FOR IMMEDIATE RELEASE
May 6, 2014
+1 (202) 289-5920
info@nusacc.org

U.S. – ARAB CHAMBER CONNECTS LOS ANGELES BUSINESS COMMUNITY TO THE GULF COOPERATION COUNCIL NATIONS

NUSACC Office in Southern California Partners with Port of Los Angeles to Offer First-of-its-Kind “Trade Connect” Workshop

Diplomats and Commercial Officers from Six Arab Nations Highlight Business Opportunities in the Arabian Gulf

Los Angeles, CA – The National U.S. - Arab Chamber of Commerce (NUSACC), in cooperation with the Port of Los Angeles and other partners in the L.A. area, held a “GCC Trade Connect Workshop” recently at the InterContinental Hotel Century City in Beverly Hills. Nearly 150 business leaders registered to attend the event, which highlighted business opportunities in the six Gulf Cooperation Council (GCC) nations – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE). The event was sponsored by Etihad Airways, the national airline of the United Arab Emirates, which will launch daily nonstop service from Abu Dhabi to Los Angeles starting June 1.

Partners in this first-of-its-kind event included: The City of Los Angeles, the District Export Council of Southern California, the Export - Import Bank of the United States, the Los Angeles Customs Brokers & Freight Forwarders Association, the Los
Angeles Regional Export Council, the Port of Los Angeles, and the U.S. Commercial Service.

“NUSACC was privileged to work with so many great partners in Los Angeles, and I thank Ms. Rim Elbayar-Aly, Director of NUSACC’s office in L.A., for pulling this important event together,” said David Hamod, President & CEO of the Chamber. “This gathering helped to inform L.A.-area companies about some of the outstanding business opportunities in the GCC, one of the fastest growing markets in the world.”

Jim MacLellan, Director of Trade Development at the Port of Los Angeles and head of the Port’s “Trade Connect” team, noted, “In my 25 years in this business, I have not attended an event in Los Angeles that offered this opportunity to local companies. The GCC countries are the strongest partners of the city of Los Angeles, yet all business development is usually done by individual matchmaking and personal efforts, especially in dealing with the Arab region. Having NUSACC work on connecting the West region, including Los Angeles, to the Middle East, is a key component in furthering business ties with the Arab world.”

Strong GCC Representation

For the first time in memory, a business workshop attracted government representation from all six countries of the Gulf Cooperation Council, including: Mr. Nathan Regan, Country Manager (USA) at the Economic Development Board of Bahrain; Mr. Abdulaziz Almejel, Vice Consul of the State of Kuwait in Los Angeles; Ms. Shireen Said, Commercial Attaché at the Embassy of the Sultanate of Oman in Washington DC; Ms. Souheir Al Bakri, representing the Consulate of the State of Qatar in Los Angeles; Mr. Ali Al-Abdul Latif, Advisor to the Consulate of the Kingdom of Saudi Arabia in Los Angeles; and Mr. Talal Al Kaisi, Chief of Staff & Advisor to the Commercial Counselor at the United Arab Emirates Embassy in Washington DC.

Workshop attendees were particularly pleased to meet H.E. Abdulla Ali Al-Saboosi, the UAE’s Consul General in Los Angeles. The UAE recently opened its first Consulate on the West Coast of the United States, and it is overseen by Mr. Al-Saboosi. He said, “We are
delighted to offer our support to such an energetic and relevant organization as NUSACC, and we look forward to many years of cooperation and partnership.”

Panel One: Local Expertise

The first panel of the workshop featured Los Angeles-based trade experts and government officials, who shared their knowledge and expertise on international commerce. Panelists included representatives from the Port of Los Angeles, the U.S. Department of Commerce, the Los Angeles Mayor’s Office, the Export - Import Bank of the United States, and the Brokers & Freight Forwarders Association. In addition, NUSACC member companies that are involved in trade, such as DGX/DHX Shipping Services, presented valuable hands-on advice on how to handle cargo when doing business in Middle East and North Africa (MENA) markets.

Jim MacLellan, Director of Trade Development at the Port of Los Angeles, noted that the goal of Trade Connect is to “connect businesses in our region to the resources they need in order to enter the international global market. In our programs, we normally focus on certain products, but we also focus on certain parts of the world that are markets with great potential for our businesses in the L.A. region. That’s why we’re very excited to focus today on the GCC region. In our experience, we’re finding more and more SMEs that have been able to make sales to the Gulf States.”

