U.S. – ARAB CHAMBER AND AMERICAN COUNCIL OF ENGINEERING COMPANIES CO-HOST TWO FIRST-OF-THEIR-KIND EVENTS IN WASHINGTON, DC

Arab Ambassadors and 7 Commercial Attachés Highlight Business Opportunities in the MENA Region

Ambassador Marc Ginsberg: “If You’re Not There, Somebody Else Will Be Carrying Out These Projects.”

WASHINGTON, DC – As part of this year’s annual convention of the American Council of Engineering Companies (ACEC), the National U.S.-Arab Chamber of Commerce (NUSACC) and ACEC organized two events this week that highlighted business opportunities in the Middle East and North Africa for U.S. engineering and construction companies. On Monday, April 22, the two associations organized a private dinner for Arab ambassadors and business leaders that focused on emerging opportunities in North Africa. On Wednesday, April 24, NUSACC and ACEC co-hosted a seminar – featuring commercial attaches from seven Arab embassies – on business prospects throughout the Middle East and North Africa (MENA) region.

“Our Chamber was pleased to partner with ACEC in these first-of-their-kind events for U.S. engineers and constructors,” said David Hamod, President & CEO of NUSACC. “It was a win-win opportunity for both

Arab diplomats and leadership from NUSACC and ACEC discuss emerging opportunities in North Africa. (Left to right): David Hamod, NUSACC President & CEO; H.E. Mohamed Tawfik, Egypt’s Ambassador to the United States; Ted C. Williams, Chairman, ACEC; H.E. Rachad Bouhlal, Morocco’s Ambassador to the United States; Dave Raymond, ACEC President & CEO; and Dr. Yazid Bouzid, Deputy Chief of Mission at the Embassy of Algeria.
associations to connect these business leaders with Arab ambassadors and embassy commercial officers.”
(Click here to see Hamod’s Guest Column in Engineering Inc. magazine entitled, “Middle East & North Africa Markets Offer Unprecedented Opportunities for U.S. Engineering Firms.”)

Dave Raymond, President & CEO of ACEC, noted, “The Ambassadors dinner during ACEC’s Annual Convention in Washington offered an ideal opportunity for key leaders in America’s engineering industry to learn more about the growing infrastructure markets in Egypt, Morocco, and Algeria. It was a great event, and we look forward to pursuing additional partnering opportunities with NUSACC in the future.”

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At a private dinner for 25 of America’s leading engineering firms, two Arab ambassadors – H.E. Mohamed Tawfik of Egypt and H.E. Rachad Bouhlal of Morocco – briefed the U.S. businesses on recent developments within their two nations.

Ambassador Tawfik underscored that the yearning of the Egyptian people was “impossible to repress” and that this has led to a “historic transformation” and a new sense of empowerment among Egyptians. “Revolutions are noisy,” he noted, and the one in Egypt is no exception.
Despite the challenges faced by Egypt’s fledgling democracy, Ambassador Tawfik expressed his optimism, indicating that no U.S. companies have pulled out of Egypt since the revolution. Moreover, he noted, the U.S. Government is providing insurance and loan guarantees that will make it even easier to do business in Egypt. Ambassador Tawfik concluded, “While some people are looking at Egypt’s challenges, smart businesses are looking at Egypt’s opportunities.”

Ambassador Bouhlal of Morocco touted his nation’s Free Trade Agreement (FTA) with the United States, the second FTA signed with an Arab nation. This pact has helped to create a special business relationship between the two nations, he suggested, one that is bolstered by Morocco’s stability and commitment to the rule of law. He identified several priority areas for business prospects:

* **Logistics** – The Port of Tangier, soon to be the largest in the Mediterranean, will be able to handle 9 million containers per year after expansion. The port recently received the CMA CGM Marco Polo, the world’s largest container ship by capacity (18,000 containers and up to 16,020 TEUs).

* **Aeronautics** – Major projects with Boeing, Airbus, and Bombardier have created more than $1 billion in Moroccan exports, supporting over 100 local companies and more than 10,000 workers.

