taxes, social insurance or other statutory deductions from salaries and wages paid in Qatar.

**Direct Taxes**

Taxes are levied on a taxpayer’s income arising from activities in the State of Qatar. The term activities include:

- Profits realized on any project executed in Qatar;
- Profits realize from the sale of any of the company’s assets;
- Commission due to agencies or arising from representation agreements or commercial agency whether such commission is realized in or outside the State of Qatar;
- Fees paid for consultancy, arbitration or expertise and other related services;
- Rent from property;
- Amounts received from the sale, rent or the assignment of a concession and the use of a trade mark, design, know how or copyright;
- Amounts received from debts previously written-off;
- Profits realized on liquidation.
In addition, interest and other bank income received outside the State of Qatar will be subject to tax in Qatar if this income relates to amounts arising from the taxpayer's activities in Qatar.

**Tax Administration**

The Gregorian calendar is used for Qatar income tax purposes, but a taxpayer may apply to prepare his financial statements for a twelve-month period ending on a day other than 31 December. The first accounting period may be more or less than twelve months, but it should not be less than six months or more than 18 months. A taxpayer should keep his accounting records in Qatari Riyals unless permission is obtained from the tax administration for them to be kept in a foreign currency.

**Filing requirements**

Tax declarations should be filed with the Income Tax Department (ITD) at the Ministry of Finance within 4 months of the end of the financial period. Failure to submit a filing can result in the temporary withholding of payments due under contracts. The Tax Law also empowers the ITD to collect unpaid taxes from third parties, such as a Taxpayer's debtors, where the taxpayer fails to settle taxation liabilities. Penalties for late filing or late payment of taxes may be levied at the rate of QR 10,000 per month or 2% of tax due whichever is greater.

All entities with a capital or annual profit exceeding QR 100,000 should submit audited financial statements to support the tax declaration. An accountant in practice in Qatar who is registered with the Ministry of Finance, Economy and Commerce must certify the financial statements.

**Accounting Records and Inspection**

On submission of the final tax return and audited financial statements the filings of the taxpayer will be reviewed by the ITD. Generally accepted methods of commercial accounting must be applied and the accruals method must be followed. The ITD has the right to inspect a taxpayer’s books and records which should be kept in Qatar. The accounting books and records must be maintained for at least 5 years from the date the annual tax declaration is registered with the ITD.

**Tax Determination**

Tax liabilities are computed in a manner similar to general international practices on the basis of profits disclosed by audited financial statements, adjusted for tax depreciation and any items disallowed by the ITD. If the ITD concludes that the filing is not correct, the ITD can issue an assessment of the payable taxes on a deemed profits basis. Such assessments by the ITD may be appealed.

This option may be exercised by the ITD in the following instances:

- If there are reasons to believe that the declaration submitted by the taxpayer is not correct;
- If the taxpayer fails to submit a declaration;
- If the taxpayer does not maintain proper books and records;
- If the taxpayer does not provide the information requested by the ITD.

**Deductions**

Expenses incurred to earn the taxable income are deductible. These include:

- Interest expenses;
- Rent paid;
- Salaries and labour cost, end of service benefits and all related contents including charges allocated to end of service benefits, pension funds and other similar charges;
- Fees and taxes other than income tax;
- Debts written off that are approved by the ITD and which are in accordance with standards established for this purpose.

The following cost and expenses are not considered deductible items:

- Personal and other expenses not related to taxable activities;
- Criminal and tax penalties paid in accordance with this law;
- Expenses or losses that may be recovered under an insurance policy, or a contract, or a compensation claim;
- Depreciation that exceeds cost;
- The branch share of Head Office expenses that exceed the rate determined by the ITD as a proportion of the total branch income.

The Law contains provisions, which allow trading losses to be carried forward and set-off against future profits. However, losses cannot be carried forward for a period exceeding 3 years from the end of the tax year in which the losses were incurred. Losses cannot be set off against prior year income.

**Withholding Requirements**
A directive issued by the Director of Income Tax in January 1993 requires all ministries, Government departments, public and semi-public establishments and other taxpayers to withhold final payments to subcontractors until such entities present a tax clearance certificate issued by the ITD. This directive also imposed annual disclosure and compliance requirements on the principal contractor.

**Tax Rates**
The following are the income tax rates:

<table>
<thead>
<tr>
<th>Qatari Riyals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax Rate</strong></td>
</tr>
<tr>
<td>0 - 100,000</td>
</tr>
<tr>
<td>100,001 - 500,000</td>
</tr>
<tr>
<td>500,001 - 1,000,000</td>
</tr>
<tr>
<td>1,000,001 - 1,500,000</td>
</tr>
<tr>
<td>1,500,001 - 2,500,000</td>
</tr>
<tr>
<td>2,500,001 - 5,000,000</td>
</tr>
<tr>
<td>5,000,001 and above</td>
</tr>
</tbody>
</table>

**Tax Exemptions**
The new Tax Law provides for a Committee to be formed to evaluate applications for tax exemption regarding projects executed by foreign companies. Any contractor who is involved in the execution of an exempt project can apply for exemption from income tax. However, taxpayers who obtain exemption from taxes are required to maintain proper accounting records and should submit financial statements to the tax authorities within 4 months from the end of the tax year.

**Exchange Control**
No foreign exchange restrictions exist and equity capital, loan capital, and all income streams arising in Qatar are freely remittable.

**Agencies and Trading**
Foreigners, whether natural juristic, are not allowed to engage in commercial agency business. Foreign trading organizations are not permitted to operate on their own behalf in Qatar. They must sell their goods to Qatari concerns which will then market them locally.

**Custom Duty**
The import of goods into Qatar is regulated by the Qatar Customs Law No. 5 of 1988. In general, a person wishing to import goods into Qatar for sale, must be registered in an importers register and be approved by the Qatar Chamber of Commerce. Individual importers must have Qatari nationality. Companies must be wholly owned by Qatari nationals except in the following instances;
The following rates of customs duty apply:

General items: 4%
Cement: 20%
Steel: 20%
Urea: 30%
Records and musical instruments: 15%
Tobacco: 100%

Goods manufactured in GCC countries are exempt from customs duty provided they are accompanied by a certificate of origin issued by the Chamber of Commerce in the GCC state of origin. Exemptions from customs duty apply to:

- Food products such as grains, livestock, tea, coffee, sugar, rice, infant milk and other essential consumer items;
- Equipment, materials and other supplies belonging to government entities or state companies;
- Personal effects and used household appliances and furniture belonging to foreign employees arriving in Qatar for the purpose of residence.

Valuation

The basic value for the assessment of duty is the CIF value of the goods. Where only the FOB price can be established, duty is based upon the FOB price plus 15%.

Temporary Imports

The Qatar Customs authorities allow certain goods, including equipment, to be imported on a temporary basis. Temporary imports are subject to the prior approval of the Director of Customs. This approval is normally valid for a period of 6 months, but may be extended by a further 6 months. A longer “temporary Import” period may be granted in exceptional cases at the option of the customs authorities. A cheque or a bank guarantee equivalent to the duty on a normal import must be deposited with customs to secure this temporary import arrangement.

