



NATIONAL U.S.-ARAB CHAMBER OF COMMERCE

غرفة التجارة الأمريكية العربية الوطنية

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SECOND ANNUAL NUSACC AMBASSADORS FORUM DRAWS MORE THAN 20 AMBASSADORS AND HUNDREDS OF U.S. COMPANIES

Assistant Secretary of State Patterson Calls for “Breaking Away from the Models of the Past” That Created Dependence on Governments

Ambassadors Focus Remarks on Transition Economies, Diversification, Knowledge-Based Economies, the Emerging Private Sector, and the Region’s Burgeoning Youth Population

Arab Spring Poses Challenges, Says President of U.S. – Arab Chamber, But “Disruptive Does Not Have to Mean Destructive”

The National U.S. – Arab Chamber of Commerce (NUSACC) and the U.S. Department of State recently co-hosted the Second Annual Ambassadors Forum, a high-level meeting that attracted 12 U.S. ambassadors and acting ambassadors, as well as 9 Arab ambassadors. More than 300 U.S. companies attended the Forum, which was held in the ceremonious Loy Henderson Auditorium at the U.S. Department of State.



The U.S. Ambassadors Forum brought together 12 current U.S. ambassadors and acting ambassadors who are posted in the following nations: Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia, and the United Arab Emirates. Nine Arab ambassadors attended the Forum, including those of Algeria, Bahrain, Egypt, Kuwait, Lebanon, Morocco, Qatar, Tunisia, and Yemen.

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NUSACC President & CEO David Hamod noted, "The Arab Spring poses challenges, but disruptive does not have to mean destructive."

"Our Chamber was very pleased to co-host the Forum once again with the U.S. Department of State in the most recent example of a highly successful public / private partnership," said David Hamod, President & CEO of NUSACC. "We were also delighted to have excellent diplomatic representation covering the 22 countries of the Arab world. American and Arab diplomats contributed very meaningfully to this unique event."

Hamod, who opened the Forum, concentrated his remarks on dispelling misperceptions about the Arab world, including the mistaken view that the whole Middle East and North Africa (MENA) region is in flames. The Arab Spring poses challenges, he said, but "disruptive does not have to mean destructive." In fact, in the world of technology, he said, disruptiveness is key to innovation and expanding markets.

U.S. goods exports to the Arab world are the highest on record, Hamod said, reaching over \$70 billion in 2013. Moreover, in a study of four-year average annual bilateral trade growth through the year 2013, he pointed out, U.S. - Arab trade growth (16.36 percent) was substantially higher than U.S. - World trade growth (10.46 percent). By 2018, Hamod said, exports of U.S. goods and services to the Arab world are on track to reach \$245 billion.



The importance of the private sector and economic growth was also a key theme of Assistant Secretary of State Anne Patterson's [remarks](#). "We are here today to discuss how we can cooperate to expand trade and investment among the countries of the Arab world and between the region and the United States," she said. "Governments on their own do not have sufficient long-term resources to address the wide range of economic problems in the region – and the ability



Assistant Secretary of State Anne Patterson: "Private sector investments in key industries, such as high-tech, boost an entire market's productivity and competitiveness."

of donors to provide assistance or loans to make up the gaps cannot be sustained. The time has come to break away from the models of the past that looked to governments or foreign donors to provide for needed investments – and instead to support the building of a vibrant private sector that can generate jobs and take on those responsibilities."

She continued, "The United States intends to be engaged across the region to help promote economic growth and expanded trade and investment, building ties between countries and cementing connections to the global economy. We want to see American firms engaged in the takeoff. This can only succeed if governments and businesses become partners in growth-oriented reforms, creating a positive new cycle that will generate new opportunities and jobs."

