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Iraqi reconstruction partnerships on the horizon for neighboring countries

M. Scott Bortot

With the lifting of both UN and US economic sanctions on Iraq in May, Iraq's vast market is open for business. However, as US companies gear up to participate in Iraq's reconstruction, they will need help to plot a course through Iraq's business terrain.

Fortunately, several of Iraq's neighbors have long-standing trade links with the country and come with the human capital and experience to help US business ventures succeed. Furthermore, neighboring countries and their citizens are moved by a strong desire to aid the Iraqi people and help in the reconstruction of the country.

"One of the most important features of working in Iraq is the need for local support," says Leigh Gribble, managing director of New Bridge Strategies, a firm that specializes in Middle East business consulting. "You can't do business in that part of the world without local partners."

A consultant based out of Kuwait for more than a decade, Gribble believes Kuwait offers tremendous partnership opportunities for US companies seeking to do business in Iraq.

"If you are an American company and want to do business there, Kuwait is your best bet," Gribble says.

Before the Iraqi invasion of Kuwait in 1990, the country was an integral trading partner with its northern neighbor. Some of Kuwait's largest merchant families have ancient ties to Iraq and many Kuwaitis were active players in the country's agricultural sector as well.

While most of this trade was severed after the invasion, many Kuwaitis maintain key contacts with the Iraqi business community, a feature that will prove helpful to US interests wishing to spring from Kuwait into Iraq.

Many US corporations took part in rebuilding Kuwait and have remained to continue ongoing ventures. Kuwait also boasts a stable political climate buttressed by a vibrant economy and accentuated



by investor confidence – a fact highlighted recently when the Kuwaiti Stock Exchange climbed to an all time high.

A report from the Kuwait Information Office in Washington, DC reflects the confidence prevalent in the country with regards to its role in Iraq's future.

"Many optimistic Kuwaiti businessmen have begun to hope that Kuwait will eventually emerge as the Hong Kong of a reborn, dynamic Iraq – an Iraq where the Iraqi people themselves are the chief beneficiaries of their country's abundant petrochemical, hydraulic and human capital resources," reads the report.

As Kuwaiti business makes inroads into Iraq, Jordan has built solid relations with Iraqi business throughout much of the sanctions period. One of the few countries to have a UN approved commercial arrangement with Iraq, Jordan has exported an average of \$150 million goods per year over the past 10 years.

"Throughout the years, the Jordanian private sector has developed strong trading ties with their counterparts in Iraq," says Halim Abu Rameh, managing director of the Jordan Exporters Association. "We feel that Jordanians can capitalize on those strong ties especially now that the Iraqi private sector is expected to have a major role in building the economy of Iraq."

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Land transport of goods to Iraq is an option that should not be overlooked.

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Equally significant is that Jordan and the US already have deep trade relations. As only one of five countries in the world to have negotiated a free trade agreement with the US, Jordanians and Americans have an excellent track record in forming partnerships.

“Jordan’s proximity to Iraq enhances the competitiveness of Jordanian goods and services and makes Jordan an attractive base for US companies wishing to serve the Iraqi market,” Abu Rameh says.

Among the reasons US companies are attracted to Jordan is the high quality of the country’s labor force. In fact, Jordan prides itself as a regional leader in providing skilled workers.

“Jordan has one of the highest percentages of college graduates per capita in the world,” says Dina Dukhqan, executive director Jordan’s Young Entrepreneurs Association. “For decades, Jordan has supplied the Gulf countries with engineers, doctors, technicians, and teachers.”

Dukhqan also says Jordan has developed Aqaba into a “Special Economic Zone,” as well as several other free zones that serve the Iraqi market. Jordan also features an infrastructure that has helped it solidify trade with Iraq. The Port of Aqaba serves as a storage facility and a conduit for goods destined for Iraq transported via a network of highways that cross the border.

Although the UAE does not share a border with Iraq like Kuwait and Jordan, it still presents significant opportunities for US businesses looking to set up Iraqi operations. Well known for its commercial activities, UAE boasts nine, highly successful commercial zones, three international airports, and two, modern international ports featuring 103 berths.

In light of these features, Nizar Sardust of the Dubai Chamber of Commerce and Industry says the UAE is ideally suited for a re-export market.

“Traditionally, about seventy percent of Dubai imports are for re-export to GCC and Middle East countries, the Indian continent, the East African countries, and the Asian Commonwealth of Independent States,” Sardust says. He adds the UAE also has an excellent network of roads that can easily reach Iraq by crossing Saudi Arabia.

Land transport of goods to Iraq is an option that should not be overlooked. Oftentimes, unloading goods from ships in the UAE and sending them overland can prove cheaper than continuing the costly sea voyage to Iraq – some 500 miles further on.

The UAE offers more than just logistics support. During the sanction years, the country developed key trade relationships with Iraq that will prove beneficial to US businesses interested in Iraq.



“Under the UN Oil for Food Program, many UAE businessmen made huge contracts to supply the Iraqi market with various products,” Sardust says. “Those businessmen are well aware of the needs of the Iraqi market and would be able to restore their old trading activities.”

In the UAE itself, there is a vibrant Iraqi business community. Sardust says that after the 1990 invasion of Kuwait, large numbers of Iraqi entrepreneurs established operations in the UAE – and many of them are looking to work in their home country again.

Recently, Iraqi businessmen created an offshore company named the Iraqi National Unified Company for Investment and Construction in the Jebel Ali Free Zone with an initial paid up capital of \$100 million. According to Sardust, Iraqi businessmen like these are looking to participate in Iraqi reconstruction.

“The Iraqis who are operating from Dubai are also ready to cooperate with American companies with financial and technical assistance from other large UAE companies,” Sardust says.

