



# Australia Arab Chamber of Commerce & Industry Inc.

## غرفة التجارة والصناعة الأسترالية - العربية

AUSTRALIA ARAB  
CHAMBER OF COMMERCE  
& INDUSTRY INC

ABN 61 001 639 452

Salaam

AACCI Newsletter

February—March 2008

### AACCI NEWS

#### AACCI Reception in Honour of UAE Ambassador's Visit to Perth, 12 March 2008

AACCI's WA Chapter hosted a function at the South of Perth Yacht Club on 12 March 2008 for the UAE Ambassador, Dr Saeed Mohamed Al Shamsi, who was making an official visit to Western Australia. His Excellency spoke about the commonalities between Australia and the UAE, and the fact that Perth was the closest Australian city to the UAE.

He urged Australian business people to look for commercial opportunities throughout the UAE, noting that people tended to focus only on



Ambassador Dr Saeed Mohamed Al Shamsi and AACCI WA Delegate Edmund Damouni



Dubai and forgot about Abu Dhabi and the other Emirates.

Over 80 people attended this event and were treated to a display of belly dancing, Arabian music and food. The Rug Palace very kindly donated a \$6,500 silk rug as a door prize.

Pictured from left to right Ashish Puri, WA Department of Industry and Resources, Andreas Riedel of Bauwek Colour, and Bronwyn Riedel of Bauwerk Colour

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#### Inside this issue:

AACCI News

International Exhibitions

News from the Region

New Members

#### Australian Ambassador to Lebanon Addresses Victorian Chapter

Across the road from the bustling South Melbourne market the Red Star Café was the breakfast venue for Australia's Ambassador to Lebanon, HE Ms Lyndall Sachs, to meet and talk to AACCI members and guests. The breakfast meeting took place on 5 March 2008.

Welcomed by the Victorian Vice Chairman, Mike Anderson, the Ambassador spoke candidly and openly on the 'Current Business Landscape in Lebanon'.

The Ambassador's address at the gathering, which was attended by 20 members of AACCI and guests, not only covered the current trade and business environment but also the political climate in Lebanon.



Ambassador Lyndall Sachs addressing AACCI members in Melbourne

# Arab Bank Australia

Editor  
Claudia Sepulveda

### Meeting of AACCI Executive Officers, Canberra 27 and 28 March 2008



*Pictured from left to right are Louise Denver (NSW), Don Williamson (Qld), Julie Stevenson (WA), Max White (Vic), Sandy Ellis (SA), and Robert Newton, Executive Director.*

Executive Officers from each of the State Chapters attended a two-day conference in Canberra that was designed to strengthen national cohesion and information flows within AACCI to enhance service delivery to the membership.

Organised by AACCI's National Secretariat, the conference also focused on a range of management issues as well as the challenges and opportunities that lie ahead. Recommendations from the conference will be considered by the AACCI National Council at its June meeting.

A conference dinner was held which was attended by National Chairman Syd Giller and NSW Delegate Gordon Short, as well as representatives from Austrade, the Australian Chamber of Commerce and Industry, and the Secretariat of the Council for Australian Arab relations. Mr Paul Foley, Assistant Secretary for Africa and the Middle East, DFAT was guest speaker.

*National Chairman Syd Giller and NSW Executive Officer Louise Denver listen to Mr Paul Foley (centre of picture) giving the conference dinner address.*



### 'Qatar Business Opportunities' Network Function in Victoria

Sponsored by Qatar Airways

AACCI takes much pleasure in extending an invitation to attend a network event with guest presenter Desmond Holmes, Chairman Australia and New Zealand Business in Qatar (ANZBIQ), Managing Director Business Development (Banking) Qatar Financial Centre Authority.

The function will be hosted on Tuesday 8th April 2008 from 5.30 to 7.30pm at SMART ARTZ GALLERY, 2 Alfred Place (Off Clarendon Street between York & Coventry Sts), South Melbourne.