"The countries in the region themselves must take the lead on fostering an enabling environment for business in the region," Assistant Secretary Patterson said. Barriers stifling the free movement of goods, services, and investment must be broken down, she suggested, and clear and equitable trade rules must be secured. In the same spirit, she noted, education and training should be available to provide young people with relevant, marketable skills for a 21st century economy. "While these reforms are taking place," she concluded, "the private and public sectors can work together to effect change now. Private sector investments in key industries, such as high-tech, boost an entire market's productivity and competitiveness."

Fred Hochberg, Chairman & President of the Export – Import Bank of the United States (Ex-Im), also [spoke](#) during the opening session, highlighting success stories in Egypt, Saudi



Arabia, and the United Arab Emirates. “A lot has changed in the Middle East and North Africa since Ex-Im first began partnering with countries there,” he said, “but the opportunities for U.S. businesses to export quality, innovative products to the region have only grown. For evidence of that, you don’t need to look any further than the project that we named Ex-Im’s 2013 deal of the year.”

Ex-Im Bank Chairman & President Fred Hochberg: “The opportunities for U.S. businesses to export quality, innovative products to the region have only grown.

In Saudi Arabia, Mr. Hochberg noted, Ex-Im partnered with Saudi Aramco

and Dow Chemical to finance the Sadara Project, a massive petrochemical complex that will support 18,400 jobs at 70 American companies. \$600 million of Ex-Im’s \$5 billion in funding is going directly to small business exporters, he pointed out, supporting dozens of American communities that are home to those small businesses.

He continued, “The Sadara Project is supporting more jobs and benefitting U.S. small businesses more than any other transaction in our 80-year history. But it isn’t just having an impact in America — it’s creating huge dividends in Saudi Arabia as well. Today, thanks to the Sadara Project, 44,000 workers in Saudi Arabia have jobs — and that number is expected to rise to as high as 60,000 over the lifespan of the project.”

Mr. Hochberg concluded, “Everyone here knows that other countries are eager to seize those export opportunities [from the United States] and take on those key projects — but you can help ensure that American exporters are locked in on the highest priority projects. The result will be more quality, innovative U.S. products serving the Middle East and North Africa — and more quality jobs here in America.”



Panel One explored economies in transition and was composed of current U.S. ambassadors posted in Egypt, Jordan, Lebanon, and Tunisia.



Panel #1: Economies in Transition – Looking Beyond the Arab Spring



The first panel discussion was moderated by Hon. Jose W. Fernandez, a former Assistant Secretary of State and now a Partner in the law firm of Gibson, Dunn & Crutcher LLP. In his opening remarks, Fernandez noted, “We have all followed the events in the MENA region for the last three-plus years, in what we first called the Arab Spring, where we saw disruptions fueled by unemployment, lack of opportunity and corruption, all amidst a youth bulge. In short, a combustible mix.”

Hon. Jose Fernandez: “We are here today to discuss the future in some important countries, from the critical viewpoint of economics. What awaits us, and how can the United States and our companies play a constructive role?”

He continued, “In some of the countries, revolutions have spawned more revolutions or even chaos. In others, they have been followed by government adjustments. In all cases, the situation is highly fluid. And in none is the promise of three years ago yet fully a reality.”

Mr. Fernandez concluded, “We are here today to discuss the future in six important countries, from the critical viewpoint of economics. What awaits us, and how can the United States and our companies play a constructive role?”

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EGYPT: “Strong commercial connections are a key element in strengthening U.S. - Egyptian ties,” noted Hon. Marc Sievers, America’s Acting Ambassador to the Arab Republic of Egypt. “The U.S.

remains Egypt’s largest trading partner and the second largest source of foreign investment for a diverse economy which offers many areas of opportunity for American investors.”



Hon. Marc Sievers, U.S. Acting Ambassador to Egypt: “The U.S. remains Egypt’s largest trading partner.”



Egypt has traditionally been an attractive market for U.S. firms, Mr. Sievers said, thanks to its unique mix of demographics and commercial links to the broader world, serving as a platform for commercial activities throughout the Middle East and into Africa, Europe and Asia.

Since the January 2011 revolution, he suggested, many American firms have expanded operations in Egypt, while others have taken a “wait and see” attitude, with no major announcements of new investment.