Although early in the stages of Iraq’s reconstruction, attitudes like those expressed by Sardust and others are an indication of the willingness of Arab companies to participate with US companies in fostering a better future for the region. ♦

UN lifts sanctions on Iraq

On May 22, the United Nations Security Council voted to end 13-years of sanctions against Iraq. Proposed by the US, the UK and Spain, UN Resolution 1483 not only lifts all sanctions except the arms embargo, but also legitimizes US and UK administration of the country and its oil wealth.

In lifting the export restrictions on Iraq, the international community can now ship needed rebuilding materials and commercial goods to the Iraqi market. Though they opposed the war, France, Germany, and Russia voted in favor of the resolution in order to bring what is happening in Iraq under the auspices of the international community. Under the agreement, the US and British administration in Iraq can sell Iraqi oil and manage the revenue, but the UN also been given significant role in reconstruction.

A \$1 billion development fund for the country is to be formed from oil sales and held in the Iraqi Central Bank, and the UN and members of international financial institutions will supervise via an advisory group. Kofi Annan has been granted the power to decide which of the old Ba'ath-regime contracts will be honored. Priority is being given to contracts for nutritional and health supplies, such as those that were active during the oil for food program. However, potentially lucrative industrial contracts, such as were signed with Russia and France, may also be upheld and enforced.

The US and the UK will maintain political control and military occupation until a new government is formed, although the UN will maintain a special representative to the provisional authority. The resolu-

tion also allows for a possible return of UN weapons inspectors.

As recently as a month ago, France was still insisting that Iraq and its oil industry be brought under international administration until the Iraqi national government had convened. The French had also stated in April that sanctions could not be lifted until UN weapons inspectors certified Iraq's disarmament, a process that could have held up economic recovery for months. Getting the French on board for this vote was a major relief for the US and the UK, and required a great deal of compromise. The proposal that was submitted initially underwent 90 revisions before it could be passed.

Fourteen of the fifteen Security Council members voted yes. The remaining vote belonged to the Syrian representative, who was absent from the proceedings due to consultations with his government. The amended version gives the UN special representative a more prominent role and also gives Kofi Annan more discretionary power in enforcing old contracts. The UN also reserved the right to convene again in 12 months to review the situation and possibly alter some arrangements.

Meanwhile, OPEC countries have said it will not invite Iraqi participation in the group until a national government is in place. Although some in the US had suggested that Iraq may be better off going the way of independence, Iraq's provisional oil minister is determined that his country resume its place in the organization it helped to found. — *Rebecca Givner-Forbes* ♦

Indemnification of business operations in Iraq

Rebecca Givner-Forbes

In spite of the challenges of working post-war Iraq, US companies are lining up in droves to take part in the country's reconstruction. At Bechtel's conference for potential subcontractors on May 21 in Washington DC, the line stretched across the main atrium of the Reagan building, winding down corridors and around corners. An impromptu second session was scheduled as the 800-person conference room rapidly filled to capacity.

Currently, the only point of entry into Iraq for US companies is through USAID prime contracts and subcontracts. Already, thousands of companies have applied for subcontracts offered by Bechtel and the US Army Corps of Engineers. The drive is fueled by a desire to participate in an unparalleled opportunity - one that is simultaneously humanitarian and potentially profitable while helping both the US government and the beleaguered Iraqi people.

Inevitably, the risks may keep some firms out of the monumental rebuilding process, at least for the time

being. In April, when it began handing out prime contracts, the government had to step in and promise to indemnify construction operations against certain risks after insurance problems held the contracting process up for weeks.

Indemnification covers only potential damage from mines and unexploded ordnance and exposure to biological, chemical, and nuclear weapons. Private insurance will have to be found to cover the myriad other risks involved, and is, at this early period in reconstruction, likely to be very expensive.

At the May 21 conference, Bechtel made it clear that contractors would have to find their own providers for the requisite products' liability coverage, automobile liability coverage, and property insurance. Medevac and worker's compensation would have to be negotiated with USAID's Defense Base Act provider, Rutherford.

Furthermore, in order apply for coverage in the first

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place, companies need to provide for their own security.

“The advice we’re handing out to clients is that they need to have their own security management plan in place, on the ground. You cannot just rely on the security provided by British and American troops. This means having your own security personnel,” says Josh Mandel, a Middle East analyst for Control Risks Group, an international business risk consultancy.

Rates in part will depend on the location and type of work. “Umm Qasr has a better security environment than other parts of Iraq, because AID is there,” Mandel says. “There is also a better operating environment in the North, in the Kurdish enclave, because the Kurds already have a functioning administrative infrastructure up there.”

As for types of businesses, Mandel says that the kinds of operations that involve close contact with people are most at risk for violence, looting, and terrorism. This will necessarily present a problem for humanitarian organizations and businesses that provide services to the Iraqi people.

“Humanitarian operations do have a greater risk for personnel than other operations, also the food convoys and other humanitarian materials like medical supplies are very lootable materials,” Mandel says. “On the other hand, with oil, there’s lootable stuff, but in many ways those facilities are easier to guard, and will be guarded by local troops.”

Government coverage is not yet forthcoming. Indemnification was only granted on a limited scope for the Bechtel construction project, says Ann Quinlan of USAID’s procurement project. She says that it is up to other prime contractors and subcontractors to find their own insurance. She did note that Lloyd’s of London was known to be potentially willing to get involved. Lloyd’s had already agreed to cover a South African entrepreneur who had attempted to start up “Air Baghdad” in April, only to be grounded by the US authorities.

Export-Import Bank, which typically works to cover US trade overseas, is now looking for ways to support businesses in Iraq.

“Our chairman wants to set up in Iraq as soon as possible,” says Ex-Im bank’s director of communications Bo Ollison. “However, certain requirements need to be in place before we can go into Iraq. Country risk rating needs to be done.”

According to Ollison, the bank is looking into working through third-party countries in the meantime (see lead story), whereby coverage is provided for US exports that are intended for the Iraqi market, but shipped by Americans only as far as neighboring countries such as Kuwait. “That’s something we could do relatively quickly,” said Ollison.

