



Australia Arab Chamber of Commerce & Industry Inc.

غرفة التجارة والصناعة الأسترالية - العربية

AUSTRALIA ARAB
CHAMBER OF
COMMERCE &
INDUSTRY INC

ABN 61 001 639 452

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Inside this issue:

AACCI News

Australia—Arab News

News from the
Region

International
Exhibitions

New Members

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Salaam

AACCI Newsletter

January—February 2009

AACCI NEWS

AACCI Representatives Visit Syria

AACCI's National Chairman, Ray Najar, and CEO, Robert Newton, visited Syria from 5-7 January 2009 and held talks with a range of senior officials and business representatives designed to explore practical ways of increasing trade links between AACCI members and Syria. The visit helped the Chamber to acquaint itself more closely with market opportunities offered by Syria.

Official appointments were made with the assistance of the Syrian Ambassador to Canberra, HE Mr Tammam Sulaiman. Those included: Mr Ghassan Al-Habbash, Deputy Minister for Economy and Trade; Dr Doureid Dergham, Chairman and General Manager of the Commercial Bank of Syria and Dr Bahaa Al-Din Hassan, Deputy Chairman of the Damascus Chamber of Commerce.

The visit has improved AACCI's lines of communication into both the Syrian government and private sector. The visit also served to arouse interest on the Syrian side in the capacity of Australian companies to tender for projects on a BOT basis. Opportunities for Australian companies exist in developing Syrian natural resources, including phosphate, and in the oil and gas sector. Syria has made it clear Australian companies would also be welcome to compete for a role in the many large infrastructure projects that are currently planned, including major highway construction projects. Discussions with the Chairman and General Manager of the Commercial Bank of Syria helped to clarify a number of practical matters relating to financial aspects of Australia's trade links with Syria. Details of a possible visit to Australia by a Syrian business delegation were also discussed during the visit.



From left to right: Ray Najar Chairman AACCI, Robert Newton, CEO AACCI, Mr Bahaa Aldin Hasan, Deputy Chairman of the Damascus Chamber of Commerce and Member of the People's Assembly, and Mr Imad Hassoun, a senior business consultant.

Annual General Meeting of the General Union of Arab Chambers of Commerce, Industry and Agriculture, Beirut, 7-8 January 2009

AACCI's National Chairman, Ray Najar, and CEO, Robert Newton, attended the annual meetings of the General Union of Arab Chambers of Commerce, Industry and Agriculture (GUACCIA), which were held in Beirut on 7 and 8 January. The meetings enabled AACCI to re-establish its credentials as an active Chamber with strong and effective affiliations within the GUACCIA, and with sound links to the other main Arab Chambers of Commerce.

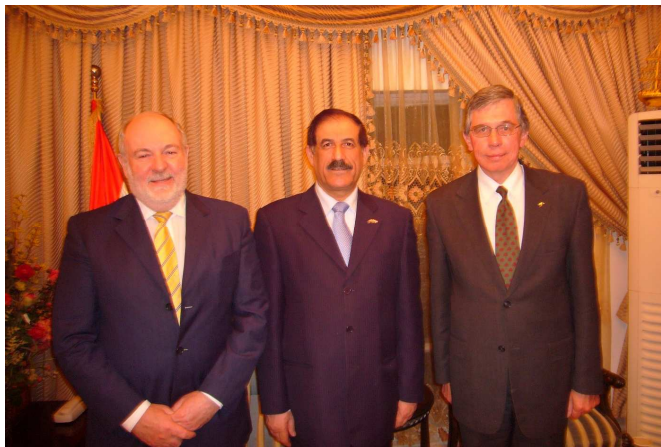


AACCI National Chairman Ray Najar is greeted on arrival at GUACCIA Headquarters in Beirut by Dr Emad Shehab, Secretary-General of GUACCIA

AACCI's representatives emphasised the importance of GUACCIA's continuing to support the foreign Chambers by recognizing their status as the leading private sector bodies which play a key role in the development of trade and investment flows between the Arab countries and the rest of the world, and as the authorized bodies for the certification of export documents for consignments destined for Arab ports.