Duty Exemptions

As general rule, duty exemptions will not normally be granted. However, it is stated government policy to allow customs duty exemptions for Qatari joint venture entities, where there is a substantial investment from the foreign joint venture party. In recent years, blanket duty exemptions for construction materials and equipment imports have been granted to the principal contractors working on projects undertaken in the oil and gas and water and electricity sectors. Personal effects and restrictions once a foreign employee is resident in Qatar there is normally no difficulty in importing personal effects free of customs duty. Registration of Intellectual Property

Patents

Patents are protected by a system of registration for an initial period of 10 years; they may be registered for a further five years only. It is possible for patents to be licensed. Trademarks A trademark may be registered for 10 years and may be renewed indefinitely for further 10-year periods. Registration gives an owner the exclusive right to use a trademark on the goods for which the trademark is registered. The owner may prevent other parties from using the trademark on competing products. Copyright Under the 1995 intellectual property original literary and artistic works, including computer software, video and audio tapes are protected. The law includes penalties for violation including fines ranging from QR 30,000 to QR 100,000 and a term of imprisonment ranging from six months to one year.

Business Form in Qatar

The Law No. (5) Of the year 2002 regulating the commercial companies and hereinafter summary of the terms of establishment of companies in Qatar.

Simple Partnership Company

Is the most basic form of commercial arrangement for two or more individuals to combine together for the purpose of commercial activity in Qatar. The partners have unlimited liability and the trade name of the partnership company will reflect the names of the partners. (Read Law (5) of the year 2002 articles (19)-(43)).
Joint Partnership Company
Is similar to a simple partnership company however, a joint partnership company will have two classes or partners. 1- Joint Partners. 2- Trustee Partners. (Read Law (5) of the year 2002 articles (44)-(51)).

Joint Venture Company
Is an entity comprised of two or more persons that combine to carry out a project. The joint venture company provided for in the law is an unincorporated entity without legal personality. (Read Law (5) of the year 2002 articles (52)-(60)).

Public Shareholding Company
The public shareholding company is also known as a joint stock company or Qatari shareholding company. The law recognizes different variants of the public shareholding company including: 1- Public shareholding company-open. 2- Private or closed public shareholding company. (Read Law (5) of the year 2002 articles (61)-(205)).

Limited Share Partnership Company:
It has at least one or more joint partners and at least four trustee shareholding partners. The minimum share capital of the company is 1,000,000 QR. (Read Law (5) of the year 2002 articles (206)-(224)).

Limited Liability Company
Is the most commonly used business entity in Qatar. (Read Law (5) of the year 2002 articles (225)-(260)).

Holding Companies
A holding company which must be a shareholding company or limited liability company and which has financial and management control on the companies by owning at least 51% of that company. The minimum capital should be 10 million QR. (ead Law (5) of the year 2002 articles (261)-(266)).

Qatar Major Projects
Ras Laffan Industrial City
was once a wild desert to a hub of thriving energy related industrial base. Inaugurated on 24 February 1997 with mission situated along the northeast coast of Qatar covers an area of 106 square km expected to expand to nearly 250 square kilometers in the near future. is an ideal investment centre for international investors which having some of the elite names in the world of energy such as ExxonMobil, Shell, Dolphin Energy and Qatar’s pride- Qatargas and RasGas LNG production facilities. Strategically located at the centre of the Arabian Gulf sandwiched between the Far East and Europe on the international maritime shipping route, energy products can reach markets all over the world in quick time. For more information, please visit www.raslaffan.com.qa

RasGas
RasGas is one of the premier integrated liquefied natural gas (LNG) enterprises in the world established in 2001 by Qatar Petroleum and ExxonMobil who are 70 per cent and 30 per cent shareholders respectively. RasGas currently operates fifth natural gas liquefaction train put Qatar in a position of undisputed leadership in world LNG. With production capacity of 20.7 million tonnes per annum (Mta). It is expected that this year the production will be in the region of 37m tones per annum (Mta). which represents a sizeable proportion of Qatar’s target of 77 (Mta) by 2012.

The train 6 is to be expected to be online be the second quarter of this year and completion of train 7 is expected later this year. RasGas in extracting and distributing those resources continues to grow. Industry experts estimate that by 2010
Qatar will supply 30 per cent of the world's LNG. For more information, please visit [www.rasgas.com](http://www.rasgas.com).

**Education City**

Education City is dedicated to building human capital in a part of the world where the need and potential for human development are considerable. Setup under the Qatar Foundation for Education, Science and Community Development, it provides higher educational institutions at the university level, specialized training in design arts and languages, and sporting. The education city sets out to be an asset not just for Qatar but for the entire Middle East region and beyond, and it already touches communities and individuals well beyond the country's borders. For more information, please visit: [www.qf.org.qa](http://www.qf.org.qa).

**New Doha International Airport**

The 5 billion USD to construct New Doha International Airport with a land area in excess 22 square kilometers the new Doha International Airport expected to become one of the most sophisticated airports glob wide, & a regional pioneering aviation centre. And the first airport in the world to be designed specifically to house the six airplanes of Airbus A380-800 super jumbo. On the opening date 2010, the opening airport annual capacity to handle for 24 millions passengers and 750,000 tones of cargo. & over 100 hectares alongside have been reserved for commercial development. & Private development opportunities include free trade zone, office and Business Park, hotels, and retail mall. This will arising investment opportunities for more details, please visit: [www.ndiaproject.com](http://www.ndiaproject.com).

**Qatar -Bahrain Friendship Bridge**

The 3 Billion USD for Construction work Qatar-Bahrain Friendship Bridge. When completed in 2013 it will be the longest marine causeway in the world and will link the two nations via a twin carriageway spanning more than 40km. The bridge will be one of the most important infrastructure projects in the region it will strengthening the economic development and social ties between the two nations, and GCC states in particular, The Causeway will provide both rail and road connections between Bahrain island, and Qatari peninsula. Construction work is expected to start at the end of January 2009.

**Doha Expressway project**

Multi-Billion-Riyal project that links the north and south of the country through capital Doha. The Doha Expressway project is One of the major road projects of public work authority (Ashghal), within its Five Year Plan to establish a modern road network to cope with the urban boom in the state. The Doha Expressway's entire project will comprises 13 phases. With total length of the street is about 6 kilometers. The public work authority (Ashghal) has announced the opening of the main street of “22 February Interchange” project in June 2009, which is part of the Doha Expressway and is being implemented by the German company Bilfinger Berger AG Civil and Emirate company Al Hamed Development and Construction. For more information, please visit: [www.ashghal.gov.qa](http://www.ashghal.gov.qa).
Pearl Book

Doha Convention Centre and Tower
1.2 billion US world-class architecture Doha Convention Centre and Tower with covering area of 100,000 square the Tower will soar 105 storey’s into the sky and offer panoramic city views from its prestigious central location on the Corniche. It will be home to a hotel with 300 guest rooms, 80 serviced apartments and 300 residential apartments. For more information, please visit [www.qataridiar.com](http://www.qataridiar.com).

National Railway System Project
With a Multi-Billion Dollar US the Qatari Diar Real Estate Investment Company has signed a memorandum of understanding (MoU) with Germany-based Deutsche Bahn, to developing a conceptual design for integrating Qatar’s various planned railways into a comprehensive and consolidated national railway system. The project will also include a passenger and freight railway linking Qatar and Bahrain. For more information, please visit: [www.qataridiar.com](http://www.qataridiar.com).

The Pearl-Qatar Project
The Pearl-Qatar, an island, which will redefine an entire nation a destination of qualities that are unique in the region. It an investment in a place of outstanding beauty This is the multi billion dollars man-made island covering 985 acres (400 hectares) of reclaimed land offshore The Pearl-Qatar largest urban development and the first to offer international investors freehold. It is a four-phase mixed-use development comprising 10 distinct, themed districts to be developed housing beachfront villas, elegant town homes, luxury apartments, exclusive penthouses, 5 star hotels, marinas, schools as well as upscale retail and restaurant offerings. will be a destination in its own right - a lavish, secure and exclusive island retreat with a Riviera-style community. In 2009, there will be a residential population of more than 41,000 people along with guests at the three 5 star hotels and other tourists and visitors. the target completion date end of 2011. United Development Company (UDC), the developer of The Pearl-Qatar project & the country’s largest private sector shareholding company with a mission to identify and invest in long-term projects that contribute to Qatar’s growth and provide good shareholder value. [www.thepearlqatar.com](http://www.thepearlqatar.com).