The Overseas Private Investment Corporation (OPIC) may be the next government source for coverage for

ventures in Iraq. On May 21, OPIC president and CEO Peter S. Watson told the Senate committee on Banking, Housing, and Public Affairs that, with regards to Iraq, “OPIC is strongly committed to building on the cooperation and results of the past year.”

He told the committee that once issues such as sanctions and logistics have been tackled, OPIC is prepared to use its political risk insurance and investment funds programs to aid private sector investment. Such moves will include liquidity for the financial sector and risk insurance for businesses and contractors.

Sanctions have been lifted, and other enabling conditions should come on line in the coming days and weeks. The US government’s interest in quickly restoring the country would have Iraq buzzing with commercial activity as soon as a requisite level of security and an administrative backbone are in place, and accordingly OPIC and Ex-Im bank are working to support that goal.

According to Tim Harwood of OPIC, the organization is still technically barred from opening in Iraq because Iraq is still on the list of state sponsors of terrorism, though this classification should be amended soon.

“Yet another requirement for OPIC to offer its full range of services is that a bilateral agreement be signed between OPIC and a governing body in the country,” says Ruth. “This has also not yet happened in Iraq.” OPIC is currently holding discussions within the US government to accelerate the process that will enable OPIC to offer support to US businesses in Iraq.

William Goodrich of Arent Fox, a Washington DC law firm with expertise in government contracts, notes that the prima facie insurance requirements for Bechtel subcontractors are “straight forward, not unlike what you would get in this country.” He points out that the real obstacles will be things like the burden of providing for one’s own security and logistics train stretching from the United States, as well as an additional coverage requirement called “performance security.”

The performance security requirement demands that subcontractors provide up front a check equal to ten percent of the contract value, to be held during the duration of the work. An amount equal to 5-10 percent of the contract stays with Bechtel for a full year after the work is done, after the subcontractor has left the country, as insurance against damage or looting.

“This is a problem in a country with severe looting,” Goodrich says. “That’s not a risk normally covered by warranty.”

Goodrich says that businesses need to have to have that cash in the bank, or else take out an insurance premium to guarantee work for the full twelve-month warranty. “I am concerned the contract vehicle may not be very effective to inducing people to go into Iraq and patch up the infrastructure.”

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“OPIC is strongly committed to building on the cooperation and results of the past year.”

Other portals into the country outside of USAID prime contracts and subcontracts have not yet materialized, but eventually the borders of Iraq will become more porous, the country more accessible to independent ventures. Accordingly the risks will continue to change over time as the political situation develops.

For a company executive, an entrepreneur, or a risk-coverage provider in offices in Europe and the United

States, the situation on the ground in Iraq is still challenging. However, over the coming months the picture should become clearer as feedback from the first wave of US businesses in Iraq trickles back. One place to keep up with the latest developments is the Department of Commerce's new web site www.export.gov/iraq, set up to encourage and assist US businesses with potential Iraqi ventures. ♦

Regional spare parts market prospects

With a saturated market and increased competition at home, the US automotive parts manufacturing industry is looking to the Arab world as a potential market for expansion. With the Middle East boasting one of the world's highest per capita figures for car ownership, especially in the Gulf area, the potential for growth is favorable.

Worth more than \$11 billion last year, the regional spare parts market is a lucrative industry. Additionally, as the automobile retail market is anticipated to increase by five percent over the coming year, demand for spare parts is expected to rise.

As a sign of this trend, General Motors opened its regional parts center at Dubai's Jebel Ali Free Zone on June 4. The \$40 million center will facilitate the delivery of GM spare parts to retailers throughout the Gulf and other points in the region.

"This is the largest single investment General Motors has made in the region and is evidence of GM's intention to sell 100,000 vehicles a year in the Middle East," Maureen Kempston Darkes, president of GM Latin America, Africa and Middle East and group vice-president told MENAreport. "Having a world-class parts distribution network that delivers the right price at the right time is key element in the process." In Dubai alone, there are more than 500,000 vehicles on the road. Of these, the number of vehicles imported in 2002 totaled approximately 100,000 – a 43.7 percent increase over 2001.

Elsewhere in the region, new vehicle sales in Saudi Arabia exceed 100,000 units annually; in Kuwait one-in-two people own a car and in Oman, vehicle registrations reached 500,000 for the first time in 2001. Even more attractive for US parts distributors and manufacturers is the fact that one in every five automobiles in the Arab world is American-made.

The emerging regional US presence in the automobile parts market was highlighted by record US attendance at the eighth annual Automotive Aftermarket Middle East (AAME) trade show, exhibiting automobile parts, accessories, tires, batteries, and garage equipment. Held in Dubai from May 6-8, the exhibition attracted 27



US-based vehicle component and accessory companies.

Acting as a regional trade hub for the Arab world, the UAE is a major re-export center of auto parts to the surrounding region. The annual AAME trade show highlights the UAE's role in the automotive aftermarket parts industry, with products flowing in from global markets, only to be re-exported to the region.

Ultimately, the trade show reflected the growing demand for electronic parts and components, as the automobile undergoes a transformation from a mechanical machine with electronic components, to a software-driven device.

According to industry insiders, Iraq's reconstruction is sure to further galvanize the aftermarket automotive parts industry. As foreign and global businesses emerge in Iraq, a need for spare parts will arise to expedite the transportation of both goods and people.

An important element of the automotive spare parts industry is product standardization. In light of this, the need for automotive parts compatible with those used by US corporations is likely to increase. The logistics needed to transport raw materials also depends heavily upon automotive parts, and, as business resumes in Iraq, the need for spare parts will rise.

Even pre-war Iraq accounted for more than five percent of re-exports of automotive spare parts from the UAE's free zones and ports. Iraq's vast population, expansive landscape which requires longer driving distances, and a rigorous climate, make it a very promising candidate market for the sale of American automotive spare parts in the Arab world. Already, many Middle East-based suppliers of spare parts for US-made cars are working to establish contacts with Iraqi importers, who own spare parts outlets. – *Tarek Akkad* ♦

Acting as a regional trade hub for the Arab world, the UAE is a major re-export center of auto parts to the surrounding region.