### Sultanate of Oman, the Essence of Arabia

The Omani students society of Victoria invites to the first Omani exhibition in Melbourne to be held at Federation Square, Melbourne on April 19 from 11:00 am to 5:00 pm. The exhibition will feature costumes, jewellery, pottery and crafts, as well as performances through the day.

### 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.

## Young Arab Professionals Exchange Program Builds Strong Business Links Between Arab World and Australia

Eighteen young Arab business leaders participated in the Council for Australian-Arab Relations (CAAR) Young Professionals Exchange Program as a part of the CAAR initiatives to strengthen connections between Australian and Arab businesses. Managed by the NSW Business Chamber on behalf of CAAR, AACCI NSW member Etihad Airways flew the 18 participants to Sydney.

The young leaders were managing directors, chief financial officers, human resource managers, engineers and telecommunication specialists from Algeria, Bahrain, Comoros, Egypt, Iraq, Jordan, Kuwait, Lebanon, Mauritania, Morocco, Oman, Palestinian Territories, Qatar, Saudi Arabia, Syria, UAE and Yemen.

The 18 participants stayed for four weeks working in selected Australian companies. They took part in workshops and seminars on topics such as 'doing business in Australia' and 'understanding the Australian business culture', and women members attended the

inaugural 'Women In Export' meeting that followed on from the Austrade, DSRD and AACCI Businesswomen's trade mission to the UAE last November.

On Tuesday 26th February, the Parliamentary Trade Secretary, the Hon John Murphy MP formally welcomed the young professionals at a very successful reception at NSW Business Chamber offices in North Sydney attended by many NSW AACCI members. Dr Glen Simpson, Chairman of CAAR, said: "This program offers great strategic value for Australia. Its relationship with the Arab world will be one of the most important for Australia to manage over the coming decades, and has already been a key focus in the first decade of this century. Trade between Australia and countries of the Arab League is \$10 billion dollars a year."

To find out more and participate in what will become an annual program contact NSW EO Louise Denver at [nsw@austarab.com.au](mailto:nsw@austarab.com.au).

## Dubai Exchange Attracts NAB's CEO Ahmed Fahour

National Australia Bank's chief executive for Australia and NSW AACCI Chapter member, Ahmed Fahour, has joined the board of the Dubai International Financial Exchange, the two-year-old exchange in Dubai's International Financial Centre, the world's fastest growing international financial centre. A world-class stock exchange, the Dubai International Financial Exchange (DIFX), opened in the DIFC in 2005.

The Australian connection with the DIFC is strengthened by this announcement with governance structures put in

place in Dubai at the Dubai Financial Services Authority by David Knott, Chief Executive of the DFSA.

Mr Knott joined DFSA from Australia where he held a number of senior regulatory positions including Chairman of ASIC and COO of APRA. A presentation on DIFC was given to NSW Chapter members by Sandy McDonald of DIFC.

For more information contact NSW EO Louise Denver at [nsw@austarab.com.au](mailto:nsw@austarab.com.au).

## Jeddah Economic Forum 2008 - Brief Observations

Dr Fiona Hill, Almanar Consultancy (Victoria Chapter)

HRH Prince Turki Al Faisal's observation that "everything we do ends up in people's homes" firmly set the distinctly domestic tone of the 2008 Jeddah Economic Forum (JEF '08), billed as the "Think Tank of the Middle East". With a majority Saudi audience, interspersed with international guests and media - and with almost half of all delegates female - the real focus of the Forum were the major physical, human, and philosophical developments in the Kingdom and its near neighbours.

Some of these developments were reflected in the Forum venue itself where, despite segregated sections of the conference hall, women freely mingled with men in the breakout areas. The JEF '08 Event Manager was a Saudi woman, the Director of international PR responsible for all foreign delegations was a Saudi woman, and young Saudi women did the bulk of guest relations. The Forum program also pushed traditional boundaries with the Opening Gala featuring a live orchestra, balletic dancers, and a singer, causing sensational controversy in the local media and whispered reverence for the progressive Governor of Makkah Region, HRH Prince Khalid Al Faisal Bin Abdul Aziz, amongst Forum delegates.