“We often don’t realize that being number one in so many areas brings us advantages that we truly don’t appreciate,” MacLellan suggested. “We have the largest port in the country, which means that we have the most services offered by any port in the United States. We have 1,000 planes per day using our sister airport, LAX, and these planes have cargo capacity in their bellies. In fact, we have more dollar value of cargo moving through the airport than we do through the port, which shows how strong our cargo gateway is.”

MacLellan continued, “We are the largest manufacturing center in the United States. We also have the largest distribution and warehousing network in the USA, which provides facilities and competition for businesses on a second-
to-none basis to be able to distribute their products -- imports or exports.” In addition, he noted, Los Angeles has the “largest U.S. Customs base, which means that we have the most trade flowing through our ports than anywhere else in the United States. Last year, I’m pleased to say, we had a record $414 billion of trade flowing through our ports and airports.”

As a result of new entrants, like Etihad Airways and United Arab Shipping (UAS) at the port, MacLellan said, “Our trade with the Middle East has been increasing rapidly. Although oil is a very important commodity, we’re increasingly seeing a wide variety of other products and services. We’re also seeing business delegations from the Middle East coming to our region, and we would like to enable as much business matchmaking as possible. That’s why we reach out to organizations like NUSACC.”

Ms. Fabiola Vilchez, International Trade Specialist in the Office of Eric Garcetti, Mayor of the City of Los Angeles, said, “We are very excited to be working with NUSACC. Thank you very much for inviting us and giving us an opportunity to tell you how amazing the city of Los Angeles is.”

“Mayor Garcetti is very committed to a regional approach to international trade because he understands very well that what benefits the region also benefits the city of L.A.,” said Vilchez. “L.A. is the entertainment, manufacturing, and international trade capital of the United States. With nearly $544 billion in annual output, L.A. County ranks amongst the world’s largest economies. Whether you go from entertainment to technology or from tourism to aerospace, every pillar of industry here is connected to international markets, and that is what makes L.A. great.”
Forty percent of cargo entering the United States comes through the L.A. and Long Beach ports, she noted. “LAX remains one of the world’s largest and most traveled airports. We are spending $1.9 billion in renovating LAX, which includes Tom Bradley terminal, an amazing and state-of-the-art facility. Given our infrastructure and assets, we can connect with the world very easily. We have been the preferred gateway for Asia and most of Latin America, and we hope to be the same for the Arab countries.”

In terms of higher education, Vilchez said, “We have three of the top universities in the world: UCLA, USC and Cal Tech. These universities produce the most engineers, most PhDs, and the most patents anywhere in the world. Therefore, we are highly optimistic that with the new flights, we can accommodate more students from the region.”

“We know that countries like Bahrain and Kuwait import most of their food products,” she said, “and L.A. has a large food processing sector. We also know that Oman does not have sufficient arable land and is seeking modern technology for food production. Most of the new technologies that are exported to the world come from L.A., so we definitely can have an impact.”

“Los Angeles knows about transportation and traffic,” Vilchez suggested, “and we have made great strides to build a world-class transportation system that includes bus and rail. We have some of the most qualified and well-known engineering firms, who can definitely provide Qatar with solutions for its transportation problems.”

She went on to say that “Saudi Arabia, and all the other countries in the region, will benefit from our renewable energy companies. And the UAE, with its massive construction boom and expanding manufacturing base, would benefit from
our construction, infrastructure, and design companies, including some of the best in the world. Moreover, L.A. can contribute to the planning and development of Expo 2020 in Dubai.”

She concluded: “We look forward to partnering with NUSACC. Mayor Garcetti has been in office for only nine months, so this is our very first event with NUSACC. We’re looking forward to many years of collaboration and in assisting in any way we can.”

Panel Two: Opportunities in the GCC

The second session of the workshop showcased commercial representation from the six GCC nations. Each country expert provided detailed data on opportunities in his or her GCC country, apprising local Los Angeles companies of current and upcoming projects in their respective countries.