JUNE 2003

19th-22nd

Syrian Medicare 2003 – Damascus

Syrian Medicare 2003, the 3rd International Exhibition for Medical, Pharmaceutical, Dental, Laboratory Equipment and Hospital Services, paves the way for exhibitors to introduce their products and services and meet decision makers in addition to importers and businessmen. The show will demonstrate the latest technology in medical, pharmaceutical, dental, laboratory and hospital fields. This annual international meeting will present trade opportunities for local manufacturers, agents and importers to promote their activities during the exhibition, which is considered one of the best effective advertising methods. For more information please visit: www.syrianmedicare.com or contact: United for Exhibitions & Media Services. PO Box 6454, Damascus, Syria.

Tel: 963 11 3312123. • Fax: 963 11 3312423.
Email: united.exh@mail.sy.

19th-23rd

Interbuild 2003 – Cairo

The Interbuild 2003 conference aims to exchange experience and ideas among members of the engineering profession concerned with building and construction; to propel urban expansion in new environments; to internationalize the standards of local engineering to meet globalization; to link scientific progress and practical reality; and to encourage cooperation among scientific institutions, and building and construction firms. Some of the themes for this year's conference include: Internationalizing the standards of local engineering towards globalization; Human development; Engineering organizations; Technical development; Urban expansion; Supplying infrastructure to new areas. For more information please visit: www.interbuildegypt.com/ or contact: Arabian Group for Development. 56 Riyadh St., Mohandiseen, Cairo, Egypt.

Tel: 20 2 3046049. • Fax: 20 2 3046007.

19th-27th

TAALEEM 2003 – Cairo

Taaleem 2003 is the Second Egyptian Fair for Education and Training and will be held at the Gezira Sporting Club from June 19-20 and at the Heliopolis Sporting Club from June 26-27. For the second year in a row, Egypt's educational fair is reaching thousands of children, parents, students and professionals who are in need of investigating and making decisions on enrolment in the most suitable services and in need of purchasing the most up-to-date technologies and tools in the fields of education and training. Taaleem 2002 had 50 exhibitors representing all the facets of the education and training sector in Egypt; from nurseries to schools to universities to training providers for educational equipment and tools. For more information please visit: www.e-taaleem.com or contact: MultiFairs Ltd. 43, Mohamed Farid St., Heliopolis, Cairo, Egypt.

Tel: 20 2 6355938. • Fax: 20 2 6435104.
Email: taaleem@starnet.com.eg.

22nd-24th

The Middle East Biometrics Forum – Dubai

The Middle East Biometrics Forum 2003 investigates the growing market for the technology in the region as well as key applications in banking, e-commerce, healthcare, digital rights management, point of sale, as well as law enforcement, border and building security. The forum examines large-scale enterprise network authentication environments, smart cards, digital signatures and public key infrastructures as well as how biometrics is creating real business opportunities. The forum is the only one of its kind in the region where recognized experts in biometric technology, systems and applications discuss the major issues, developments and future plans affecting the industry in the Middle East and internationally. For more information please visit: www.iirgulf.com/biometrics/ or contact: IIR Holdings. PO Box 21743, Dubai, United Arab Emirates.

Tel: 971 4 3352437. • Fax: 971 4 3352438.
Email: info@iirgulf.com.

26th-29th

AGRITEX 2003 – Damascus

AGRITEX 2003 will be the latest installment of one of the largest and most important agricultural events in the region. Topics to be featured will be Horticulture; Tissueculture; Landscaping; Grass Cutting Machines; Agricultural machines; Agriculture Plastic Meshing & Netting; Agricultural Investments and Projects; Fertilizers; Seeds; Irrigation. In addition to agricultural issues, there are a large number of veterinary topics to be discussed: Drugs & Pharmaceuticals; Breeding equipment; Animals; Feedstuff; Pesticides; and Poultry. For more information please visit: www.atassiex.com/agritex2002.htm or contact: ATASSI. PO Box 7904, Damascus, Syria.

Tel: 963 11 2721112. • Fax: 963 11 2721113.
Email: info@atassiex.com.

30th-1st

GSM in Northern Africa – Cairo

With over 50 percent operator attendance year on year, this is the proven meeting place for the regional GSM community. Some of the topics featured will be the future of GSM in the North Africa region; an update on the GSM Association in Northern Africa; a review of the mobile market; financing mobile growth; investing in the North African telecommunications market; ensuring adequate coverage when rolling out new GSM networks; optimizing existing networks for voice and data usage; extending coverage with satellites; the challenges of marketing GPRS; smart card solutions for telecommunications; increasing revenue from existing subscribers with new services; mobile commerce law in developed and emerging markets. For more information please visit: www.ibctelecoms.com/gsmnorthernafrika or contact: Carolyn Davies.

Tel: 44 20 70174246.
Email: carolyn.davies@informa.com.

July 2003

1st-2nd

The 3rd Arab Insurance Forum – Beirut

The 3rd Arab Insurance Forum will be held in collaboration with the Ministry of Trade and Commerce and under the patronage of H.E. Rafic Hariri, president of the Lebanese Council of Ministers. The Forum is designed to analyze the issues dominating insurance sectors throughout the Middle East. Some of these issues examine the Arab insurance industry in the globalization era; the means of developing the insurance sector; the role of supervisory and regulatory authorities; Islamic insurance and the experience of Arab countries; banking insurance and the much-touted issue of a viable reinsurance sector. The event pools together industry leaders, investors, decision makers and experts to meet and exchange plans for developing the insurance sector. Some of those attending are representatives of various Arab governments as well as top executives from leading regional and international insurance and reinsurance companies. For more information please contact: Al Iktissad Wal Aamal Group. PO Box 113-6194; Hamra, Beirut,

Lebanon. Tel: 961 1 780200. • Fax: 961 1 780206.
Email: info@iktissad.com.