Barwa Al-Khor
30QR Billion Qatari Rial project covers an enormous area totaling 5,459,168 square meters approximately. The built up area of the project is 3,621,458 square meters. Al Khor city is to feature creatively inspired designs of villas and town houses, terraces, flats and mixed use areas2 sprawling hotels; one being a five star and the other four stars, a superior shopping mall, 4 top schools, 250,000 sq m space for offices, a mosque and an international golf course. The project anticipates offering 24,114 units as homes to the elite with 5 star quality services to surround them. The project will be completed in 2015. For more details and more other barwa’s local project please visit: [www.barwa.com.qa](http://www.barwa.com.qa).

Lusail City
Lusail will be the ultimate in living experience for around 200,000 people. The new city in Qatar will be located about 15 km north of the city centre of Doha on the coast, in the northern part of the municipality of “UmmSalal”. The development will have two marinas, residential areas, island resorts, commercial districts, luxury shopping and leisure facilities, including two golf courses and an entertainment district. It will be built in phases with the whole project slated for completion by 2010. [www.lusail.com](http://www.lusail.com).

Museum of Islamic Art
The Museum of Islamic Art, its symbol of culture. it being the largest dedicated Islamic Art Museum in the world & It has a very large collection of Islamic art, the Museum of Islamic Art Designed by I.M. Pei, the Chinese-born creator of such
landmarks as the Louvre pyramid, the East Building of the National Gallery of Art in Washington, DC, the simple. The museum opened to the public on December 1, 2008. www.mia.org.qa

Qatar Entertainment City:
$1.5bn to build over 50% of Qatar Entertainment City at the upscale Lusail city, with covering area of 1 million. The project is a holistic, fully integrated family entertainment destination covering a total sqm of development and 180,000sqm of international leisure, retail entertainment and restaurants. 4,500 residential units including villas and sea-view apartments with full community facilities the project will embark on 2009 it is expected to be complied between 2015-2016.

Twin Hotel Towers
$500m to build twin hotel towers in the Lusail City by Qatar National Hotels (QNH) Company the two towers with unique designs will be constructed in the Marina district of Lusail City, located north of Ritz-Carlton Hotel. The two forty-five storey towers. The first among the twin tower will house a hotel of 720 king and twin rooms, 16 executive suites, 98 junior suites, an executive lounge and a specialty restaurant. The hotel will have seven-star and five-star facilities at the top and bottom floors. The second tower encompasses single, double and three bedroom serviced apartments facing the sea, and a penthouse on the top floor. Along with that, the towers will comprise two floors exclusively dedicated to a shopping mall consisting of restaurants, a wide array of luxury shops, and a cinema covering 31,000 square meters in area.” Hadi Samaan”, a renowned architect in the US, designs the towers. The construction is expected to be complete by 2010. For more information, please visit: www.qnhc.com.qa

Sports Museum
8,000sqm area will display Qatar history and heritage. The museum will add value to the existing facility and will help in promoting sports tourism in Qatar. The “Aspire Zone” will be the venue for setting up the museum to attract lot of visitors. The museum consist several of section such as Qatar’s achievements in different sports, GCC, international, Olympics sports, in additional to that, there will be special educational section for the benefit of school students. It is expected to be open before January 2011.

Current Projects (MEEZA)
Meeza is a privately held joint venture with the Qatar Foundation officially launched operations in Qatar on November 26th, 2008 it is incorporated as a limited liability company. Focused on service excellence delivering a full suite of Managed IT Services Solutions to the market. Meeza completed a QR125 million agreement with Vodafone Qatar to provide an end-to-end turn key infrastructure solution to support Vodafone Qatar’s core telecommunications and network operations. For details that are more valuable, please visit: www.meeza.com.qa

Qatar Science and Technology Park
Qatar Science and Technology Park (QSTP) is a research and development hub and Qatar’s first free trade zone. Over $300 million has been invested to create an excellent facility. Tenants include ExxonMobil, Shell, Total, Rolls-Royce, EADS and Microsoft. For details that are more valuable, please visit: www.qstp.org.qa

Vodafone-Qatar
The world’s largest mobile telecommunications company award the second fixed telecommunications license as according to the terms of license issued by (ictQATAR), it will turn on its network on March, 2009, to deliver outstanding value to its customers by offering its full range of exciting products and services. For details that are more valuable, please visit: www.vodafone.com.qa

Investing in the Gulf Countries
Kuwait In Brief

Distinguished Geographical Location
Map illustrating Kuwait's borders with the Arab states of the Gulf Kuwait is located in the northwestern part of the Arabian Gulf, between Saudi Arabia in the south and Iraq in the north. It lies between latitudes 28,30 and 30,06 north, and longitudes 46,30 and 49,00 east. Kuwait lies in a semi-tropical region with a total area of about 18,000 Km.

Topography
Kuwait is distinguished by its flat topography, broken only by occasional low hills and shallow depressions. Kuwait's terrain is a slightly uneven desert, sloping gradually from sea level in the east, from the coast of the Arabian Gulf to the west and southwest. The southwestern corner reaches as high as 300 meters above sea level. Kuwaiti Terrain Map There are also small hills, such as the Jal Al-Zour Ridge that overlooks the northern coast of Kuwait Bay and is as high as 145 meters. There are other hills at Al-Laiyah and Keraa Al-Marw, in addition to some valleys and lowlands, locally known as the Al-Khubarat, and sand dunes. Among the known valleys are the Al-Baten Valley that goes along the western borders of Kuwait, and the Al-Sheqaq Valleys in the northwestern part of Kuwait. The Al-Khubarat Valleys are found in different places, but the most important of them are Al-Rawdatain and Umm Al-Aish in the north.

The Capital
Kuwait City – the capital of Kuwait - lies on the northern coast of Kuwait Bay, provided natural protection by the sea. The city was founded in that location about three centuries ago. It has expanded and developed over the years and became an important capital when three protecting walls were built around the city in the years 1760, 1811 and 1920. Starting in 1950, the city witnessed a renaissance in construction and housing based on successive well-planned governmental projects to modernize the city. The city's area has doubled, modern construction has reached places outside the city's old walls, and new roads were built to connect it with other parts of the country.

The Kuwait Economy
The Kuwait Economy is dependent upon its oil resources and fluctuations in the demand for oil directly affecting the country's plans for development. Over the past decade, unexpected weaknesses in oil prices have reduced governmental revenues, which placed constraints on government spending. Noting the limitations of such a strong reliance on oil, Kuwait has begun to diversify its economy so that the main source of income will shift from oil profits. In the 1999 United Nations Human Development Report, Kuwait topped all Arab states by ranking 35th in the world in the area of human development. The report commended Kuwait on its efforts to limit its economic dependence on oil. Kuwait was chosen for its high rate of development in the areas of health, education, income, life expectancy, and mortality rates.
Economic Indicators
- **Gross Domestic Product (2001)**: amounted to K.D. (3.33) billion (equivalent to US$ (30.473) billion.)
- **Inflation (2001)**: 1.7%
- **Labor Force (2002)**: total labor force is about (1.062) million labors, (820) thousand males and (241) thousand females.
- **Dealt Currency (2001)**: amounted to K.D. (401.2) million.
- **Commercial Balance (2001)**: Achieved a surplus of about K.D. (2.254) billions.