One of the panels at JEF'08 included Richard Gibbs, Chief Economist, Macquarie Bank, pictured above second from right.

Female delegates and media reps 'in-the-know' took full advantage of the women-only partitioned areas where an energized, articulate, and highly ambitious gathering held strong opinions on the region's current and future economic realities and their increasingly

powerful role in creating them, offering unique insights into Saudi society and business projections for the entire region.

The Saudi Minister for Labour, Dr Ghazi Al Ghosaibi, noted that the wealth of human capital in the region makes human development, of youth and of women, an economic resource and an economic imperative, and in the lead-up to the Forum the intensive interaction of young Saudi and American University students served as a set-piece in intercultural inter-regional relations. Video footage of the students discussing their different lives and shared aspirations appeared daily in the 3-day event, while the young people themselves were on hand to chat with delegates about their extraordinary and for some life-changing experience.

This and many other events in the JEF '08 inspired one to ask, why not the interaction of Australian and Saudi students next year, and why not the attendance of more Australians, including women?

The JEF '08 logo was a globe on which Australia, and India, China, and the Asia Pacific were conspicuously

absent. This absence of Australia in the 2008 branding of the most prestigious business forum in the oil-rich Arab region was unfortunate, especially since an Australian delegation was attending for the first time. But it was also odd, given that GCC business leaders have put forward a "Look East" policy to expand from traditional trading partners to countries that offer novel and arguably more equitable trading partnerships. Clearly, developing such a policy requires concerted education campaigns, in which Australia could well play an effective part.

As guest speaker Alan Greenspan observed, economic self interest always creates broader cultural interaction and it is inevitable that we interact in ways that we never have before. As members of the AACCI we hope that Australians will gain a greater appreciation of the lucrative and strategically crucial markets of the Arab region, and that the JEF '09 will reflect Australia's true significance in the world.

*The Australian delegation to JEF '08 included AACCI National Chairman Syd Giller and Dr. Fiona Hill.*

## INTERNATIONAL EXHIBITIONS

### Beautyworld Middle East 2008

Date: 18-20 May 2008  
Venue: Halls 1-6  
Dubai International Exhibition Centre  
Dubai, United Arab Emirates

Who should attend :  
Australian beauty products specialists looking to increase their market share, or to enter the Middle Eastern beauty products market

For more information contact:  
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### MEFX: The Middle East International Banking, Financial Technology and Services Exhibition and Conference

Date: 1-3 Jun 2008  
Venue: Dubai International Convention and Exhibition Centre (DICEC)  
Sheikh Zayed Road  
Dubai, United Arab Emirates

Who should participate :  
Finance professionals keen to network with top banking and finance industry business decision makers and influencers in the Middle Eastern region, as well as those wishing to explore opportunities in enterprise applications and solutions for the financial industry.

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### Study in Australia Education Roadshow 2008 - Lebanon, Syria, Jordan (Iraq) and Iran

In accordance with Australian Government instructions, the Middle East Education Roadshow 2008 will not be proceeding in April.

A visits program to Tehran will still proceed in April for those clients who wish to engage Austrade to arrange this. Please contact Austrade for further details. It is hoped that the Roadshow will proceed later in 2008. Please refer to the Austrade education exhibitions section for updates as these become available.

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## NEWS FROM THE REGION

### IMF Sees GCC Inflation Surge to 7 per cent

Inflation in the GCC will rise to about seven per cent in 2008, compared with an earlier forecast of six per cent, the International Monetary Fund (IMF) has said.

"Overall inflationary pressures in 2008 are expected to increase to about seven per cent on average," Gene Leon, deputy chief of the IMF's Middle East and Central Asia section, told a forum in Bahrain. The IMF had earlier forecasted inflation in the GCC at six per cent.