Three sectors poised for commercial growth, Mr. Sievers noted, include: Healthcare, with plans to develop 26 new hospitals in 2014; food & beverages, which appeal to Egypt’s burgeoning youth population; information & communications technology (ICT), which is on the cutting edge of innovation in Egypt.

Mr. Sievers concluded, “Egypt has a difficult road ahead, and it must undertake major structural reforms in order to raise the standard of living, achieve fiscal sustainability, and create jobs Efforts to improve political stability can and should go hand in hand with efforts to improve economic stability and sustainability, and the two can be mutually supporting. The United States remains a committed partner to Egypt and stands ready to assist U.S. companies in strengthening our commercial ties.”



JORDAN: The U.S. Ambassador to the Hashemite Kingdom of Jordan, Hon. Stuart Jones, highlighted attractive opportunities in Jordan, despite external challenges. “The United States, through the U.S. Agency for International Development (USAID), will spend \$100 million over the next five years to support private sector growth and work force development in Jordan,” he said. “This will create opportunities for private sector partnerships for U.S. firms, especially in such sectors as ICT (Jordan produces 75 percent of the world’s Arabic language digital content), healthcare (including medical tourism), and logistics.”



Hon. Stuart Jones, U.S. Ambassador to Jordan: “Jordan provides a platform for entry into rapidly growing markets in Iraq.”

Ambassador Jones drew attention to a \$5 billion grant for infrastructure development offered by four Gulf Cooperation



Council nations (Kuwait, Qatar, Saudi Arabia and the UAE) that “has created a multi-billion dollar fund in ready money for major projects in which U.S. firms can participate.” According to recent estimates, signed agreements with these GCC donors total approximately \$3 billion so far, and Jordan is awaiting full funding. Jordan’s Minister of Planning recently requested \$140 million of the Kuwaiti grant, \$100 million of the Saudi grant, and \$85 million of the UAE grant.

Finally, Ambassador Jones noted, “Jordan provides a platform for entry into rapidly growing markets in Iraq.” Jordan’s trade with Iraq grew 15 percent last year, he said, “creating new opportunities for U.S. firms in this massive market.” Utilizing Jordan as an entry point for Iraq will be the focus of this year’s Jordan – U.S. Business Forum, currently scheduled for November 2014 in Amman. Concluded Ambassador Jones, “I hope that today’s attendees and other U.S. firms will contact the U.S. Embassy in Amman to learn more about these opportunities.”



LEBANON: Hon. David Hale, U.S. Ambassador to the Republic of Lebanon, described the challenges that Lebanon faces as it attempts to disassociate itself from the chaos and spillover from neighboring Syria. He referenced the State Department’s Travel Warning, last updated at the end of January, which notes that mounting violence in Lebanon has “resulted in death and harm to passersby in the vicinity. Although there is no evidence these attacks were directed specifically at U.S. citizens at this time, there is a real possibility of ‘wrong place, wrong time’ harm to U.S. citizens.”



Hon. David Hale, U.S. Ambassador to Lebanon: “America’s long-term partnership with Lebanon will hinge on the Lebanese people themselves.”

“The private sector faces challenges in Lebanon,” Ambassador Hale noted, “but it is alive and well. The Lebanese understand and move with ease in many cultures, are often multi-lingual, and are also well educated, making them excellent business partners.”

The U.S. Embassy and AmCham Lebanon are open for business, he said, and are pleased to support U.S. business interests in Lebanon. Particularly attractive sectors, he suggested, include information and communications technologies (ICT), healthcare, and security services. He also mentioned growing interest in the energy sector in



light of recent studies suggesting that Lebanon contains at least 25 trillion cubic feet of natural gas within its territorial waters. Upwards of 50 international energy companies are pre-qualified for exploration licenses, including some of America's top companies in this sector.

At the end of the day, Ambassador Hale suggested, "America's long-term partnership with Lebanon will hinge on the Lebanese people themselves – that nation's most important resource."