Kuwaiti Currency
The Kuwaiti Dinar (KD) exchange rate policy is controlled by the Central Bank of Kuwait. The determination of the exchange rate is based on a specially weighted basket of currencies of the countries that have influential trade and financial relations with Kuwait. This policy has been in effect since March 18, 1975 and continues to be effective in achieving a high stability in the KD exchange rate against major world currencies. The composition of these currencies is subject to periodical reassessment, and will be altered to match the requirements of local and international economic and monetary development. There are no restrictions placed on the movement of funds in and out of the country.

Economic Stability
- Following points prove the economic stability and solidity of the State of Kuwait:
  - In 2002, the gross national product amounted to US$ 32.45 billion, with an increase of 2.3% compared to 2001, where it amounted to US$ 31.83 billion.
  - Main external balances of the State of Kuwait continued also to achieve surplus. In 2002, the balance of goods achieved a surplus of US$ 7.63 billion. Also, the surplus in the current account of 2002 amounted to US$ 4.23 billion.
  - Further, money, in its broad concept, went up to US$ 1.45 billion, with a rate of 4.8% reaching US$ 31.85 billion at the end of 2002, compared to US$ 30.39 billion in 2001.
  - Maintaining relative stability in the exchange rate of Kuwaiti Dinar opposite to other main currencies. In 2002 the variations in US dollar exchange rate to Kuwaiti Dinar were relatively stable and changes were within relatively tight margins.
  - Interest prices on Kuwaiti Dinar in the local market match the development in interest rates in the international market. In November 2002, the interest rate was downscaled to 3.25%.
  - The percentage of inflation in 2001 was 1.7%.

Political and Legal Solidity
Kuwait knew the free trade system since its early dawn of official existence before about (350) years. For Kuwait, trade was not only an economical activity, but rather had its momentous historical connections. In the past, trade was both a source of living and a means of communication with profound civilizations worldwide.

Kuwaiti ships thrust the billows of the sea reaching Zanzibar in the south and Indian coasts in the east. Camels also used to transfer goods to countries of the north. With the pass of time, Kuwait started to exchange economic benefits with the western countries, and had multiple trade relations with other countries all over the world.

With an area of (17,818) square kilometers and a population of about (2.240) million, the State
of Kuwait is distinguished with many unique characteristics compared to other countries in the area, which makes it an area of attraction for both trade and secure investment. Herein below are the most important of these characteristics:

Kuwait is a state of sovereignty and has its own constitution. The country is presided over by His Highness the Emir (Sheikh Jaber Al-Ahmed Al-Sabah – May Allah bless him), and its laws are legislated by the National Assembly, composed of (50) members, brought through free elections by the Kuwaiti people.

Kuwait adopts a stable and open civil law, qualified for settlement of all disputes, which imparted international respect to Kuwait and availed it profound political and economical relationships with most countries of the world. Kuwait is a member of about (50) international organizations, most outstanding of which is the World Trade Organization (W.T.O.). Kuwait shared in W.T.O. since its inception as GATT.

Legislations are in harmony with and derived from international laws, which in turn extends full protection and guarantee for foreign investments. The following are the most significant relevant laws:

- Law No. (64) of 1999, concerning the rights of intellectual property.
- Law No. (20) of 2000 concerning allowing non-Kuwaitis to own shares in Kuwaiti shareholding companies.
- Law No. (35) of 2002 concerning control of money laundry.

Contemporary Infrastructure
Kuwait’s infrastructure was severely damaged during the First Persian Gulf War. Hundreds of oil wells were set on fire and the country’s oil production had come to standstill. Much has changed since the end of the Persian Gulf War. The Kuwaiti government has spent billions of dollars to construct an elaborate roadway system and in 2003; the telecommunication industry achieved an incredible growth rate. Kuwait City boasts more than a dozen five-star hotels and resorts and several skyscrapers dominate the city’s skyline. Kuwait Infrastructure Maintenance Management System oversees the oil-rich country's infrastructure. Kuwait’s energy sector is the main source for 47% of the country’s annual income.

Kuwait has also planned one of the biggest sea front projects in the world, Madinat al-Hareer. If completed, this project would include the world’s tallest tower, and numerous housing, health, education, environmental, business, and tourism centers.

Transportation
Kuwait’s transportation system is modern and efficient, with a road system that is well developed by regional standards. Roads total 4,450 kilometers (2,765 mi), of which 81% are paved and 350 kilometers (217 mi) are freeways. The network includes over 250 bridges, although many of these are of surprisingly poor quality. Most people travel by automobile.

There is no railway system in Kuwait although public and private bus systems are operated. An international airport is located in the southern outskirts of the Kuwait city metropolitan area and Kuwait Airways is the national airline owned by the government. There is a new airline company called Jazeera Airways. The country has three modern seaports, one of which specializes in oil exports.
Kuwait Distinction

Education

Education represents the core of comprehensive development, and the government is keen to provide a seat for each individual in different educational phases. The number of students in the school year 2001/2002 was (494) thousand, while the number of teachers was (42) thousand.

Health

The government provides comprehensive advanced health services for all nationals free of charge. It also avails the same for expatriates for considerably symbolic charges. The government established several hospitals and health clinics supported with physicians in different specializations. The number of hospitals and health clinics in 2001 was (97) hospitals and clinics, including (3) thousand physicians and (5) thousand beds.

Social Security

The State of Kuwait renders special interest to guarantee social care and develop its services in all aspects to provide better life for nationals, and deepen the feeling of social solidarity as well as protecting people from problems that might threaten their stability, and hinder their interaction in serving themselves and their society. In 2000, the amount of governmental social aids for beneficiaries amounted to US$ (112) million. Kuwait is also keen for caring people with special needs, where it avails special educational institutes, rehabilitation hospitals, and even residence for those in need for care round the clock.

Kuwait Business Laws

The rules of commerce are in general similar to West European practice. Any Kuwaiti or GCC national over 21 years of age may carry on commerce in Kuwait provided he or she is not affected by a personal legal restriction. But a foreigner (non-GCC national) may not carry on a trade unless he or she more Kuwaiti partners and the capital owned by the Kuwaiti partners(s) in the joint business is not less than 51 % of the total capital (60 % in the case of banks, investments houses and insurance companies). A foreign firm (including a partnership) may not set up a branch and may not perform any commercial activities in the country except through a Kuwait agent. Foreign individuals and firms may not acquire commercial licences in there own name nor may they own real estate locally.

The main laws regulating business in Kuwait, which have been amended several times since they were issued, are (a) The civil code (Law 67 of 1980), (b) The commercial code (Law 68 of 1980), and (c) The commercial companies law (Law 15 of 1960).

Business Entities

Business enterprises can take several forms, viz. Kuwait shareholding company (KSC), company with limited liability (WLL), and general partnership. The time and cost of establishing and registering these entities ranges from one month and at least KD500 for a general partnership to about three months and KD3.000 for a KSC.

Business Licenses

To do business, licenses is necessary. General trading, contracting, importing and industrial licences are issued by the Ministry of Commerce & Industry (MCI). For particular commercial activities, specific licenses are required and these are often issued by the ministry that controls that activity, eg publishing licenses are granted by the Ministry of Information. Business licenses are only issued to Kuwaiti nationals and Kuwait companies and. In some cases, to GCC nationals and companies. Costs are usually KD100 per licenses, All licenses require period renewal, normally even two years.

Kuwait free Trade Zones

Kuwaitis new privately managed free trade zone is located Shuwaikh and allows 100% foreign ownership of business within the zone. There are no import duties and foreign corporate income is tax-free.
Commercial, Industrial and service licenses are a variety of infrastructural services. Tel: 802808, Fax: 4822067, http: www.kuwaitfreezone.com, e-mail/info@nrec.com.kw.