AACCI CEO Visits Baghdad

AACCI's CEO, Robert Newton, paid a visit to Baghdad in January 2009 with the assistance of the Iraqi Ambassador in Canberra and the Australian Ambassador in Baghdad. Mr Newton held a series of meetings with a range of senior Iraqi government Ministers, officials and private sector representatives, including Trade Minister Dr Abdulfalah Al Sudani, Minister for Industry and Minerals Dr Fawzi Al-Hariri, Minister for Water Resources Dr Abdullatif Rashid, Minister for Agriculture Dr Ali Hussein Al-Bahadili, Minister for Science and Technology Dr Raid Fahmi, Minister for Higher Education and Scientific Research Dr Abid Tyab Ajeeli, Deputy Minister for Oil Eng Ahmed Al-Shamma and Deputy Minister for Health Dr Amer Al-Khuzae. He also attended a seminar with the Chairman of the Federation of Iraqi Chambers of Commerce and other Iraqi business representatives who urged the Australian business community to engage more actively with their Iraqi counterparts.



From left to right: Mr Bob Tyson, Australian Ambassador to Iraq, HE Dr Abid Tyab Al-Ajeeli, Iraqi Minister for Higher Education and Scientific Resarch, and Mr Robert Newton, CEO AACCI

Mr. Newton's visit confirmed the existence of clear and substantial opportunities for Australian companies to participate in Iraq's extensive reconstruction and development programs across a range of sectors, in particular oil and gas, housing and industrial construction, health, pharmaceuticals and medical instruments, education and professional capacity building, mining, agriculture, agro-industrial enterprises, water resources management, food storage and handling facilities, and environmental services.

Following the CEO's visit, the Chamber is now exploring potential interest among its membership in a possible AACCI-led trade mission to Iraq later in 2009.

AACCI and Australian Institute of Export building on BRICs



Mr Eduard Planken, left and Mr Torsten Ketelsen center

Torsten Ketelsen – Managing Director - GMA Garnet. 2007 Australian Exports Awards winner – Minerals and Energy. A world leader in the mining, processing and global distribution of industrial garnet abrasives, GMA now exports to Europe, Middle East, Asia and the USA.

Eduard Planken – Chief Executive Officer – Wescobee Limited. Operating since 1926, Wescobee is recognized leader in the Australian honey industry, handling the majority of Western Australia's commercial honey crop and exporting to markets as diverse as Singapore, Malaysia, Qatar, Kenya, Mauritius, Djibouti, Bangladesh, Hong Kong, Korea and the UAE.

A number of AACCI members participated in a special breakfast organized by The Australian Institute of Export to discuss future opportunities for Australian exporters. The event explored the global opportunities that are available to exporters interested in the BRIC (Brazil, Russia, India and China) markets. The meeting also examined the emerging markets in the Middle East.

Three leading exporters shared their international business experiences in these emerging markets, including market entry strategies, protecting IP, managing language and currency issues and dealing with different business cultures and time zones.

Two of these companies were AACCI Western Australia chapter members:

The AACCI Website Members' Area

Members are reminded to visit the Members' Area of the AACCI website on a regular basis. The Notice Board is regularly updated to provide members with details of business opportunities and tenders which have been communicated by the Arab Embassies and Consulates-General accredited in Australia, as well as other news items of interest and potential benefit to members. The Members' Area also includes a Calendar and Events page which keeps track of upcoming AACCI events across Australia. Remember that membership of AACCI enables attendance at any AACCI function in any location in Australia, or overseas.

Chamber Briefs Victoria's Commissioner



Pictured from left to right are Mr Mike Anderson, Victoria Chapter Chairman, Mr John Butler, Commissioner for Victoria – Middle East and Mr Max White, Victoria Chapter Executive Officer

Before embarking on his new appointment as Commissioner for Victoria located in Dubai, John Butler took the opportunity to visit the Victoria Chapter of AACCI where he received a comprehensive briefing on the Chamber and the activities it undertakes in promoting bi-lateral trade with the Arab League countries.