TUNISIA: Despite a "tumultuous" three years, according to U.S. Ambassador to Tunisia Jake Walles, that nation's "political progress has created a new environment that opens the door to U.S. business. The new government, led by a reform-minded Prime Minister with a background in the private sector, is eager to secure new trade and investment opportunities with U.S. firms."

Tunisia, a "start-up country," in the words of Prime Minister Joma'a, is undergoing a historic outreach effort to the United States that would have been unimaginable a decade ago. U.S. merchandise exports to Tunisia grew 38 percent between 2012 and 2013, reflecting Tunisians' desire to "buy American" . . . especially in such sectors as high tech and ICT, pharmaceuticals, security, and consumer goods.

According to Ambassador Walles, the U.S. Government has committed \$400 million to Tunisia since that nation's revolution, with more in the pipeline. Tunisia is looking for ways to create productive jobs, which will be a focal point of this year's Tunisian Investment Forum, scheduled for mid-June in Tunis.



Hon. Jake Walles, U.S. Ambassador to Tunisia: "Tunisia's political progress has created a new environment that opens the door to U.S. business."

Panel #2: Moving Downstream – Diversifying Away from Oil & Gas

The second panel discussion was moderated by Hon. Alan Larson, a former Under Secretary of State and now Senior International Policy Advisor at the law firm of Covington & Burling LLP. In his opening remarks, Larson said, "An economy driven by oil and gas



production can be a blessing or a curse, depending on the choices countries make. Will oil and gas revenues be used wisely, to build infrastructure, educate the young and diversify the economy? Will leaders manage the oil and gas economy with transparency and integrity? Will citizens embrace the need to keep up entrepreneurial values? In this panel we will learn about several policies and experiences and the opportunities for U.S. business."



Panel 2 Moderator Hon. Alan Larson: "An economy driven by oil and gas production can be a blessing or a curse, depending on the choices countries make."



BAHRAIN: Last year, according to Hon. Thomas Krajieski, U.S. Ambassador to the Kingdom of Bahrain, oil and gas sales accounted for 80 percent of the Government of Bahrain's revenues. "This strong reliance on hydrocarbons, paired with dwindling reserves, has created an unsustainable model over the long term," said Ambassador Krajieski. "The Bahraini Government is keenly aware of these challenges and has actively sought to diversify its economy."

The Kingdom's long-term development plan - "Economic Vision 2030" - seeks to add more Bahrainis to the workforce to diversify the economy beyond jobs held largely by non-Bahrainis. The plan also calls for higher standards of industrialization, privatization, training, and education of the Bahraini work force, establishing Bahrain as a regional center for human capital.



Hon. Thomas Krajieski, U.S. Ambassador to Bahrain: "The Kingdom has identified six economic clusters for further expansion."



Bahrain is eager to attract foreign investment, according to Ambassador Krajieski, and the Kingdom has identified six “economic clusters” for further expansion: tourism, information and communication technology, health care, education and training, business services, and financial services. “The U.S.-Bahrain Free Trade Agreement (FTA) continues to promote opportunities beyond oil and gas sales,” he noted. “Aircraft and motor vehicles, mechanical and electrical products, and medical equipment have enjoyed particular commercial success in Bahrain under the FTA.”

Concluded Ambassador Krajieski, “Bahrain is a good place to do business. This year, the Heritage Foundation listed Bahrain as the world’s 13th freest economy in the world – the highest in the region, and ranking just after the United States. The unrest of 2011 has slowed Bahrain’s economy and generated some investor concern, but the economy appears to be rebounding.”



KUWAIT: “The Kuwaiti market is rich in opportunities for U.S. businesses,” said Hon. Matthew Tueller, U.S. Ambassador to the State of Kuwait. “With record budget surpluses and strong GDP growth, several sectors in Kuwait offer especially promising leads, including infrastructure development, health, education, housing, power and water.”