Importing In Kuwait
The right to import goods into Kuwait on a commercial basis is restricted to Kuwait individuals and firms who are member of the Kuwait Chamber of Commerce & Industry (KCCI) and who have import licenses issued by the Ministry of Commerce & Industry (MCI).

Import Licenses
General import licenses, which must be renewed annually, allow any amount of a variety of products from any country to be imported any number of times. But special licenses are needed to bring in regulated products such as arms, ammunition and explosive, ethyl alcohol, drugs, pesticides, jeweler and precious stone, weights and weighing machines, vintage cars, etc; these too must be renewed annually. Special licenses are also needed to import industrial equipment and spare parts; these are issued to industrial firms upon the recommendation of the public Authority for industry and are valid for a single use only. To protect local morals, alcoholic beverages and materials used in making them, pigs, pork, pork and pigskin products (such as handbags, wallets and shoes), narcotics and associated plants and seeds, pornographic and subversive materials, are, among other items, prohibited. To protect local industry, items such as vehicles over 5 years old and goods manufactured locally are prohibited. Items injurious to health, such as air-guns, asbestos and cyclamates, are banned import from Israel and Iraq are banned absolutely. All imports, as well as locally made items, must comply with Kuwaiti standard specifications (GCC), a set of common standards being devised under the GCC’s Unified Economic Agreement, apply, and if there is no suitable GCC, the product must adhere to international standards.

Import Documentation
To clear goods into Kuwait, a minimum of four documents is needed; (a) Commercial invoice (b) certificate of origin (c) official delivery order (d) packing list. The required content of these documents is shown in the books overleaf. The invoice, certificate of origin, and the delivery order (bill of lading or airway bill) must be in three original copies and must be certified by a chamber of commerce in the country of export, preferably a joint local-Arabic chamber, and certified by the Kuwait consulate in the country, the consulate of Saudi Arabia (preferably) or any other Arab country (except Iraq) is acceptable. As well as being shown on the packing list, the country of origin must also be marked on each packing unit. To clear customer many products must be accompanied by additional certificate showing that they comply with health and safety regulation issued by the Ministry of Public Health, The Municipality and the MCI. Goods failing to clear customers must be re-export within a month. The minutiae of import regulation tend to change frequently and these changes are published in Al-Kuwait Al Your, The Official Gazette.

Import Duties
Kuwait customer duties are the lowest in the region, though there are protective tariffs on some goods. However commercial samples worth up to KD5.000 may be brought in temporarily. Duty is levied as a percentage of the CIF value of the goods up, but excluding unloading in Kuwait, its calculated and must
be paid in Kuwait Dinar (KD). Where import are invoiced in foreign curries. Customs use a list of standard exchange rates to translate the CIF value into KD. There rates change infrequently and a list in Arabic is available for 250files from customers. The standards rates of duty is 4%, But most goods may be imported duty free, including:

- Food products, medicines, essential consumer goods, live animals, bulling, printed matters, etc, except where these (such as bread) are manufactured locally;
- Industrial and farm products from other GCC states provided they have at least 4% added value in the GCC exporting country; and
- Raw materials, semi-processed goods, equipment and spare parts for new industrial establishments provided an exemption has been obtained.

But imported hydrocarbon products that are also manufactured locally, such as lubricating oils, are subject to duties for 100%. The duty on cigarettes and tobacco is 75%. But some goods of Arabic origin are subject to only 50% or 75% of the duty imposed on similar goods of non-Arabic origin. Many locally products are protected by tariffs. To qualify for protection, an industrial firm must show that it meets, or will be able to meet, at least 40% of demand in the local market for products concerned. The varies according to the value added y domestic production.

Agency & Service Agreement

Only Kuwait individuals or firms may act as commercial agents in Kuwait, while foreign individuals or firms, except for GCC nationals, are not allowed to carry on commercial activities in the country except through a commercial agent. All arrangements between a foreign entity and its local agent are governed by Articles 260 to296 of the Commercials Code.

Terms of an Agreement

An agency agreement must be in writing and must be register with the MCI. Its terms must cover the activities to be undertaken, the scope of the agent’s authority, his remuneration, and the duration of the agency (if limited). Generally speaking, the parties to the agency agreement have full freedom of contract, but a few privations of the code override what the parties might wish to agree and any terms, which contradict these privations, are void. If an agent is required to erect premises then the contract must be for at least five years. The agent is entitled to his remuneration (a) on all matters concluded by him, (b) on transactions which would have been concluded but for some act of his principal, and (c) on transactions concluded either directly by the principal or by others acting on behalf of the principal in the area of the agent’s operations, unless otherwise agreed in writing.

Compensation on Termination

If a principal terminates an agency when his agent is not at fault, the agent may seek compensation for loss of income. And, if an agent abandons his agency at an unsuitable time and without reasonable cause, his principal may seek compensation for damages. Any clause to the country in an agency agreement is void. Even where an agency is for fixed term, the law expects it to be renewed on expiry. If the principal does not renew it, the agent may seek fair compensation (even if the country is stated in their agreement) provided the agent has not been at fault nor negligent in his performance. If a principal replaces his agent and the termination was due to collusion between the principal and the new agent, the new agent will be held jointly responsible with the principal for settling any compensation.
due to the former agent. There is no set legal formula for calculating compensation. However an action for compensation must be started within 90% days of the end of the agency.

**Service Agreement**

To open a branch in Kuwait, a foreign firm must enter as agency agreement with a Kuwaiti sponsor or service agent. Under such an arrangement the agent is merely the foreign entity’s legal representative in the country and does little more than take care of licensing formalities, obtain visas for the principal’s executives and employees, and represent the principal officially. The agent will expect a fee for his sponsorship and the use of his licences.

**Registration Procedures**

An agency agreement is not enforceable under Kuwaiti law unless it has been registered in the Commercial Agencies Register at the MCI. Application for registration must be made within two months of the agency being created. Before applying to the MCI, the agreement must be registered with the KCCI. The application for registration can only be made by the Kuwaiti agent. It must be made in two original copies of the official MCI form and must be accompanied by:

- An original copy of the agency agreement
- A translation of the agreement into Arabic
- A copy of the agent’s commercial licenses
- A copy of the agent’s nationality document or registration in the commercial registry
- A certificate of registration from the KCCI

If the agency agreement was executed overseas, the original must be attested at the principal’s location by an official authority and the Kuwaiti consulate.

Where it was executed in Kuwait, it must be notarized by a Kuwaiti Notary Public. Upon registration, the MCI gives the agent a signed and stamped copy of the application, and advertises the registration in the official gazette. Amendments to the agreement must also be registered and when an agency terminates it must be removed from the register. The register may be searched by the names of agent, the names of principals and the trade names of goods.

Intellectual property Right

Expect for trademarks, the protections of intellectual property rights in Kuwait was quite poor unit 1999 when, to satisfy Kuwait’s obligations under WTO agreements, comprehensive legislation’s to protect intellectual property was promulgated by Amiri Decree under article 71 of the constitution. There laws were being reviewed by the National Assembly in November 1999 and revised versions were expected to be promulgated early in 2000.

**Trade Marks**

The protection of trademarks is governed by articles 61 to 85 of the commercial code, as amended by Decree Law # 3 of 1999. A Trademark Register, open to public inspection, is maintained in the Patent & Trademark Department at the Ministry of commerce & industry (MCI). Under the new law, the definition of a trademark extends to audible and olfactory marks. There is no registry of service marks. The person who registers a trademark is considered the sole owner with the exclusive right to use the mark on the products for which it is registered. Registration initially protects a mark for ten years from the
date of application to register. Registration can be renewed indefinitely for further periods of ten years each. The registrar must notify the owner that the period of protection has expired within one month of expiry and if the owner does not apply for renewal within six months of expiry, the mark is automatically deleted from the register. A trademark may be sold but the change in ownership must be entered in the Register and published in the official gazette. A person who infringes a registered trademark is liable to a fine of KD600 or imprisonment or both, and to pay compensation.