Speaking about opportunities in the GCC (from left to right): Talal Al-Kaissi, Chief of Staff & Advisor to the Commercial Counselor, Embassy of the United Arab Emirates; Nathan Regan, Country Manager, USA at the EDB Bahrain; Abdulaziz Al-Mejel, Vice Consul at the Consulate of the State of Kuwait, Los Angeles; Shireen Said, Commercial Attaché at the Embassy of the Sultanate of Oman; Souheir Al-Bakri, Consulate of the State of Qatar, Los Angeles; Ali Al-Abdul Latif, Advisor, Consulate of the Kingdom of Saudi Arabia, Los Angeles.

Kingdom of Bahrain

Mr. Nathan Regan, Country Manager (USA) for the Economic Development Board of Bahrain, congratulated the Port of Los Angeles for recently adding a direct Los Angeles-to-Bahrain shipping line to the Khalifa Bin Salman port in
Manama. Over half a million containers have already been shipped, Regan said, and under the U.S. – Bahrain Free Trade Agreement, transit takes about one month. Moreover, Regan noted, the FTA has eliminated tariffs, and an American company can now create a subsidiary in Bahrain and own it 100 percent, without a local partner.

The Kingdom of Bahrain has long been a hub, Regan suggested, using its strategic location in the Arabian Gulf to serve the region. For example, he said, Kraft Foods relocated from Australia to Bahrain to service the region, employing 200 people and using the causeway every day to ship its products to the largest market in the region, Saudi Arabia. UPS, GE, Microsoft, and many other companies maintain regional offices in Bahrain, he noted, and they are among the more than 200 U.S. companies that now have a presence in Bahrain.

Bahrain is strategically located between two booming economies, Saudi Arabia and Qatar, Regan said, enabling companies to serve both markets comfortably. Bahrain connects to Saudi Arabia via a causeway, which means goods can make the trip from Bahrain to Saudi Arabia in less than 45 minutes. The Qatar - Bahrain Friendship Bridge, currently in the planning stage, will offer excellent opportunities for U.S. companies looking to take advantage of Qatar’s run-up to the FIFA 2022 World Cup, Regan concluded.

State of Kuwait

H.E. Abdulaziz Al-Mejel, Vice Consul for the State of Kuwait in Los Angeles, highlighted Kuwait’s longstanding and close relationship with the United States. His country has an “active, free, and pro-business market with an approach that adapts to the country’s needs,” he said.

Under the foreign investment law in Kuwait, Al-Mejel suggested, foreign businesses enjoy 100 percent ownership of their operations. Kuwait offers an excellent infrastructure and plenty of opportunities for U.S. companies to enter the market, he noted, especially in the following sectors: oil & gas,
transportation, and construction/engineering. Because Kuwait imports most of its food, Al-Mejel noted, foodstuffs are also an attractive sector with excellent growth potential.

Kuwait’s five-year development plan calls for expenditures of more than $100 billion, and this helps to explain why that nation is consistently one of the top markets for U.S. goods and services in the MENA region. Exports of U.S. goods reached nearly $2.6 billion in 2013 and, according to the National U.S. – Arab Chamber of Commerce, U.S. goods and services shipped to Kuwait are on track to rise to $11.88 billion by the year 2018.

Sultanate of Oman

Ms. Shireen Said, Commercial Attaché at the Embassy of Oman in Washington DC, highlighted Oman’s economic development in the context of “Vision 2020,” that nation’s master plan. “Many GCC countries are in the process of economic diversification,” she said, and Oman is no exception. The Sultanate is placing a high priority on manufacturing, fisheries, tourism, healthcare, human resources development, infrastructure, and services, she noted, with a view to creating productive jobs.

The first phase of the 2020 plan is to upgrade the basic infrastructure with average government spending of $70 billion per year, Ms. Said noted. Oman’s main development areas include the Sohar region in the North, Salalah in the South, and the completely new city of Duqm now being constructed in the central region. The new GCC railway will saboo all of these together, she suggested, enabling Oman to take full advantage of its infrastructure: seaports, airports, free zones, road networks, and the like.

The Oman – U.S. Free Trade Agreement (FTA) provides duty-free access for U.S. industrial and consumer goods, Ms. Said noted, including most agricultural products. In large part because of the FTA, she pointed out, Omani exports to the United States have increased by 60 percent in recent years, resulting in an increase in bilateral trade of over 50 percent since the signing of the FTA in 2009.

The first phase of Oman’s new railway system is now underway, connecting the industrial area of Sohar to Al Ain in the UAE. The second phase will connect to the GCC-wide railway system, with Salalah as its southern terminus.
Oman is building four new airports and two new medical cities, Ms. Said suggested, and the Sultanate is in the process of upgrading its airports in Muscat and Salalah. In recent weeks, the Oman Airports Management Company (OAMC) has floated nine tenders for contracts involving operations and maintenance (O&M) services at its new and upgraded airports.