It had expected inflation in Qatar and the UAE to ease to around 12 per cent and eight per cent respectively in

2007. But, figures showed that inflation in Qatar surged to around 14 per cent while consumer prices in the UAE had risen by around 11 per cent.

At around four per cent, inflation was lowest in Bahrain among GCC countries, owing to government subsidies, the IMF said. Last month, inflation in Bahrain rose 0.2 per cent from the previous month as food prices accelerated, the government's Central Informatics Organisation (CIO) said. -TradeArabia News Service

### GCC Common Market Growth Reviewed

Countries across the Arab world are monitoring how the GCC common market is progressing, even as GCC leaders discuss ways to eventually forge an Arab common market with a population of more than 300 million people.

Just as the European Union has expanded so could the GCC common market, which was established at the beginning of this year, according to Bahrain Chamber of Commerce and Industry chairman Dr Essam Fakhro.

He was speaking on the sidelines of a two-day conference on the common market and talking inflation organised by the Federation of GCC Chambers of Commerce and Industry.

"This is indeed an ambition for the common market which was set up at the beginning of this year and other Arab countries will be watching closely as the market develops," he said.

"Getting it right is very important because in an era of globalisation single states cannot compete and the GCC needs this market because it will not only boost the economy of the individual states but of the region as a whole. It will certainly be good for individual citizens and for businesses."

He said the market, as it developed, would give individuals from the GCC the right to work and own property anywhere in the region and they would also have social benefits like health insurance coverage and other services that applied everywhere in the GCC.

"The GCC states are all sovereign and it is up to the leadership in each state to decide when and how it

implements the agreements on the common market, but I have no doubt that the leadership of every country is committed to moving forward with this."

"I do not expect this experiment to be completed immediately," "That did not happen in Europe either and it may take us years to get the right model. But I am a GCC citizen and I am very positive and I think we have done well so far."

He sighted as teething problems the fact that some states still required businessmen to have a 51 per cent local partner to operate and the fact that there were still two border points on the causeway to Saudi Arabia rather than just one. But he said ventures like City mall, where Bahrain had allowed a UAE company to develop a major business was part of the way forward.

GCC secretary general Abdulrahman Al Attiyah praised Bahrain for being ahead of the game in opening its markets to other GCC states and said this was one reason the kingdom would be one of the biggest beneficiaries of the common market. He urged the GCC countries to move ahead with legislation to give a push to the common market and he said he hoped that monetary union and a single currency could be achieved in line with the decisions agreed at summits in Muscat and Doha.

Industry and commerce minister Dr Hassan Fakhro, in a speech read on his behalf, emphasised the key role to be played by the private sector in moving forward and underlined the need for this sector to be involved in the economic decision-making process. -TradeArabia News Service

### Saudi Inflation Surges to 27-year High of 8.7per cent

Annual inflation in Saudi Arabia accelerated to 8.67 percent in February, the highest in at least 27 years, as rents and food costs surged in the world's largest oil exporter.

The Saudi central bank is constrained in the fight against inflation by the riyal's peg to the dollar. Saudi Arabia cut interest rates by three-quarters of a percentage point last week in tandem with the US Federal Reserve.

Inflation in February was driven by rents, which surged 18 percent and food costs, which jumped 13 percent, according to data from the central department of statistics. The cost of living index rose 6.99 percent in the 12 months to Jan. 31, the fastest pace since 1981, according to SABB bank, HSBC's Saudi affiliate.

Unable to use monetary policy, the government is resorting to subsidies and wage hikes to cushion the

impact of surging inflation, leading markets to bet that it will eventually allow the riyal to appreciate against the dollar.

Investors in forward contracts were expecting the riyal to gain 2.08 percent in a year to 3.672 per dollar. - Reuters

### Warning Over Food Security as GCC Food Imports Hit \$10bn

Gulf countries have been urged to address growing food security concerns by lessening their \$10 billion dependency on imports. With global crop shortages coming at a time when global demand is rising, prices for many basic goods including rice, wheat, dairy and cooking oil have been rising dramatically throughout the Middle East.