Registration
To register a trademark, an application must be submitted in Arabic to the Trademark control Office along with a fee of KD24. Once the application has been accepted, it must be advertised in three consecutive issues of the official gazette. Objectors have 30 days after the third advertisement to challenge the registration in writing. The registrar must give a copy of the objections to the applicant, who has 30 days to submit a reply. Thus the overall time needed to register a trademark is not less than three months.

Patents & Industrial Designs
Under law 4 of 1962, a patent may be issued for any new invention suitable for industrial use, which has not been used in Kuwait during the previous 20 years. Kuwait nationals, foreign residents, foreign businessmen with a local presence and foreigners in Kuwait. All documents for caporal rights to Kuwaitis have the right to be granted patents in Kuwait. All documents for filing a patent application, including the specification of the invention, must be in Arabic. Under law 4 of 1962 patent holders are protected against unauthorized use of their invention or design for an initial period of 15 years, renewable for a further 5 years. Under the new law the period of protection will be 20 years, though patents registered in other countries will only be granted protection for the remainder of the period of protection where they are registered. The new law also extends the period of protection for drawings, models and integrated circuits from 5 years to 10 years, which may be renewed for a further 5 years.

The law will, in addition, allow improved versions of existing patents to be protected for 7 years patent holders may license their patents to others.

Copyright
Until 1999 there was no general copyright law under which the rights in intellectual works could be protected effectively. The only protected works were audio and visual recordings of Kuwaiti, Arab, American and British origin. In addition, public institutions were not allowed to buy pirated computer software. Under the new law protection is to be given to all literary works (written and oral) theatrical shows, musical works (written or without lyrics), choreographic works, motion pictures, audio, video and radio works, artistic works (painting, sculpture, carving, architecture and decoration), photographs, applied art (craft or industrial designs), illustrations, maps, designs and models, computer works (software and database), and translated works. The period of copyright protection will be 50 years from the death of the author. But works published under a pen name of after the author’s death, motion pictures, photographs, applied art, computer works, and works owned by corporate bodies will be protected for 50 years from the end of the year in which they are first published. Writers, composers and directors of
theatrical, choreographic, and TV and radio works will enjoy 50 years protection from the end of the year in which the works were first performed or recorded. Under the new law the penalty for piracy is a maximum of one year in goal and a fine of KD500. A shop selling pirated works can be closed down for up to six months.

Public sector Contracting
As a general rule, a public authority in Kuwait may only buy equipment and commodities, and commission works, by way of an independently administered tendering process. Public tendering is governed by law 37 of 1964, Law 18 of 1970 and Law 81 of 1977 as amended. Committee (CTC), though the client body (ie the public body requiring the service) draws up the specification and particular conditions it requires, reviews pre-qualifying companies, and evaluates bids technically. However some public institutions have their own tendering procedures. But no matter who administers a tender, the procedures are in essence the same as CTC procedure, and all activities relating to public tenders, such as tender announcements, invitations to pre-quality, pre-tender meetings, and amendments to conditions and specification, are only published in Al-Kuwait Al-Youm, the gazette.

Funding for major projects is normally provided by the government. In recent years other forms of financing, such as credit facilities supported by export credit agencies (ECAs) and build-own-transfer (BOT) types schemes, have been tried.

Eligibility & Registration
A tendered for a public contract must be a Kuwaiti merchant who is (a) registered with the KCCI and the MCI, and (b) registered as an approved supplier or contractor. The CTC and client bodies maintain lists of approved suppliers of equipment and materials. To get on the lists, the main requirement for suppliers is that they be Kuwaiti merchants. Applications for registration are usually made to the client body. The CTC also maintains lists of approved contractors for works, before getting on these lists a contractor must be classified according to the size of project he is deemed capable of undertaking. The size limited for the first three categories represents the cumulative size of all contracts being undertaken at the same time by a contractor, eg a category (4) contractor cannot bid for a contract worth more than KD50,000 if, at the time of his bid, he is already undertaking projects with as total value of KD200,000. Foreign companies are not classified, as they must prequalify each time they bid for public sector contracts.

Pre-qualification
Participation in some public tenders is restricted to firms who have been pre-qualified, ie judged capable of undertaking the particular project. To pre-qualify, a firm submits a standard set of documents outlining its financial and technical capabilities to the CTC. Foreign firms must prequalify each time they bid for a public contract. Their Kuwaiti agent and must be accompanied by an authenticated copy of the agency agreement.

Bidding Procedures
Forthcoming tenders are announced as invitations to bid Al-Kuwait Al-Youm. To collect the documents, a written request in Arabic plus the fee (for which a receipt is given) is needed. A foreign firm must show an authenticated copy of the agreement with its local agent. Firms who have purchased the documents may be invited to pre-tender meeting with the client body. Sometimes these are mandatory and bidders who do not attend find themselves excluded from the tender. The scope of work may be amended after the tender documents have been issued or after a pre-tender meeting. When this happens the administering committees issues a formal addendum, which can only be collected on production of the original receipt for the tender documents. Notices of pre-tender meeting and tender
amendment are announced in Al Kuwait Al-Youm and tenders are seldom advised directly.

**Bid Preparation**
A bid only is submitted on the original official tender documents issued to the company making the bid. All parts must be completed in full and the documents may not be altered in any way. The bid must conform to the tender terms exactly and alternative terms are never acceptable. All prescribed supporting documentation must be appended. The tender documents are expected to be submitted without erasures or corrections. Where alternative offers are allowed, a tenderer must buy a separate set of documents for each offer he submits, with each bid clearly marked to show that it is an alternative.

**Pricing & Pricing Preferences**
Contractors must usually be priced on a lump-sum fixed-price basis, though unit pricing is normal in maintenance type contracts. Most bids must be priced in Kuwaiti Dinar, Prices must be stated on a cash-basis. Public sector contracts must by law be awarded to the bidder who offers the lowest price provided his bid conforms with technical requirements and he has adequate resources. But where a firm has submitted an artificially low bid and it appears that it will be unable to perform to the required standard, the contract may be awarded to the next lowest bidder. Local manufactures have a price advantage. Subject to technical acceptance, goods made in Kuwait may be priced up to 10% higher than comparable items made abroad and be deemed the lowest priced. Goods made in other GCC countries have a 5% price preference; but if the goods are not made in Kuwait then GCC goods have a 10% advantage. Local contractors for the performance of works do not enjoy any pricing advantage.

**Bid Bonds**
A bidder’s offer must be irrevocable unite the end of its period of validity which initially contact be more than 90 days. An unconditional bank guarantee for the entire initial period of validity, issued in Arabic by a Kuwaiti bank, must be submitted with the bid. These bonds vary from 2% to 5% of the bid. If a bidder is successful but refuses to sign the contract, the bond is forfeit. Bidder is often asked, towards the end of the initial period of validity, to extend their offers. If they wish to do so then the bid bond must also be extended.

**Submission of Bids**
Tender documents must be signed by the bidder and stamped with his seal. If a foreign firm submits a bid directly, rather than through its local agent, both its stamp and the agent’s stamp must appear on every page. Proof of the signatory’s capacity to bind the bidding firm is always required and this usually takes the form of a notarized power of attorney. If the tender documents include a bid envelope, this must be used to submit the bid. The name of the bidder may not appear on the envelope, which must be sealed with wax. Bids must be submitted to the tender committee at the place, date and time stated in the conditions. Where the CTC is administering the tender, bids
must be submitted in the CTC’s office in Sharq, which is done by placing the envelop in the box designated for that tender by a notice in Arabic (only). The closing time is usually 1:00pm and the box is always sealed the very second time is up.