In October 2013, the National U.S. – Arab Chamber of Commerce, under the auspices of Oman’s Ministry of Commerce & Industry, organized the first Oman Business Road Show to the United States (Houston, Chicago, and New York). NUSACC has just completed a “reverse” trade mission to Oman, which included high-level meetings in Muscat, Sohar, and Duqm.

**State of Qatar**

Ms. Souheir Al-Bakri, Representative of the Consulate of Qatar in Los Angeles, announced the official opening of Qatar’s new consulate in Los Angeles in December 2013.

Qatar is the first Arab nation to be selected by FIFA to host the World Cup, she said, requiring nine new stadiums and critical infrastructure to support this world-class sports event. Preparations for the 2022 World Cup are part and parcel of Qatar’s National Vision 2030 blueprint, which anticipates expenditures of more than $200 in coming years.

The biggest portion 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. Approximately $20 billion of this will be dedicated to the tourism sector, Ms. Al-Bakri said, in anticipation of attracting about 3.7 million tourists annually to Qatar by the year 2022.

The surge in tourism around the FIFA World Cup will help to generate business in such sectors as hotels & hospitality, healthcare, education, and financial services, to include wide-ranging opportunities in commercial, retail, and residential fields. Qatar plans to add as many as 150 hotel properties between now and 2022, for example, to accommodate the 600,000 to one million fans who are expected to visit Doha for the FIFA World Cup.
The World Economic Forum has named Qatar as the most competitive economy in the Middle East for three years in a row, and Qatar’s annual GDP growth has been among the highest in the world in recent years, outpacing China. Through the year 2016 at least, according to the National U.S. – Arab Chamber of Commerce, Qatar will be the third largest market in the MENA region for U.S. goods and services. In 2013, exports of U.S. goods to Qatar reached nearly $5 billion, an increase of 38.61 percent over 2012.

The State of Qatar has seen some high-level business delegations visiting from the United States in recent months. U.S. Secretary of Commerce Penny Pritzker visited Qatar in March with 21 U.S. companies in tow, and the National U.S. – Arab Chamber of Commerce led an equally impressive private sector delegation of 20 U.S. companies to Doha in April.

Kingdom of Saudi Arabia

Mr. Ali Al-Abdul Latif, Advisor to the Consulate of Saudi Arabia in Los Angeles, characterized Saudi Arabia as the “largest free market in the Middle East.” With the largest known oil reserves in the world, he said, Saudi Arabia offers the region’s lowest energy prices for investment projects, as well as strong purchasing power in the region’s largest consumer market.

In September 2013, he said, more than 300 Saudi businessmen and businesswomen visited Los Angeles for the third U.S. – Saudi Business Opportunities Forum. That event showcased opportunities in such sectors as defense, counterterrorism, energy, infrastructure development, and education.

Education is high on the list of priorities for Saudi Arabia, said Mr. Al-Abdul Latif, representing an important part of the Kingdom’s annual budget. One piece of this is Saudi Arabia’s efforts to send students for training and continuing education programs in the United States. There are more than 120,000 Saudi students currently residing in the United States, he said, of whom 15,000 reside in Southern California.

Saudi Arabia boasts the region’s largest economy, and exports of U.S. merchandise to the Kingdom grew approximately five percent from 2012 to 2013, to almost $19 billion. According to the National U.S. – Arab Chamber of Commerce, U.S. exports of goods and services to Saudi Arabia will grow to nearly $55 billion by the year 2018.
United Arab Emirates

Mr. Talal Al Kaissi, Chief of Staff & Advisor to the Commercial Counselor at the UAE Embassy in Washington, provided a wide-ranging presentation on the U.S. – UAE commercial relationship.

In his remarks, Al Kaissi pointed out that the UAE is the largest U.S. export market in the Middle East and North Africa (MENA) region and that the UAE buys products from every state in the USA. Total bilateral trade in 2013 reached $26.9 billion, he said, and cumulative UAE investments in the United States – between U.S. capital markets and direct investments in the U.S. economy – have surpassed $21 billion. The UAE hosts over 1,000 American firms across multiple sectors, he noted, and more than 60,000 American citizens reside in the UAE.