Kuwait is the third largest economy in the Arab world, with recent GDP growth of four percent. Kuwait was the fifth largest market in the MENA region for U.S. merchandise exports in 2013, according to the U.S. Census Bureau, with total goods imports from the United States reaching nearly \$2.6 billion.

Savvy investors are coming to Kuwait, said Ambassador Tueller, in part because of new business laws that are bringing about structural reforms. U.S. companies looking to do business in Kuwait “should bring their A game,” he suggested, which needs to include a commitment to patience and persistence.

“While there is a perception that many businesses find it difficult to succeed in Kuwait,” concluded Ambassador Tueller, “recently passed legal reforms and a government intent on removing barriers to private sector growth give me hope that a



Hon. Matthew Tueller, U.S. Ambassador to Kuwait: “The Kuwait market is rich in opportunities for U.S. businesses.”



tipping point is approaching that will usher in an era of rapid and sustained growth.”



QATAR: “The countries of the GCC are in the process of diversifying and creating knowledge-based economies, presenting enormous opportunities for U.S. companies,” said Hon. Susan Ziadeh, U.S. Ambassador to the State of Qatar. “In Qatar, the infrastructure, education, information communications technology, and healthcare sectors are all seeing significant development as Qatar works toward achieving its 2030 National Vision and preparing for the 2022 World Cup.”

Qatar’s National Vision relies on four pillars: economic development (“a competitive and diversified economy”), social development (“a just and caring society”), human development (“to sustain a prosperous society”), and environmental development (to ensure “harmony between economic growth, social development and environmental protection”).

According to Deloitte, Qatar plans to spend more than \$200 billion over the next decade in preparation for the 2022 FIFA World Cup. The biggest chunk of this infrastructure spending will focus on transportation, as Qatar expects to invest over \$140 billion in new roads, rail and light rail systems, and upgrades to its airports and ports.

The World Economic Forum has named the State of Qatar as the most competitive economy in the Middle East for three years in a row. Qatar is the fourth largest market for U.S. goods in the Arab world, with purchases of nearly \$5 billion in 2013, a 39 percent increase over 2012 levels.

Ambassador Ziadeh has led two “Qatar Road Shows” to the United States in the past year – one to the West Coast and one to the East Coast – to provide U.S. businesses with a better understanding of Qatar’s needs for the 2022 FIFA World Cup. She concluded, “The United States offers cutting edge technology, unparalleled services, and time-tested know-how in a



Hon. Susan Ziadeh, U.S. Ambassador to Qatar: “I am gratified to see the increasing partnerships between U.S. and Qatari firms.”



very competitive market, and I am gratified to see the increasing partnerships between U.S. and Qatari firms.”



SAUDI ARABIA: Hon. Tim Lenderking, Deputy Chief of Mission and Acting U.S. Ambassador to the Kingdom of Saudi Arabia, highlighted the wide variety of commercial opportunities for U.S. companies in light of Saudi Arabia’s increasing focus on diversifying beyond oil and gas.

According to Mr. Lenderking, solar energy and mining are among the sectors being explored most actively by American businesses. The centerpiece of the Kingdom’s energy initiatives is the King Abdullah City for Atomic and Renewable Energy (KA-CARE), established in 2010, which is designed to diversify away from the country’s non-renewable hydrocarbon resources. Saudi Arabia plans to spend over \$100 billion to create a solar industry that generates a third of that nation’s electricity by 2032. The Kingdom intends to generate more than 41,000 megawatts of solar capacity within two decades, with nuclear, wind, and geothermal facilities contributing 21,000 megawatts.

Saudi Arabia is the second largest market for U.S. goods in the Middle East and North Africa (MENA) region, importing \$18.99 billion from the United States in 2013, an increase of 4.8 percent over 2012 levels. Top U.S. merchandise exports to Saudi Arabia in 2013 included transportation equipment (\$8.06 billion), non-electrical machinery (\$3.11 billion), and computer & electronic products (\$1.28 billion). Saudi Arabia expects that economic growth in 2014 will reach 4.4 percent and that the private sector will be the main growth driver.