* **Automotive** – Renault now has a production capacity of 400,000 cars per year in Morocco, and Ford exported over $312 million last year in spare parts produced in Morocco.

* **Renewable Energy** – Developing alternative sources of energy, along with the job creation that comes with research & development, may be Morocco’s highest priority. The government is expected to spend $9 billion through the year 2020 on solar energy alone, while also making significant commitments to hydroelectric and wind power (2,000 megawatts).

Tourism will continue to be a high priority, with a view to attracting 20 million tourists by the year 2020.
Ambassador Bouhlal concluded, “Morocco is working to build strong partnerships with the United States. With the help of America’s private sector, we look forward to working together to create a better and safer future for generations to come.”

Also participating in the dinner was Dr. Yazid Bouzid, Deputy Chief of Mission from the Embassy of Algeria. Dr. Bouzid noted that more than 130 U.S. companies have a presence in Algeria and that infrastructure development is one of the nation’s highest priorities. More than $30 billion will be spent on roads alone, he said, with many billions more devoted to airports, dams, hospitals, universities, and schools.

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On Wednesday, April 24, NUSACC and ACEC co-hosted a seminar – featuring commercial attaches from seven Arab embassies – on business prospects in the MENA region. Panel discussions were moderated by NUSACC’s David Hamod and Hon. Marc Ginsberg, former U.S. Ambassador to Morocco and Founding President of Layalina Productions – America’s most successful producer of original Arabic-language content for prime time television and educational media airing throughout the Arab world.

Embassy panelists included: Algeria – Mr. Malek Djaoud, Counselor for Economic Affairs; Bahrain – Ms. Rose Sager, Trade Representative; Egypt – Mr. Mohamed El Khatib, Commercial Counselor; Iraq – Mr. Naufel Al Hassan, Commercial Attaché; Oman – Ms. Shireen Said, Commercial Attaché; United Arab Emirates – Mr. Talal Al Kaissi, Chief of Staff of the Trade & Commercial Office; Yemen – Mr. Abdulrahman Al-Eryani, Principal Economic and Commercial Officer. Below are highlights of these presentations.

**Algeria**

has budgeted $286 billion for infrastructure-related development, $156 billion of which is dedicated to new projects. The government plans to construct 35 dams and 80 stadiums within five years, as well as 1.2 million new homes. These projects come on the heels of an $11 billion roads initiative, completed in 2011, that stretches 1,100 miles from East to West. Algeria is constructing the fourth largest biotech hub in the world, according to Counselor Malek Djaoud, and solar power is an increasingly high priority. (Algeria enjoys 4,000 hours of sun per year.)

**Algeria's Solar Breed Project** is a joint Algerian-Japanese university endeavor with a goal of providing 50% of the world's solar energy by 2050.
Bahrain is a “modern, cosmopolitan, open country that is well positioned to be a gateway to other Gulf Cooperation Council nations,” according to Trade Representative Rose Sager. She noted Bahrain’s status as the 13th freest economy in the world (Heritage Foundation), where investors will find a “red carpet rather than red tape.” The Kingdom has zero taxes, she said, “so you get to keep what you earn.” Moreover, Tamkeen, a government program designed to foster private enterprise, offers subsidies to investors to train Bahrainis. The nation’s top engineering projects include a new international airport, a causeway that will connect to the State of Qatar, and a railway system.

Egypt, 97 percent of which is uninhabited, according to Commercial Counselor Mohamed El Khatib, offers remarkable opportunities for infrastructure development. Much of this work is overseen by the government’s Public – Private Partnership Unit, which works to facilitate cooperative projects. Egypt has dozens of projects in the works, with a special focus on quality of life initiatives for its burgeoning population of more than 80 million people: power, water, hospitals, schools, transportation, thoroughfares, and the like. The Safaga Industrial Port, for example, is a high profile project intended to create an oil & gas hub for the region. With Egypt’s multi-lingual society, Business Process Outsourcing (BPO) and call centers are important employment drivers, generating more than 40,000 jobs.