Operating out of the Victorian Government's Office in Dubai the Commissioner's posting will cover the 22 countries of the Arab League as well as a number of countries bordering on the region.

John Butler has previously worked as the Marketing Manager Leisure for Australian Airlines, the Director of Sales and Marketing (Australia and New Zealand) for the Hertz Corporation, Vice President Sales and Marketing for Gulf Air and the Regional General Manager for Qantas Airways.

During his posting in Bahrain with Gulf Air John became very aware of the strength of the local Chambers of Commerce and the very active and important role they play in the commercial business world. Through AACCI's affiliation with the General Union of Arab Chambers of Commerce, Industry and Agriculture (GUACCIA) we are able to tap into these very important business networks.

The Commissioner extended an invitation to all AACCI members to call into the VGBO office whilst visiting the region.

MENA Export Network Forum in Queensland

Representatives and members of the Chamber's Queensland Chapter attended the Middle East and North Africa export Network Forum, organized by Trade Queensland on 18 February in Brisbane.

The presentation centered on visits to Saudi Arabia and Trade Fairs in the U.A.E. with Mission members discussing their outcomes and observations.

The Chamber had discussions with Mr Loftus Harris, Special Representative to India and the Middle East of Trade Queensland, who is well known to many Chamber Executives and members.

The Queensland Chapter will be following up with guest presenters who indicated an interest in pursuing further promotional activities with AACCI.

Among the attendees were Chamber members, Mr Rodd Palmer of Palmer Acoustics; Mr Mark Cooper of Etihad Airways; Dr Kempe of Kempe Australia; Mr Michael Cox and Mr Hugh Ragg.



Chapter Executive Members Mr Hugh Ragg of Heatwheat (third from left) and Mr Michael Cox of Heritage Seeds (extreme left) talking to other guests at the event.

Upcoming Events

Scheduled for 26 March in Brisbane the Queensland Chapter will host an Industry Information breakfast, featuring the Chamber's CEO as a guest speaker talking on his recent visit to Syria and Iraq. It is expected that His Excellency, the Iraqi Ambassador to Australia will also attend as a guest speaker. Details of this event are available from Don Williamson who can be contacted on 0413 071 330

Changes at the National Office

The Chamber announces that Executive Assistant Marcela Bernal has left the National Office and that Elizabeth Grimmett has been appointed on her replacement. Liz can be contacted on Elizabeth.Grimmett@acci.asn.au.

Marcela made an important contribution to the development of the Chamber's management systems during her time with AACCI. The Chamber thanks Marcela for her service to the National Secretariat and wishes her every success in her future activities.

Business Guides to the Arab Gulf Countries Now Available on AACCI's Website!

In a joint project the Australia Arab Chamber of Commerce and Industry (AACCI) and the Council for Australian-Arab Relations (CAAR) announced the release this week of a series of business reports designed to help Australian small and medium enterprises (SMEs) do business with the Arab world. The reports focus on the six countries making up the Gulf Cooperation Council (GCC) – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. They provide practical advice on building durable business relationships with the countries of the GCC, and will be an important research source to companies seeking entry into the Arab Gulf market for the first time. Included in the reports is a list of people and organizations who can assist Australian companies with their questions and concerns about doing business with the GCC countries.

The reports can be accessed on-line via the website of the Australia Arab Chamber of Commerce and Industry at www.austarab.com.au/.



NEWS FROM THE REGION

Construction giant eyes up to 40% growth in 2009

Al Habtoor Leighton Group, one of the largest contractors in the Gulf, expects growth of up to 40 percent in 2009, bolstered by new projects in Abu Dhabi and Qatar, the managing director of the group revealed. The contractor's services management division, Thiess Services Middle East, a partnership with **Australia's Thiess Services**, has recently signed a AED1.1bn (\$299m) contract with the Abu Dhabi government to recycle the emirate's construction waste, said David Savage.