With this in mind, Mr. Lenderking noted, “a strong community of exciting young entrepreneurs has developed in the Kingdom, and our embassy in Saudi Arabia works intensively with them to understand their concerns and to support networking between them and more experienced entrepreneurs.” He continued, “These entrepreneurs tend to have a positive outlook about the future of innovative businesses in the Kingdom, even as they acknowledge the challenges that they



Deputy Chief of Mission & Acting Ambassador to Saudi Arabia Tim Lenderking: “83,000 Saudi students are in the U.S. and will bring new skills and perspective as they transition into the Saudi work force.”



face.” On the horizon, Mr. Lenderking concluded, “83,000 Saudi students are in the United States and will bring new skills and perspective as they transition into the Saudi work force.”



UNITED ARAB EMIRATES: Wrapping up the country presentations, Hon. Michael Corbin, U.S. Ambassador to the United Arab Emirates, highlighted the U.S. Department of State’s strong commitment to supporting U.S. business in the region because “it is critical to the success of the Arab world.” American exports of “higher education, technology, medical care and other products that we produce so well are very much in demand in the MENA region,” he noted. “Americans do business better than our competitors,” Ambassador Corbin stated, and “this is a region in which we can and should do more.”

“As we look at this region, and particularly at the Gulf,” he continued, “the requirements for energy will continue to grow. The major power generation projects are important to infrastructure development.” To underline America’s economic commitment to the region, Ambassador Corbin said, the U.S. Secretary of Commerce, Hon. Penny Pritzker, has just completed a tour of three Gulf Cooperation Council nations.

As a market, he noted, the United Arab Emirates (UAE) has “enormous potential,” with an average of six percent economic growth per annum over a ten-year period. Ambassador Corbin characterized the UAE as a “global crossroads where you can access vibrant economies in Africa (with six to eight of the world’s fastest growing economies), Central Asia, and the Indian Subcontinent.”



Hon. Michael Corbin, U.S. Ambassador to the UAE: “The UAE is a country that has diversified ... Only seven percent of Dubai’s economy is based on oil and gas.”

In 2013, the UAE continued its run as the top destination in the MENA region for American goods and services. U.S. merchandise exports to the UAE grew to \$24.6 billion last year, an increase of 9.03 percent over 2012 levels. Together, the UAE and Saudi Arabia accounted for well over half of all U.S. goods imported into the Arab world.



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“The UAE is a country that has diversified,” stated Ambassador Corbin. “Only seven percent of Dubai’s economy is based on oil and gas,” for example, and other emirates are following suit, he suggested. He concluded, “For everything that the United States does well, from the smallest company to the largest, there is opportunity here.”

The Hon. Anne Patterson, Assistant Secretary of State for Near Eastern Affairs, summed up the prevailing mood at the 2014 Ambassadors Forum. “The long-term outlook for doing business in the Middle East region is very promising,” she said. “There is a huge, youthful generation that is looking for new opportunities and new solutions. The instability you see in the news is part of that pent-up demand for a piece of the global economy”

She concluded, “Now is the time for American businesses to engage – to be part of a next wave of opportunities in the region. In addition to being profitable, your involvement will generate jobs both in the region and here in America.”

Hon. Stuart Jones, U.S. Ambassador to Jordan, conveyed much the same message in a more folksy way: “Stick courage to the hitching post” in the MENA region, he said, “and you’ll find yourself pushing on an open door.”



The National U.S.-Arab Chamber of Commerce, widely regarded as the voice of American business in the Arab world, is in touch with business communities across the United States and serves as the U.S. point of contact for the national chambers of commerce in the 22 Arab nations. On a daily basis, NUSACC works closely with leaders throughout the Arab world, as well as high-level decision makers in the U.S. business community, public policy research centers, multilateral institutions, nongovernmental organizations, media, and the U.S. Government.

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