



Delegation der Deutschen Wirtschaft  
für Saudi-Arabien, Bahrain und Jemen  
German-Saudi Arabian Liaison Office  
for Economic Affairs (GESALO)  
مكتب الإتصال الألماني السعودي للشؤون الإقتصادية

# NEWSLETTER

## April 2016 Edition

By the German-Saudi Arabian Liaison Office for Economic Affairs



## Table of Contents

<b>I. EDITORIAL</b>	<b>3</b>
<b>II. GENERAL NEWS - BUSINESS</b>	<b>4</b>
Saudi Arabian Transformation Plan released	4
Saudi Arabia plans new sovereign wealth fund	4
Doha oil meeting without success, new approach by Nigeria	4
Plan to build a bridge between Saudi Arabia and Egypt back on the agenda	4
First international bonds by end of April	5
Dynamic consultancy business in Saudi Arabia	5
Fitch: Rating cut to AA-	5
<b>III. GENERAL NEWS - LEGAL</b>	<b>5</b>
“Green Card” system planned in Saudi Arabia	5
Jobs in HR only for Saudi Arabian nationals	6
Mobile phone sector only for Saudi Arabian nationals	6
Tadawul: Disclosure of ownership by July	6
Umrah Visas to be used as Tourist Visas	6
<b>IV. GESALO NEWS</b>	<b>7</b>
Our new Media Kit - Advertise with us!	7
EMA Business Delegation	7
Oliver Oehms net Saudi Arabian physicians in Berlin	8
<b>V. GESALO NEWS - TRADE FAIRS</b>	<b>8</b>
Hannover Messe	8
<b>VI. SPECIAL - 19TH ARAB-GERMAN BUSINESS FORUM</b>	<b>9</b>
19th Arab-German Business Forum	9
<b>VII. CALENDAR OF EVENTS</b>	<b>10</b>
GESALO - Calendar of Events 2016	10
<b>VIII. GESALO PUBLICATIONS</b>	<b>11</b>
GESALO Publications - German Language 1	11
GESALO Publications - German Language 2	12
GESALO Publications - English Language	13
<b>IX. SAUDI ARABIA DESK IN BIELEFELD</b>	<b>14</b>

## I. EDITORIAL

Dear readers, clients and friends of GESALO,

Welcome to our fourth newsletter in 2016. Big news certainly was the long-awaited “National Transformation Plan” or the even more comprehensive “Vision 2030”. Its release is a long-awaited strong message, yet everyone knows that the real work is just about to begin: ‘translating’ the plan into action. My recent business trip to Germany took me amongst others to the three leading German trade fair organizers. Being the global hub for industry fairs, Germany is ready to serve as a platform for the exchange of best practices of technology transfer and clustering. I am sure that 2017 will already witness a number of exciting initiatives.

The very recent trade data reflects the difficult times but is not as worse as some might have expected: year-on-year, German exports to Saudi Arabia have declined by 12 % to EUR 1.25 billion in the first two months of 2016. Considering that 2015 was a fantastic year for the bilateral business relations it seems as 2016 will be rather witnessing sideways development. The first reactions to the ‘Vision 2030’ in the Kingdom as well as in Germany point to a much more dynamic economic environment in the second half of 2016 though.

Another indicator from inside GESALO: our individual business partner search run by our DEinternational department is catching up with previous levels. Our most experienced colleague Mr. Faleel - truly an ‘institution’ in our team - is doing pretty well with new German companies exploring business opportunities in the Kingdom on a weekly basis.

GESALO has a very busy month ahead: We will release the first edition of our German-Saudi Business Magazine (GSBM) in 2016, hold our renowned German Catalogue & Breakfast events in five cities in Saudi Arabia and Bahrain, attend the AHK World Conference and the 19th Arab-German Business Forum in Berlin, and will already prepare the second edition of our GSBM magazine focussing on Health Care.

With our new Media Kit, we provide you now with a comprehensive brochure of all your advertisement and advertorial options with GESALO. You will find information on our Media Kit here in this newsletter and on our homepage. As usual, our team stands ready to find the best option available for you.

Best regards,

P.S.: do you twitter? Please follow us on [@ahksaudi](https://twitter.com/ahksaudi)!

A handwritten signature in blue ink, appearing to read 'Oliver Oehms'.

**Oliver Oehms**  
Delegate of German Industry and Commerce for  
Saudi Arabia, Bahrain and Yemen

## II. GENERAL NEWS - BUSINESS

### SAUDI ARABIAN TRANSFORMATION PLAN RELEASED

The Saudi Arabian “Vision 2030” has been released. It outlines government plans for the future economic development of Saudi Arabia. With an expected budget deficit of USD 87 billion in 2016, a sustainable path towards a lesser dependency of oil is crucial.