Although Al Habtoor Leighton's expectations for growth had slowed in the last three or four months as a result of a cooling in the construction market, the group still expected "significant" growth in 2009 and had a strong current order book valued at AED30bn.

"Things have slowed over the last three or four months, particularly in Dubai, but Abu Dhabi continues to steam well ahead of our expectations and our business in Qatar is going along just as strongly. In Dubai with the work we've recently won we still have a strong workload," Savage said.

Under Thiess's new long-term deal with the Abu Dhabi government, the first waste management contract for the firm in the region, it will process steel, bitumen and concrete waste, enabling it be used again in concrete and road construction.

"The most exciting thing about this is that it gets us into the services sector as this market continues to mature, offering us good long-term opportunities," he said.

Al Habtoor Leighton Group was established in September 2007 following the merger of Al Habtoor Engineering with the Dubai-based operations of Leighton International, Australia's largest construction company. **ArabianBusiness**

Middle East hotels facing tough 2009 amid global crisis

Hotels across the Middle East and North Africa (MENA) region are expected to cut their room rates to tackle declining numbers of tourists as the impact of the global crisis continues to bite in 2009.

The bleak picture follows a positive 2008 for the region's tourism industry in which Oman was by far the most improved destination, recording a 34 percent revenue per available room (RevPAR) increase, a report by MKG Hospitality's market monitoring database revealed. Oman's performance was fuelled by a major growth of almost 40 percent in average daily rate (ADR).

Jordan was not so far behind, with a 26 percent growth in RevPAR, while Egypt, Qatar, Bahrain, Algeria and Tunisia also all recorded good results. Overall, however, Qatar recorded the highest RevPAR at \$223, followed by the UAE at \$211 and then Oman and Bahrain, almost equal at \$164. Only Saudi Arabia and Kuwait in the Gulf showed negative growth in RevPAR for the year.

"However much the tourism sector has held up in 2008, and indeed it has resisted the downturn far better than other industries, the economic downturn will start to take its toll in the coming months, as consumers and companies alike continue to cut back on travelling expenses," said Vangelis Panayotis, director of development, MKG Hospitality.

Forecasts suggest that the situation will deteriorate over the next 6-9 months and most countries in the region have already started to see a decrease in occupancy rates, signalling that demand has dropped. The report said hoteliers are now expected to further reduce their prices in order to encourage more guests.

"Unfortunately this sign might be stronger in some markets such as MENA, where the majority of the rooms are in the upscale and midscale segments, compared to mature markets in Western Europe and the US, where there is more of an equilibrium between hotel categories.

"The higher the category, the more volatile price is, so we can expect the MENA region to show stronger decreases than markets with more budget rooms. "With this in mind, 2009 and 2010 should see the development of more budget-orientated products in the region, such as Express by Holiday Inn, Ibis and the new concept from Rotana, Centro"

According to Panayotis however, the fact that the region is dominated by international and regional hotel operators is a good sign, as it will help withstand the downturn with their versatility to reduce the impact of recession and to maximise operational efficiency. **ArabianBusiness**

Oil predicted to stay below \$70 after global recovery

The price of oil may remain below \$70 a barrel even after the global economy recovers, and Gulf economies will be better off for it, a leading expert on the Saudi economy has claimed. "If we come out of this in an environment where oil is \$60 a barrel and our growth is still good but subdued, I think that is actually better than the over heated environment we were starting to experience," said Brad Bourland, chief economist at Saudi based Jadwa Investment.

OPEC has said it is aiming for an oil price of around \$70 per barrel but Bourland, said this is unlikely to happen anytime soon, given the large amounts of spare capacity coupled with a significant fall.

Saudi Arabia is expected to finish developing the Khurais oil field by the middle of this year, adding 1.2 million barrels a day in the kingdom's production capacity. "Saudi Arabia by itself will have 4.5 million barrels a day in unutilised crude oil production capacity. Add another 2 million barrels around the world and we have a market in which there is over 6 million barrels a day of excess production capacity," Bourland said.