Iraq is “facing the challenges that come with Democracy,” according to Attaché Naufel Al Hassan, but the Republic of Iraq is “emerging from the ashes,” he said. Hydrocarbons will continue to be the backbone of Iraq’s economy – with more than $530 billion in investments over the next two decades – but Iraq is
increasingly diversifying its economy. The 2013 budget, for example, calls for more than $150 billion in infrastructure projects, including $25 billion in energy projects, $17 billion for security, $15 billion for social services, and $11 billion for education. With a population expected to grow to 40 million people by 2025, said Mr. Al Hassan, Iraq will need three million new housing units by the year 2020, as well as 5,000 new schools and 3,000 refurbished schools.

**Oman** is a “stable, modern, peaceful nation,” according to Attaché Shireen Said, one that is assiduously following a “Vision 2020” strategy that sees her nation’s population growing three percent per year. With this in mind, Oman is working hard to diversify, shrinking the oil & gas share of GDP from 40 percent to nine percent by 2020. That nation’s largest infrastructure projects revolve around three ports and their industrial complexes: Sohar in the north, Duqm in the center, and Salalah in the south. Oman’s rail projects are also driving infrastructure development, noted Ms. Said, with over $40 billion dedicated to building 1,000 kilometers of track by the year 2018. Like many of the other GCC nations, Oman is searching for ways to conserve water. Daily demand is expected to grow by 30 percent by the year 2018.

The **United Arab Emirates**, America’s largest export destination in the MENA region, has grown exponentially in recent years, according to Chief of Staff Talal Al Kaissi. The United States sold $22.5 billion in merchandise to the UAE in 2012, double the level for the year 2009. The UAE is home to more than 40,000 American expatriates and over 1,000 U.S. firms, highlighting what Al Kaissi characterized as the “mutual commitment to economic growth” shared by the UAE and the USA. The UAE may be best known as a regional hub for exports – as Boeing’s #1 customer in the world, for example – but it is also emerging as an important investment destination and manufacturing center. GE recently won a $500 million contract, for example, to support the Emirates Aluminum (EMAL) smelter in Abu Dhabi, soon to be one of the largest in the world, with an annual capacity of 1.4 million tons per year. Industrial projects like EMAL require large amounts of energy, and the UAE plans to add 40,000 more megawatts of power by the year 2020. More than $25 billion has been set aside to develop nuclear power, and many thousands of megawatts will eventually come from renewable sources of energy, like those that will power Masdar City, the first zero-carbon zero-waste community of its kind in the world.
The arrival this month of U.S. manufacturer Electro-Motive Diesel's first locomotive to the UAE precedes the launch of Stage One in Etihad Rail's ambitious 750-mile project to connect urban and remote communities, open up communication channels and foster economic development.

The #1 priority of Yemen, according to Mr. Abdulrahman Al-Eryani, is power generation. With a booming population and rural areas that enjoy only five percent electrification, he said, “the demand for electricity needs to be met right now.” Yemen is looking for unconventional ideas to generate electricity from natural gas, Al-Eryani noted, and U.S. companies have some of the most innovative technologies in the world. He also cited the importance of upgrading airports (like that in Sana’a) and ports – like the one in Aden. That facility recently canceled a major management contract and, according to Al-Eryani, Aden would welcome American port management expertise.

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Dozens of engineering company representatives attended the two-hour-long seminar, the first of its kind at ACEC’s annual convention. Ambassador Marc Ginsberg summed up prospective approaches to regional business opportunities this way: “If you’re not there, somebody else will be carrying out these projects. Where there is challenge, there is opportunity.”

The American Council of Engineering Companies (ACEC) is the voice of America’s engineering industry, consisting of 51 state and regional councils representing the great breadth of America’s engineering industry. ACEC member firms employ hundreds of thousands of engineers, architects, land surveyors, scientists, and other specialists, responsible for more than $200 billion of private and public works annually. Member firms range in size from a single registered professional engineer to corporations employing thousands of professionals.

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.