**Evaluation & Award**

Where the CTC administering the tender, bidder may get a copy in Arabic of the list of bidder and their prices from the CTC’s Sharq office, about a week or so after bidding close, by showing a copy of the original receipt for the documents. But other tender committees do not normally provide such lists. In most tenders a technical study, to ensure that bids comply with the required specification, is usually carried out by the client body. During these studies, a bidder may be invited to answer queries orally or he may be sent a list of questions requiring a written reply. Ones technical studies are completed, a contract it’s awarded on the basis of the price from among the bids that comfort with the tender specification. The administering committee notifies a successful bidder in writing, but the latter does not have any contractual rights until he has signed his contract with the client body. If the winner fails to sign the contract within a specified time of being invited to do so, he is deemed to have withdrawn.

Before signing the contract, a successful bidder must replace his initial guarantee with a final guarantee or performance bond from a Kuwait bank. This is typically 10% of the contract value and must be valid for the duration of the contract including a maintenance period. A contract that fails to present this guarantee is deemed to have withdrawn.

**Performance**

Public sector contractors always contain penalty clauses, and minor delays and faults in execution usually result in penalties being imposed.

Contractors for the performance of works normally receive as advance of 10% to cover costs of mobilization. Stag payments on account of work-in-progress are also made. Most contractors allow the client body to retail 10% from work-in-progress payments until the end of the contract and to recoup the advance pro-rata from work-in-progress payments, so that during the maintenance period the client body is holding retention of 10%.

Public sector contracts normally include a maintenance period of a year, during which the contractor is liable for any faults in the equipment or work. The period is covered by retention, in the case of works, and the performance bond.

When a project of works is completed, the contractors usually receive a provisional completion certificate, which is replaced by a final certificate release, him from further liability and enables him to claim his final payment. Before he can receive his final payment, a foreign contract must obtain a tax clearance certificate.

**Countertrade Offset Programmed**

Under Kuwait’s counter-trade offset programme, a foreign contractor who signs contracts to supply government institution with goods or services that are cumulatively worth more than KD1million in any fiscal year (July to June) incur an offset obligation that required him to set up a business beneficial to Kuwait.

**The Office Obligation**

The office obligation is expressed in the same currency as the supply contractors and is nominally 30% of their value. The contractor earns ‘credits’ for expenditures relating to his offset business venture (OBV) and when these credits amount to 30% of his supply contracts he has fulfilled his obligation. Actual expenditures will be much less than 30% because most expenditure earn credits at a rate greater than 1:1 and, in practice, offset expenditures amount to about 30% of a contractor’s supply contracts. But before a contractor may
embark on his OBV, the business must be official approved. The program is administered by the objective of Kuwait’s offset program are:

- To promote long-term mutually beneficial collaborative business venture between foreign enterprises and Kuwaiti companies with an emphasis on the private sector;
- To achieve sustainable economic benefits (such as export sales and import substitution);
- To enhance the high-tech capabilities of the private sector by creating and expanding education and training opportunities of the private sector by creating and expanding education and training opportunities for Kuwaiti nationals locally and abroad;
- To facilitate the transfer of state-of-the-art technology into the private sector; and
- To support Kuwait’s foreign aid programs.

These objectives provide the criteria by which proposed OBVs are evaluated. A contractor obligation is being when he signs the supply contract that creates it. The total time allowed to fulfill the obligation is 10 years, ie 24 months for approved of the OBV and eight years thereafter to generate the credits needed to extinguish the obligation, with 50% being settled within four years. A contractors OBV must include Kuwait businesses or entrepreneurs as equity partners, and it must exist and operate under Kuwait’s Commercial Companies Law. A contractor, who refuses to participate in the program or ceases to participate before he accumulates credits equal to 10% of his obligation, incurs a penalty of 6% of the value of his supply contracts. If he fails to continue after completing 10% or more of his obligation, the penalty is reduced by the percentage of the obligation which has been completed.

The Offset Process

Once the foreign contractor has signed the supply contract that triggers his obligation, he must acknowledge this obligation by signing a memorandum of agreement with the Ministry of finance. He must then submit business ideas to the PEO in order to obtain approved for an OBV. For each idea he must submit in turn a concept paper, a proposal and a business plan, and each of these documents must be approved before the next one is submitted. The concept paper is essentially a brief summary of the proposed business. A proposal is similar to a traditional feasibility study and is the key document upon which approval of the OBV rests. The business plan must be fulfilled. The proposed OBV must pass normal evaluation criteria for commercial, technical and financial viability. The business is also evaluation on its ability to further capital accumulation and promote economic development in Kuwait, on the contribution it can make to developing a highly-skilled experienced globally-competitive work force and on whether it will transfer inwards technology appropriate to the development of new industries in Kuwait.

Calculation of Credits

Once his business plan has been approved the foreign contractor establishes and operates the OBV with his Kuwaiti associates. He is awarded offset credits annually on the basis of the expenditure relating to the OBV as shown by its audited financial statements. All the OBV’s expenditures, except for costs incurred in administering the program, are eligible for credits, But instead of
being just aggregated to calculate the credits, these expenditure are classified and weighed according to the preference given to them under the government’s economic policy objectives. First the expenditures are classified, according to the internal functions of the OBV, into micro-categories. The actual expenses in each micro-category are then multiplied by the appropriate micro-multiplier. The result is then multiplied by the approved macro-multiplier. The final result is the amount of credits earned in that particular micro-category. The credits earned in each micro-category are then summed to arrive at the total number of credits generated by the OBV for that year.

**Future Credits**

After a contractor’s current obligation has been fulfilled, additional credits generated by his OBV may be carried forward and set against offset obligations arising from any future supply contracts he signs. These future credits may not be transferred to other contractors.

**Third Party Fulfillment**

Subject to PEO approval, a foreign contractor may designate a third party to fulfill his offset obligations, though the contractors remain responsible for the outcome. Contractors unable to find suitable OBVs may be allowed to fulfill their obligations by investing in approved investment funds, which proved, finance for ventures acceptable under the offset program. Several local funds, which provide finance for this purpose by the Ministry of Finance.

**Corporate Income Tax**

In Kuwait there are personal income taxes, property, gift or inheritance taxes. The only tax paid by Kuwaiti shareholding companies is a 20% levy for the Kuwait Fund for the Advancement of Science. But corporate income tax is levied on the net income of foreign firms.

The Liability to Corporate Income Tax

Corporate income tax is governed by Law # 3 of 1955, as supplemented by directives issued by the Director of Income Taxes, i.e. the Minister of Finance, from time to time. The filling of tax declaration and accounts, the assessment of liabilities and the payment of taxes are administered by the Tax Department in the Ministry of Finance. All tax declaration, supporting, schedules, financial statements, and correspondence must be in Arabic.

All foreign corporate bodies carrying on a trade or business in Kuwait are liable to income tax, with the exception of companies incorporated in the GCC that are wholly owned by the GCC citizens. A foreign corporate body means any business entity, formed under the laws of any state, which has a legal existence separate from that of its owners. The term includes foreign partnerships. Where a foreign firm operates through a local service agent, it is taxed on its share of the company’s profit. Taxable income includes net profits, whether distributed or not, and amounts receivable on account of interest, royalties, technical services and management fees, etc., whether actually paid or not. Where the foreign firm is a shareholder in a local company, the foreign entity bears the tax and the Kuwait Company has no liability. There is no withholding tax on dividends, interest payment and royalties. Net taxable income is computed on the basis of the net profits disclosed in audited financial statements as adjusted for tax purposes. Where the taxpayer is a shareholder in a local company, the foreign element in total adjusted profits is isolated.