Add to that a sharp reduction in demand. To date, the US is expected to have lost over 1.9 million barrels a day in demand since the market peaked. "That's equivalent to all of South Korea," Bourland said.

Some observers believe oil demand in the OECD bloc will never return to the peak levels experienced in late 2007. Looking beyond the recession, Bourland sees oil trading in a range of \$60 to \$90 a barrel. They could even remain at current levels after the global economy starts to pick up, he argued. "I have increasing concern because of the loss of demand around the world that we're entering a longer term environment even when the recession is over, of oil prices staying around \$40 a barrel for a long period," he said.

"We may get another wave of a commodities cycle, which pushes oil prices up, but if that wave doesn't come sooner rather than later, it will be displaced by the climate change policies around the world." That may not be as bad for the Gulf as some people think, he added. "Ten years ago, if I had said that an oil price environment of \$40 to \$45 per barrel was facing us, that would have been a dream come true."

Oil prices at that level would have the benefit of ridding the economy of the sort of spectacular but unsustainable projects that were a byproduct of the soaring energy prices of recent years. "Is the boom over? I'm afraid it is. It was a mega projects driven boom and booms by their nature are not sustainable," Bourland said. **ArabianBusiness**

ME cosmetics market grows 12 percent

The Middle East cosmetic and toiletries market is one of the largest and most profitable in the world growing at a rate of 12 per cent annually, said industry experts.

The beauty sales are expected to increase by more than Dh11 billion by 2010, said the organisers of Beautyworld Middle East, one of the world's foremost trade exhibitions for the industry.

"We feel confident that the cosmetic and toiletries industry will continue to experience growth in 2009. It is widely believed that people tend not to compromise with their image or grooming, and also require 'feel good items' during these unstable times. "From a trade perspective, during a time of economic uncertainty, export companies try to seek new lucrative markets like the Middle East in order to reduce their dependence on one or two larger developed markets, such as Europe and the US," organisers observed.

An additional pull factor that attracts cosmetic and toiletries brands to this region is the substantial expansion in the development of shopping malls , with almost 30 per cent of all retail space being occupied by beauty products retailers. The opening of Dubai Mall and Dubai Marina Mall validates the increasing demand and indicates that companies are looking to the region as a long term investment...-**TradeArabia News Service**

INTERNATIONAL EXHIBITIONS**Cityscape Abu Dhabi 2009**

Venue: Abu Dhabi National Exhibition Centre
Abu Dhabi, United Arab Emirates
Date: 19-22 Apr 2009
Industry: Building & Construction

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Cityscape Dubai 2009

Venue: Dubai International Exhibition Centre
Sheik Zayed Rd
Dubai, United Arab Emirates
Date: 5-8 Oct 2009
Industry: Building & Construction

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Sustainable Cities Mission to Abu Dhabi and Dubai

Venue: Sustainable Cities Mission to Abu Dhabi and Dubai
Abu Dhabi and Dubai, United Arab Emirates
Date: 31 May 2009 - 3 Jun 2009
Industry: Building & Construction

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Did you know you can advertise your company and its services or products on the AACCI website?

For more information about this please contact the National Secretariat: ed@austarab.com.au

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AACCI "Leading Australia-Arab Business".

AACCI Welcomes its recently joined members around the country

Profiles of AACCI's new members along with our existing members are available on the "Members Area" of the AACCI website <http://members.austarab.com.au/>

NSW Chapter	
Colin Biggers & Paisley	www.cdp.com.au
DLA Phillips Fox	www.dlaphillipsfox.com
Green Plus Property Services	www.greenplusproperty.com
QLD Chapter	
Fabric Solutions Pty Ltd	www.fabricsolutions.com.au
VIC Chapter	
BGH International Pty Ltd	www.bghinternational.com.au
Minter Ellison	www.minterellison.com
WA Chapter	
20*20 Pty Ltd	www.2020ptyltd.com
Embedded Technologies Corporation Pty Ltd	www.embedtechcorp.com
Hendricks Family Trust T/A Razr Agencies	www.razr.com.au
Landgate International	www.landgate.wa.gov.au

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