The biggest developing news in the UAE, Al Kaissi suggested, is Dubai’s selection to host the 2020 World Expo. That event is expected to draw more than 25 million visitors to the UAE during the six-month duration of the Expo, creating 277,000 jobs as Dubai and the UAE ramp up for the Expo. According to Al Kaissi, Expo 2020 will boost tourism and other parts of the economy as the UAE Government spends billions on infrastructure, which is expected to prompt a 0.5 percentage point increase in GDP during the 2016 – 2019 period.

The crux of Al Kaissi’s remarks focused on sectors in the UAE that are showing the most promising growth. These include education, healthcare, tourism, defense & security, aerospace, ports and free zones, rail, media, financial services, industrial development, and commercial aviation (Air Arabia, Emirates, Etihad, and Fly Dubai, to name just a few). He also showcased some of the UAE’s most cutting edge initiatives:

- Dubai Ports and Jebel Ali Free Zone represent one of world’s largest port operators (DP World) and one of the world’s largest and fastest growing free zones (Jebel Ali), which is now home to over 6,400 companies.

- Khalifa Port & Khalifa Industrial Zone in Abu Dhabi are on track to be one of the largest ports in the world, with an initial capacity of 2 million containers and 8 million tons of general cargo.
• The transportation sector is expected to change the business landscape with the introduction of Etihad Railway, an $11 billion dollar rail network that will connect the UAE’s seven emirates and beyond.

• The Dubai International Financial Center (DIFC) serves a vast region between Western Europe and East Asia. It has positioned itself as the world’s fastest growing international financial center, and it boasts a world-class stock exchange, NASDAQ Dubai.

• In terms of energy and renewables, Masdar City in Abu Dhabi is on track to become the first carbon-neutral, zero waste, car-free city in the world. Cutting edge research is being conducted by the MASDAR Institute of Science and Technology in collaboration with the Massachusetts Institute of Technology (MIT).

The UAE has been America’s top export destination for a number of years, and this position is not expected to change anytime soon. According to new research by NUSACC, exports of U.S. goods and services to the United Arab Emirates are on track to grow to $88 billion by the year 2018.

Al Kaissi noted, “It was a distinct pleasure taking part at the recent Trade Connect Workshop hosted by the National U.S. - Arab Chamber of Commerce in Los Angeles. The bilateral trade relationship between the U.S. and UAE is as vibrant as it has ever been, with the UAE serving as the largest export market for the U.S. in the entire Middle East and North Africa region for a fifth year in a row.”

He concluded, “The trade connect workshop came at a particularly opportune time as we had recently established the UAE Consulate in L.A., which will help to facilitate this process further under the leadership of H.E. Abdullah Al Saboosi, the UAE Consul General. On behalf of H.E. Ambassador Yousef Al Otaiba and Mr. Saud Al Nowais, the Commercial Counselor, we look forward to working with partners like NUSACC to help further the Embassy’s efforts.”
Etihad Airways: New Service to Los Angeles

Etihad Airways, national airline of the United Arab Emirates and sponsor of the GCC Trade Connect Workshop, will begin nonstop flights from Abu Dhabi to Los Angeles in June. This will be Etihad’s fourth destination in the United States, joining the following cities: Chicago, New York, and Washington DC. This expansion of Etihad’s international network to L.A. is expected to play an important role in expanding commercial relations between the Golden State and the United Arab Emirates. This expansion will include tourism and education, two sectors that are growing rapidly in the UAE, which is looking for ways to build capacity among the nation’s youth and to create productive new jobs.

Michael Kohlstrand, Vice President of Western USA for Etihad Airways, provided strong support for the Trade Connect Workshop. He said, “Etihad was delighted to sponsor this highly successful GCC-focused workshop, which brought together an expert panel of consular and economic development officials and a large group of business leaders keen to expand their business to the region. With a view to raising awareness of Etihad’s new nonstop flights, beginning in June, we look forward to working with NUSACC to host additional outreach programs to the L.A. community in the months ahead.”

“Our Chamber is grateful to Etihad for its strong and consistent support,” stated Rim Elbayar-Aly, Director of NUSACC’s Los Angeles office. “This was the first of what we hope will be many initiatives in California that highlight the Arab world’s diplomatic presence here, as well as the strong commercial relationship between the City of Los Angeles and the MENA region.”