**Gross Revenues**

Gross income is all income from business and trade, including amounts receivable as rents, royalties, premiums, devindeds and interest, as well as capital gains on the sale of assets and on the sale of shares by a foreign shareholder, where the source is in Kuwait. The source of income is Kuwait if the place where services are performed is in Kuwait. Work done
outside Kuwait is deemed to be performed in Kuwait where it is part of a contract that includes activities within Kuwait, e.g., in a supply and installation contract, the full value of the contract including the foreign supply element is assessable. Gross billings, excluding advance payments, less the costs of work incurred in an accounting period are used to assess income from contract work and percentage accounting or completed contract accounting methods are usually not acceptable. Where a foreign firm has more than one activity in Kuwait, its income from all activities must be aggregated for tax purposes, even if its different activities are organized through separate local companies.

Allowable Expenses
All normal business expenses are allowable on an accrual basis provided they are incurred in the generation of income in Kuwait. But the following may be noted:
• Accounting provisions, whether specific or general, are not allowable. Bad debts are only allowed once they have proved irrecoverable. Other provision, such as labor indemnities, is only allowed when they are actually paid.
• Depreciation of fixed assets is allowed but only at particular rates for different classes of assets on a straight-line basis. Losses on the disposal of fixed assets below their tax written-down value are allowable.
• Interest charges are allowable provided they are payable to a Kuwaiti bank and are reasonable in relation to the business activities carried out in Kuwait.
• Commission paid to the taxpayer’s local agent are limited to 3% of revenue.
• Losses brought forward are allowable. Losses may be carried forward indefinitely and deducted from income in later periods, provided there has been no intervening cessation of activities. But losses in later period cannot be carried back to an earlier period.
• Management fees receivable by a foreign corporate shareholder in a local company and expensed in the latter’s books are not allowable. But direct expenses incurred by the foreign taxpayer are allowable provided they are supported by adequate documentation.
• As a contribution to a foreign corporate body’s head office expenses, deductions may be claimed as followed:
  • By foreign consultants or contractors operating through a local agent: 3.5% of revenues (net of amounts payable to subcontractors and reimbursable costs).
  • By foreign shareholders in a WLL or KSC: 2% of revenues (net of amounts payable to subcontractors and reimbursable costs).
  • By foreign insurance companies: 3.5% of net premiums.

Inventory is usually valued at weight average cost, though FIFO (first in first out) is becoming more popular, but any valuation method in general use is acceptable.

Calculation of tax Due
The tax due on net taxable income is reckoned. These are not progressive, i.e., tax is charged on all profits at the rate of the level into which total profits reach. For example, if taxable profits are KD50,000 tax of 15% is levied on the whole KD50,000 and the tax payable is KD7,500. Some relief is available where taxable profits reach marginally into a higher level. This is obtained by calculating the total tax thus payable at the top of the band just below the highest band into which taxable income falls.
and to the tax thus calculated the whole of the income in excess of this band is added. Where the resulting amount is less than the tax payable as calculated normally, the lower amount become the tax payable.

**Administration**
The Gregorian solar calendar is used for tax accounting. Tax periods are normally 12 months long, though a period of up to 18 months may be allowed on commencement. The usual year-end for tax accounting is 31st December, but a taxpayer may request another year-old. Taxpayers are legally obliged to submit their tax declarations to the Tax Department without being requested. The deadline for filing tax declarations is the 15th day of the 4th month following the end of the tax accounting period; e.g. where the usual end-of-December period end is used, tax declarations must be submitted by 15th April. An extension of 75 days may be allowed if audited accounts are filed.

Tax declarations and supporting documentation must be in Arabic and certified by a practicing accountant who is registered with the MCI. The law is unclear on a number of issues and final assessments are usually agreed by negotiation. There is no special appeals process.

**Payments**
Tax must be paid in Kuwait Dinar by certified cheque, in four equal installments on the 15th day of the 4th, 6th, 9th and 12th, months following the end of the tax period. No payment is required until accounts have been filed. The tax is payable in a single lump sum where payments are delayed and also where an extension of 75 days has been allowed for the filling of audited accounts. The penalty for tardiness in filling declarations or paying by the due date is a fine of 1% of the tax payable for every 30 days (or fraction thereof) of delay.

**Tax Clearance Certificates**
The final payment due to a foreign contractor, which must not be less than 5% of the total contract value, must be retained by all ministries, public authorities and private companies (including foreign firms) operating locally until the final payment due to a foreign contractor, which must not be less than 5% of the total contract value, must be retained by all ministries, public authorities and private companies (including foreign firms) operating locally until the contractor has produced a tax clearance certificate from the Ministry of Finance confirming that all tax liabilities have been settled.

All ministries, public authorities and private companies with which they are doing business as contractors, subcontractors or in any other form, together with a copy of the contracts, to the Tax Department. When assessing liability to tax, the Director of Taxes may disallow payments to subcontractors, which have not been reported.

**Tax Planning**
The Director of Taxes tends to look at the substance rather than the form of transactions and does not usually give binding ruling in advance on how tax will be determined in unclear cases and so the scope for tax planning is rather limited. As final assessments are a matter of negotiation, advice from a local practitioner who has a good
working relationship with the Tax Department can be helpful. Kuwait is a signatory to the GCC joint Agreement and to the Arab Tax Treaty. Kuwait has also double taxation treaties with Belgium, China, Cyprus, France, Germany, Hungary, Italy, Romania, South Africa and Thailand, and is negotiating treaties with Australia, Austria, Canada, Finland, India, Japan, Malaysia, Singapore, Switzerland, Turkey and the USA.

Sources of Information

Researching business opportunities from outside Kuwait is easy. Data on exports to Kuwait by OECD countries can be used to analyses the market. Foreign government trade promotion agencies have information on market prospects and updates on new projects. These agencies also organize trade mission to Kuwait, a cost-effective way of marking local contracts.

There are several sources of market-related information within Kuwait, Al-Kuwait Al-Youm, and the official gazette, is the official source of government announcement but is published in Arabic only.

An English translation of all tender-related and regulatory matters, with a local news update and business diary, is issued by Kuwait publishing House at the same time as the official version. The Ministry of planning is the main source of government statistics.

The Central Bank issues an Annual Economic Report. Research units in the IBK, commercial banks and Institute of banking Studies are worth contacting. Foreign embassies have data on opportunities. Local foreign business associations provide good networking facilities:

- The British Business forum (BBF) is an association of British business people which aims to foster British business interests and win business for the UK. The BBF works closely with the British Embassy where business-relate meetings and seminars are organized regularly. A meeting, open to all, is usually held at 7.30 pm on the second Monday of each month. Membership is not restricted to British nationals. The American Business Council – Kuwait (ABC-K) serves as the local chapter of the US Chamber of Commerce. Its objectives are the development of commerce and investment between the USA and Kuwait, bringing a better awareness of the Kuwait market to the USA, and providing a forum to pursue business interests and enhance the business climate in Kuwait. Membership & meeting information: Brenda Stoetzer,

- The India business Advisory Council (IBAC) promotes economic and commercial relation between India and Kuwait. Most prominent Indian businessmen in Kuwait are members, The IBAC meets periodically to discuss business matters, Prominent Kuwaiti businessmen, as well as well-known visiting Indian entrepreneurs, are invited to meetings to exchange views on economic and commercial matters.