3rd-7th

JITCOM 2003 – Sana'a

One of the largest and most successful events for the IT and communication industry in Yemen, JITCOM 2003 hard/software exhibition will be showcasing exhibitors offering the latest IT products, with spectacular deals for the over 40,000 computer enthusiasts who are expected to attend. This event is the perfect platform for foreign companies who want to gain a footing in the Yemeni market by promoting their products and services while finding new partners and meeting new customers. For more information please visit: www.exposanaa.com/jitcom2003.htm or contact: Apollo International Exhibitions. PO Box 15434, Sana'a, Yemen.

Tel: 967 1 441000. • Fax: 967 1 448086.
Email: apollo.exb2@y.net.ye.

5th-9th

SYMTEC – Damascus

SYMTEC, the first International Exhibition for Machine Tools and Industrial Technology, will focus on the following topics: the metal processing industry; machine and mechanical tools; packing plastic and injection machines; pneumatic and hydropneumatic systems; textile and leather machines and equipment; agriculture and food processing technology; the building and construction industries; the electric and electronic industries; medical equipment and supplies; and technical engineering. For more information please visit: www.wcfsfairs.com/symtec/symtec.htm or contact: World Center for Fairs and Services. PO Box 25779, Damascus, Syria.

Tel: 963 11 4448870. • Fax: 963 11 4444651.
Email: wcfs@mail.sy.

7th-11th

2nd International Exhibition for Small Enterprises Technology – Cairo

The 2nd International Exhibition for Small Enterprises Technology (SMETECH) will revolve around three main activities: the exhibition of 550 manufactured products of small enterprises, a conference on small enterprises for promotion of exports, and seminars held for youth about business. For more information please visit: www.smetech-expo.com or contact: General Organization for International Exhibitions and Fairs. Post Number 11783, Fair Grounds, Nasr City, Cairo, Egypt.

Tel: 20 2 2607856. • Fax: 20 2 2607845.
Email: info@smetech-expo.com.

10th-12th

Promomed 2003 – Cairo

Promomed 2003 is the International Conference and Exhibition of Pharmaceutical Researches, Medical Laboratory, Clinical Chemistry, Pathology, Dentist, Imaging and Radiology Solutions, and Equipment. This event is the most effective international trade fair dedicated to medical laboratory and diagnostic products and services in the region. The conference consists of three parts: Promolab, Promopharm, and Promodent. The Promolab 2003 Exposition is expected to attract 250 attendees from a broad spectrum of disciplines in the field. Historically the conference brings together scientists, engineers, and managers from all around the world, working in various fields ranging from Clinical Pathology to Medical Radiology in the Diagnostics sciences. The Promopharm conference program will feature seven independent streams: E Pharmacology; Advances in Minimally Invasive Pharmacology Researches; Tumors and Oncology; Health Management; Infectious Diseases and its treatment; Egyptian Pharmacology and Diagnostic Conference; and the Egyptian Pharmaceutical Congress. The conference program for Promodent will feature E Dentology; Advances in Minimally Invasive Dental Surgery and Robotics; Tumors and Oncology of the Gingiva; Dental Health Management; Infectious Diseases and Dentology; Dental Imaging and Diagnostic Conference; and the Latest Dental researches and techniques. For more information please contact: Arab Group for Promotion. Dr. Wahid Esmat. 24 Eskin el Mohandeseen Building, Cairo,

Egypt. Tel: 20 2 4176455. • Fax: 20 2 4176455.
Email: agp@adexec.com.

10th-13th

BATEX 2003 – Damascus

BATEX 2003 is the first Banking Technologies and Free Zones Exhibition. The event aims to provide the region's investment and finance community with the latest information on the developments and opportunities in the Syrian Arab Republic. The conference program will include keynote speeches by leading figures in the investment industry, banking and free zone organization representatives and prominent experts in the field. For more information please visit: www.batexme.com or contact: Peace for Exhibition and Trading. PO Box 33265, Damascus, Syria.

Tel: 963 11 3321087. Fax: 963 11 3342770.
Email: peace-co@scs-net.org.



General

- ◆ The Emirates Group posted a 74 percent increase in net profits to \$285.7 million for financial year 2002/3, ending March 31. Emirates Airline's operations alone reached a 94 percent increase in profits. The average passenger seat component rose 76.6 percent - breaking all previous records while cargo represented 19.6 percent of the airline's revenue.
- ◆ On May 1, the Government of Saudi Arabia announced a cabinet reshuffle – only the third in 30 years. Five new ministers were introduced and eight lost their positions. A minister has been appointed to represent the new information technology ministry and the Ministry of Education is now supported by two deputy ministers. The industry and electricity ministry was merged with two other ministries and King Fahd issued decrees to abolish the Ministry of Public Works and Housing and join it with the Ministry of Municipal and Rural Affairs.
- ◆ US-based law firm Squire, Sanders & Dempsey has teamed up with Kuwaiti law firm MM Al-Ghazali & Partners, a full-service international law firm established in 1992. Squire Sanders represents its client companies involved in Iraq's reconstruction. In addition, Daniel Q. Callister, legal counsel for the Kuwait-America Foundation, has joined Squire Sanders as counsel.
- ◆ The United States Congress has earmarked \$700 million in emergency aid to Jordan, the US State Department announced on May 13. The funds will help Jordan offset losses in revenue and new expenditures resulting from the conflict in Iraq. The US assistance will allow the Government of Jordan to continue to deliver basic services to the citizens of the kingdom, such as education and healthcare, without interruption.
- ◆ Nakheel Corporation announced on May 6 concept plans to construct an offshore island development just off Dubai's coast. The development is called 'The World' and will consist of a series of 200 islands, arranged to form the shape of a map of the world. The first stages in construction of the islands are expected to begin in late 2003. Total completion of the project is forecast for 2008.
- ◆ The US Agency for International Development (USAID) has awarded five cooperative agreements to non-governmental organizations (NGOs) as part of its Iraq Community Action Program (CAP). Each NGO will receive initial funding of seven million dollars. The Iraq CAP program is designed to promote citizen involvement in community development efforts at the grass-roots level and to empower individuals across gender, ethnic and religious lines. The program will promote diverse and representative citizen participation in and among 250 communities and will benefit approximately five million Iraqis.