"In what is being seen as a perfect storm of food scarcity, global warming, the collapsing dollar, population explosion and even alternative fuels are all being blamed for plunging the world into the biggest crisis of the 21st century," said Jim Meltz, show director for AGRA Middle East, that takes place at the Dubai International Exhibition Centre from April 8 -10.

"As global prices rise, the problem is particularly acute for Arab countries as they import at least \$10 billion worth of food products per year, placing enormous pressure on consumers and regional economies," Meltz added.

The World Bank says international food prices have risen by 75 per cent since 2000, while wheat prices have increased by 200 per cent. The cost of staples such as rice and soya bean has also hit record highs, while corn is at its most expensive in 12 years. The increasing cost of grains is pushing up the price of meat, poultry, eggs and dairy products.

Converting large amounts of land to crops for biofuels is also reducing food production just when the world needs an increase. Last year a quarter of the US maize crop was turned into ethanol to fuel vehicles - and the US supplies more than 60 per cent of the world's maize exports.

"If all that wasn't enough, most Arabian Gulf countries are under additional inflationary pressure because their currencies are pegged to the tumbling US dollar, particularly when sourcing food from economies with stronger currencies," said Meltz.

Food prices in the United Arab Emirates, for example, are estimated to have risen by 30 per cent last year and are expected to increase by as much as 40 per cent this year.

"With local media almost daily reporting sharp increases in basic foods across the region, there is growing concern over the question of food security and the need for a common strategy in the Arab world," Meltz added.

Bahrain's Prime Minister Sheikh Khalifa bin Salman Al Khalifa recently spoke of the need for Arab countries to achieve self-sufficiency in food production and reduce dependence.

"The need for the region's agricultural businesses to increase their efforts has never been greater," said Meltz. "While the Middle East has been witnessing significant agricultural development, there is a long way to go. The GCC countries must still rely on the rest of the world for 90 per cent of their food and feed requirements. Annual food imports to the UAE alone amount to a staggering \$3.5-4 billion."

The region has to overcome a harsh climate, limited water resources and poor soil conditions to build indigenous production by acquiring modern technologies, equipment and expertise and shifting investment trends toward the development of the agricultural sector, Meltz added.

For example, agricultural development in recent years in the UAE has seen more than 723,738 hectares (1,787,633 acres) of once barren land transformed for cultivation. There are now over 6,313 greenhouses and 22,797 farms spread throughout the country.

"The growing demands of an ever-increasing population, combined with the need to reduce dependency on imports, are adding to the potential for agribusiness industries in this dramatically developing marketplace," said Meltz. -TradeArabia News Service

### Gulf Annual Exports and Imports Cross \$320billion Mark

The Middle East region's transport and logistics industry is one of world's fastest growing sectors boosted by Gulf's annual imports and exports which is now close to over \$320 billion, according to experts.

Speaking at the MEED'S Gulf Logistics Forum 2008 in Dubai, the industry experts said with global freight expected to touch \$14 trillion by 2020, the Gulf had to play a key role because of its strategic position as a major trade hub between Asia and Europe.

They pointed out that Dubai was on course to be amongst the top logistic hubs in the world.

Global transportation solutions provider Aramex, chaired a panel discussion to share international and regional transportation experts on the emergence of the region as a logistical hub. Hussein Hachem, CEO of Aramex GCC highlighted the need for logistic companies to be ready to meet the growing demands of the industry.

Aramex remains focused on working through strategic alliances and acquisitions to facilitate the growth of the region as a logistic hub, Hachem added. -TradeArabia News Service

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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/>

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Diplomatic Services Australia	
NSW Chapter	
Albany International	<a href="http://www.albint.com">www.albint.com</a>
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Prestige Solicitors & Associates	<a href="http://www.prestigesolicitors.com.au">www.prestigesolicitors.com.au</a>
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