Energy: Oil, Electricity and Water

- ◆ It was announced on May 5 that Thamir Ghadhban will head Iraq's temporary oil ministry and former Royal Dutch/Shell chief Phillip Carroll will head the ministry's advisory board. Ghadhban was formerly the director of planning of Iraq's oil ministry during Saddam Hussein's control. Ghadhban's position will be short-term until a future interim government formally selects a minister.
- ◆ US-based Energy Solutions, a provider of Internet-based pipeline and business management programs for the oil and gas industry, will supply real-time pipeline management tools to the Oman Gas Company (OGC). Invensys, which is supplying the SCADA system for the project, selected Energy Solutions' pipeline modeling application system (ESIPAS). OGC will use ESIPAS to enlarge capacity, decrease operational costs and improve safety across its existing gas network as well as on two new pipelines.
- ◆ At the beginning of May, US-based PSEG Global started commercial operations at its Salalah Power System plant in Oman. The plant is a 240-megawatt simple cycle, gas turbine facility located in the southern city of Salalah on the Indian Ocean. The plant was developed by the Dhofar Power Company, in which PSEG Global is the majority owner.
- ◆ Oklahoma-based Vintage Petroleum, Inc. (VPI) announced on May 14 that the An Nagyah #4, the second appraisal well to the An Nagyah #2 discovery well in Yemen, has tested light (45 degree API) oil from the sub-salt Upper Lam formation. The well was drilled to continue the evaluation of the sub-salt Lam formation discovery announced in December 2002. The An Nagyah #4 was drilled to a total depth of 1,547 meters.

Trade and Investment

- ◆ On May 13, US Secretary of State Colin Powell and Jordanian Foreign Minister Dr. Marwan Muasher exchanged instruments of ratification for the Bilateral Investment Treaty. The treaty is structured so that US investors in Jordan and Jordanian investors in the US will have the highest international standards for protection of their investments. It also imposes limits on expropriation and compensation, guarantees free transfer of earnings from investments, and affords investors recourse to internationally accepted dispute settlement mechanisms. The treaty was slated to go into full force after a 30-day period.
- ◆ It was announced May 6 that the US Agency for International Development (USAID) awarded a \$2.5 million initial management contract for five Iraqi airports to SkyLink Air and Logistic Support (USA). The contract provides for the assessment and timely repair of civilian

airports, management of civilian airports for the processing of humanitarian assistance as well as reconstruction material and personnel. SkyLink will provide technical expertise to assess and manage airports in Iraq in order to facilitate humanitarian operations and restore normal transportation services.

- ◆ Saudi Arabia has formed a publicly-held energy services company with a capital of \$142 million to attract more private and overseas investment to its energy industry. A Commerce and Industry Ministry statement on May 25 said the holding firm, Industrialization and Energy Services Co, will provide operations and services to the petroleum, petrochemical, power and water desalination sectors.

Finance

- ◆ Among the largest providers of diversified industrial real estate in the US, First Industrial Realty Trust, Inc., has formed a net lease fund with the Kuwait Finance House (KFH), a publicly-traded financial institution. The Fund targets the acquisition of net lease industrial properties throughout the United States and its total capitalization is expected to be up to \$425 million. KFH has agreed to contribute up to \$100 million in equity and First Industrial will contribute up to approximately \$18 million in equity.
- ◆ Fitch Ratings has assigned the following ratings to HSBC Bank Middle East (HBME): Long Term 'A', Short Term 'F1', Individual 'B' and Support '3'. According to a Fitch press release, the rating outlook is stable. The ratings reflect the vigor of HBME's regional franchise, the support of the HSBC Group, and its consistent profitability, satisfactory asset quality, and sound liquidity.
- ◆ The Government of Dubai has officially launched a \$408 million bond issue to be listed on the Dubai Financial Market (DFM). The first bond issue presented by the government of Dubai, it is being prepared and underwritten by Emirates Bank International, HSBC, National Bank of Dubai National Bank of Abu Dhabi and Standard Chartered Bank. It comes with a five-year term with interest paid semi-annually.
- ◆ On May 26, Shurgard Self Storage Europe formed a development joint venture with Crescent Euro Self Storage Investments SARL, an investment vehicle controlled by First Islamic Investment Bank, based in Bahrain. Shurgard Self Storage is a Belgian joint venture that operates as the European arm of US-based Shurgard Storage Centers, Inc. The new venture, known as First Shurgard SPRL, will develop approximately 25 self-storage properties in Europe in 2003 and 2004. Total capitalization of the joint venture is anticipated to be approximately \$173.25 million.

Technology

- ◆ Motorola's Global Telecom Solutions Sector (GTSS) has signed an expansion contract with Global System for Mobile communications (GSM) and General Packet Radio Service (GPRS) networks with Jordan's Fastlink mobile network. Contract value is approximately \$19 million and includes hardware as well as software and services. With some 900,000 subscribers, Fastlink is the largest telecommunications network in Jordan.
- ◆ The Thuraya-2 mobile communications satellite has been shipped from its Boeing Satellite Systems manufacturing facility to Long Beach, California, where it is being prepared for a June launch. The Boeing GEO-Mobile satellite is the second built for the Thuraya Satellite Telecommunications Company of Abu Dhabi. The satellite is to be lifted into space by a Sea Launch Zenit-3SL rocket from the Odyssey Launch Platform positioned on the equator in the Pacific Ocean.
- ◆ US mobile carrier MCI has been awarded a GSM network contract in Iraq. The network, worth some \$45 million, has a target operational date set for late June. Iraq will eventually join a global GSM wireless network with a community of almost one billion customers.
- ◆ CNBC Arabiya announced that the company is set to launch operations from its new Dubai Media City studio sometime in June. The channel will be the first Arabic-language news channel in the MENA region with up to the minute coverage of economic and business developments. The channel will be opening offices in Manama, Beirut, Baghdad, Cairo, Jeddah, and will have correspondents in London and New York.
- ◆ Viisage Technology, a US-based provider of technology for identity verification solutions, will participate in a security program with the UAE Ministry of Interior that utilizes Viisage facial recognition technology. The project will enhance the integrity of the country's visa process, as well as the overall security efforts at Dubai International Airport. The pilot project aims to provide the UAE with a framework for full deployment in 2004.
- ◆ Vodafone Egypt posted strong growth for its last financial year ending March 31. Customer numbers increased by over 31 percent to 2.263 million and this translated into 17 percent growth in turnover measured in local currency. A focus on cost effectiveness has led to significant improvements in EBITDA (earnings before interest, taxes, depreciation and amortization) margin, which increased from 40 percent to 49 percent.

The News Briefs section is compiled from a variety of on-line and print newspapers, journals, and magazines. For links to sources and daily news briefs via the Internet, please visit www.ArabDataNet.com



Algeria

Hospital completion works

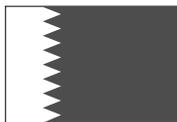
A tender has been issued for the completion of the 240-bed Dr. Benzerdjeb Hospital as part of the reconstruction and rehabilitation sector's Ain Temouchent emergency earthquake project. The project is financed by the World Bank. Closing date for bids is June 28. For further details, please contact: Benamar Zahr-Eddine Directeur de la Cellule de Co-ordination and de Suivi de Project de Reconstruction de la Zone Sinistree d'Ain Temouchent, Parc Wilaya, Algeria.

Tel: 213 3 43609196. • Fax: 213 3 43605000.

Rural employment project

A tender has been issued by Ministere de l'Agriculture and du Development Rural Direction-Generale des Forets, for the supply of goods, execution and provision of related services as part of the agricultural sector's second rural employment project. Bidding closes July 5. For further details, please contact: Ministere de l'Agriculture and du Development Rural Direction-Generale des Forets, Parc Zoologique, Ben Aknoun, Algiers, Algeria.

Tel: 213 21 915316. • Fax: 213 21 915317.



Bahrain

Fan coil units

The Bahrain Ministry of Health has offered a bid for the supply of fan coil units at the Salmania Medical Complex. The final date for bids is June 24. For further information, please contact: The Ministry of Health, PO Box 12, Manama, Bahrain. Tel: 973 255555. • Fax: 973 252569.



Egypt

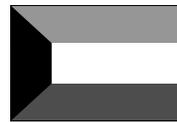
Potable water equipment

The supply of potable water pumping equipment for Alexandria Water Infrastructure General Authority is needed. Bid bond is five percent of tender price. Final date for bids is July 1. For further information, please contact: The Alexandria Water Infrastructure General Authority, 61 Al Hurriya Avenue, Alexandria, Egypt.

Tel: 20 3 4938409. • Fax: 20 3 4938409.

Juhayna product sales

The Juhayna Company is looking to export its juice, milk, milk products, fruit pulps and concentrates to the United States. Juhayna is an industry leader in Egypt, and is seeking US parties to import its goods. Companies interested in carrying Juhayna products should contact: Hassan M. El-Shahawy, at email: export@juhayna.com. Tel: 20 2 8333655.



Kuwait

Civil maintenance works

The Central Tenders Committee has issued a tender to carry out civil maintenance works at electric power and water distillation stations for the Ministry of Electricity and Water. A pre-bid meeting was held May 20 at the Ministry's headquarters in southern Surra. Bidding closes June 29. For further information, please contact: Central Tenders Committee, PO Box 1070, Safat 13011, Kuwait.

Tel: 965 24012001. • Fax: 965 2416574.



Morocco

Luminous airport signs

A tender has been issued by L'Aeroport Mohammed V de Casablanca for the supply and installation of luminous sign posting as part of the telecommunications sector's airport capacity improvement and expansion project. Closing date for the tender is July 3. For further information, please contact: Office National des Aeroports, Direction Generale, Aeroport Mohammed V, BP 8101, Casablanca Oasis, Morocco.

Tel: 212 2 539040/539140.



Qatar

Offshore well services

Qatar Petroleum is taking bids for the provision of mud chemicals and engineering services for its offshore wells. The closing date is June 29. For further information, please contact: or contact Qatar Petroleum, PO Box 3212, Room No. 70, Drilling Dept., QP, Ras Abu Aboud, Doha, Qatar.

Tel: 974 4774704.



Saudi Arabia

Piping installation and supply

The Saline Water Conversion Corporation (SWCC) has issued a tender for the installation and supply of complete FRP piping/fittings needed to replace the phase II underground fire-safety water lines. The final date for bids is June 28. For further information, please contact: Saline Water Conversion Corporation (SWCC) Makkah Road, PO Box 5968, Riyadh 11432, Saudi Arabia.

Tel: 966 1 4630503/4630501.

Construction of schools

The Ministry of Education in Saudi Arabia has recently issued a tender for the construction of 30 schools in Madina. The closing date for bids is July 17. For further

details, please contact: Ministry of Education, Airport Road, Riyadh 11148, Saudi Arabia.

Tel: 966 1 4042952/4042888. • Fax: 966 1 4037229/4012365.

Medical equipment repair

The Saudi Ministry of Health has announced tenders for the repair of medical equipment. The closing date to receive bids is June 23. For further information, please contact: Ministry of Health, Airport Road, PO Box 21217, Riyadh 11176, Saudi Arabia.

Tel: 966 1 401 2220/401 2392. • Fax: 966 1 402 9876.

Drainage channel

Jizan Municipality has issued a tender for the construction of a water drainage channel in Al Dahna village in Bish. The final date for bids is July 8. For further information, please contact: Jizan Municipality, Jizan, Saudi Arabia.

Tel: 966 7 3221413.

Water network project

The Northern Border Municipality has issued a tender for the construction of water network in the Ar Ar district - contract No 10. The final date for bids is June 23. For further information, please contact: Northern Border Municipality, Northern Border, Saudi Arabia.

Tel: 966 1 4550286.



Syria

Locomotive repair

The General Administration of Syrian Railways is issuing a tender for the refurbishment of 32 Russian-made locomotives, type 2800. Bids will be accepted until June 24. For further information, please contact: General Administration of Syrian Railways, PO Box 182, Aleppo, Syria.

Tel: 963 21 2213900/1.

Integrated weaving line

Al Ahlia Spinning and Weaving Company recently issued a tender for the supply, installation and operation of an integrated weaving line with preparations and a complete line for dyeing and finishing works. Closing date for the tender is June 29. For further details, please contact: Al Ahlia Spinning and Weaving Company, PO Box 230, Aleppo, Syria.

Tel: 963 21 2660651/2/3.



Tunisia

Data processing equipment

The Ministere de l'Education and

Formation Direction des Batiments and de l'Equipement has issued a tender for the supply of data processing equipment for the information technology sector's education quality improvement project. The project is financed by the World Bank. The closing date to receive bids is June 16. For further details, please contact: Ministere de l'Education and de la Formation Direction des Batiments and de l'Equipement, Boulevard Bab Bnet, Tunisie 1030, Tunisia.

Tel: 216 7 1567451/7528. • Fax: 216 7 1569735/9307.

Supply of electric cables

The Groupe Chimique Tunisien is offering a tender for the supply of equipment (electrical and telephonic cables) for a chemical plant. Closing date for this tender is June 18. For further details, please contact: Groupe Chimique Tunisien Direction des Achats, 2130, Metlaoui, Tunisia.

Tel: 216 71 784488. • Fax: 216 71 783822.

Supply of stainless steel reservoirs

A tender has been issued for the supply of stainless steel reservoirs for a chemical plant. Bidding closes June 22. For further information, please contact: Groupe Chimique Tunisien, BP 393-3018 fax, Tunisia.

Tel: 216 71 784488. • Fax: 216 71 783822.



UAE

Water transmission

The Dubai Electricity and Water Company has issued a tender for the supply, installation, testing and commission of 900 and 600 MM dia AC water transmission main and associated works along the Sheikh Zayed road from free zone and in Mohaisna, Oud Al Matina, Al Mizhar and Al Khawaneej. The closing date is July 13. For additional information, please contact: Dubai Electricity and Water Authority, PO Box 564, Dubai, UAE.

Tel: 971 4 3244444. • Fax: 971 4 3248111.

Email: contracts@dewa.gov.ae. • Web Site: www.dewa.gov.ae.

Highway construction

The Abu Dhabi Ministry of Public Works and Housing has issued a tender for the construction of the Dubai-Fujarah freeway. Open to contractors specialized in road works and bridges registered with the Ministry. The final date to receive bids is July 14. For further details, please contact: PO Box 878, Abu Dhabi, UAE.

Tel: 971 2 6651778. • Fax: 971 2 6665598.



US-Syrian Relations: Political and Economic Challenges

On May 13, the National US-Arab Chamber of Commerce, in coordination with the MidAmr Group, hosted a panel discussion entitled, "US-Syrian Relations: Political and Economic Challenges." Held at the Rayburn House Office Building, the event was attended by some 50 members of the US government community and media.

Panel members included the Honorable Wyche Fowler, Jr., chairman of the Middle East Institute, Hisham Melhem, Washington bureau chief for the Lebanese daily Al-Safir, William A. Reinsch, co-chairman of USA Engage and president of the National Foreign Trade Council, and the Honorable Nick J. Rahall II, US congressman.

After opening remarks from both MidAmr's David Dumke, principal, and NUSACC's Reema Jweied, executive director for marketing and strategic development,

Ambassador Fowler commenced the discussion by speaking about regional views on US foreign policy.

Mr. Melhem then spoke in detail how the region has been re-shaped by the US-led war on Iraq and some of its implications for the future.

This was followed by a discussion by Mr. Reinsch who talked about US-Syria trade in light of the latest regional developments and the proposed Syria Accountability Act. Congressman Rahall then capped off the discussion when he spoke about his latest trip to Syria and most of the diplomatic challenges facing the two countries.

The panelists' remarks were followed by a question and answer session that touched on issues ranging from political developments to trade implications for US business in Syria.

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Houston, TX 77056
Tel: (713) 963-4620
Fax: (713) 963-4609

8929 South Sepulveda
Boulevard, Suite 310
Los Angeles, CA 90045
Tel: (310) 646-1499
Fax: (310) 646-2462

420 Lexington Avenue
Suite 2034
New York, NY 10170
Tel: (212) 986-8024
Fax: (212) 986-0216

Thuraya Available in the USA

In keeping with its commitment to provide telecom infrastructure support for the rebuilding of Iraq, and in response to the great need for immediate telecommunications, Thuraya has set up a network of distributors able to serve Iraq both from within, and from outside the country. Below are two suppliers of Thuraya in the USA. A list of other distributors can be obtained from www.connectiraq.com or www.thuraya.com, or by calling + 9712-6422411.

Danimex USA Inc.
10310 Apple Ridge Road
Montgomery Village, MD 20886
USA
Tel: +1 240 683 0153
Fax: +1 561 892 3202
seaneubanks@danimexusa.com

SatCom Distribution Inc.
60-B South 2nd Street
Deer Park, NY 11729
Tel: 631-586-5100
Fax: 631-586-5531
E-mail: at@satcomdistribution.com

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