The plan also contains some interesting facts, for example a planned “King Salman Renewable Energy Initiative” or the “King Abdullah Financial District” (KAFD) in Riyadh, which could see a mixed usage or a “special zone” with different regulations and procedure as the KAFD struggles to find clients.

The full text of the “Vision 2030” on its website.

### SAUDI ARABIA PLANS NEW SOVEREIGN WEALTH FUND

As a part of the implementation of the “Vision 2030”, Saudi Arabia plans to set-up a new sovereign wealth fund with the size of USD 2 trillion. As it is not clear yet where the funds are coming from, at least a part is planned to come from an IPO of about 5 % of Saudi Aramco which is also planned to be owned by the new fund.

Please find more information via Arab News.

### DOHA OIL MEETING WITHOUT SUCCESS, NEW APPROACH BY NIGERIA

A planned agreement to freeze oil production levels recently failed, a new approach is being planned by Nigeria. Talks with big producers like Saudi Arabia are planned in May to reach an agreement at the next OPEC meeting in June.

A report by Reuters can be obtained by clicking this link.

### PLAN TO BUILD A BRIDGE BETWEEN SAUDI ARABIA AND EGYPT BACK ON THE AGENDA

Building a land connection between the two countries has been proposed often but not been realised. Since a recent visit of the Saudi King to Egypt this plan is back on the agenda of both Saudi Arabia and Egypt.

The BBC Report can be read here.

## II. GENERAL NEWS - BUSINESS

### FIRST INTERNATIONAL BONDS BY END OF APRIL

Saudi Arabia is securing its first international sovereign bonds since many years. About USD 10 billion are planned to be granted by US, European and Japanese banks.

Please find a Reuters report [here](#).

### DYNAMIC CONSULTANCY BUSINESS IN SAUDI ARABIA

The consulting market in Saudi Arabia grew by 14.8 % in 2015. Being high on the agenda of GCC governments, consulting services in the healthcare, pharma and biotech sectors could become soon a very important part of the regions' consulting market.

A Saudi Gazette report citing a recent study can be read [here](#).

### FITCH: RATING CUT TO AA-

Rating agency Fitch downgraded Saudi Arabia's long-term foreign and local currency issuer default ratings to 'AA-' from 'AA' with a negative outlook mainly due to low oil prices and regional tensions.

Please find more information via information service [Zawya](#).

## III. GENERAL NEWS - LEGAL

### “GREEN CARD” SYSTEM PLANNED IN SAUDI ARABIA

Another part of the “Vision 2030” could be a “green card” system referring to a system used in the US. The system is planned to be for Muslims and nationals of Arab countries and is also seen as a source of additional revenue. More details and an implementation date are yet unknown.

An Arab News report can be read via [clicking this link](#).

### III. GENERAL NEWS - LEGAL

#### JOBS IN HR ONLY FOR SAUDI ARABIAN NATIONALS

The Saudi Arabian Labour Ministry plans to restrict all jobs in HR and recruitment in the private sector to Saudi Arabian nationals.

Please find more information via the [Saudi Gazette](#).

#### MOBILE PHONE SECTOR ONLY FOR SAUDI ARABIAN NATIONALS

Another plan to increase the participation of Saudis in the private sector is the 100 % Saudization of the mobile phone industry. By September 1, 2016 only Saudis shall be employed in the mobile phone industry, including sales, maintenance and accessories.

The Human Resources Development Fund (HRDF) has set-up a web based portal in order to help both employers and employees: [TAQAT Portal by HRDF](#)

An Arab News report can be read by [Zawya](#) here.

#### TADAWUL: DISCLOSURE OF OWNERSHIP BY JULY

The Saudi Arabian stock exchange will require all companies listed on the exchange to submit disclosure of board members, the CEO and CFO, or top executives at the company by July 1, 2016.

Please read the full story at [Arabian Business](#).

#### UMRAH VISAS TO BE USED AS TOURIST VISAS

To increase the number of tourists in Saudi Arabia, it is planned to give umrah pilgrims the opportunity to convert their umrah visas into tourist visas after completion of the umrah.

Please find more information via [Al Arabya English](#).



## IV. GESALO NEWS

### OUR NEW MEDIA KIT - ADVERTISE WITH US!

Our new Media Kit lists all advertisement and advertorial options available for you. With our events and gatherings, our online and offline publications we offer you an excellent choice of opportunities.

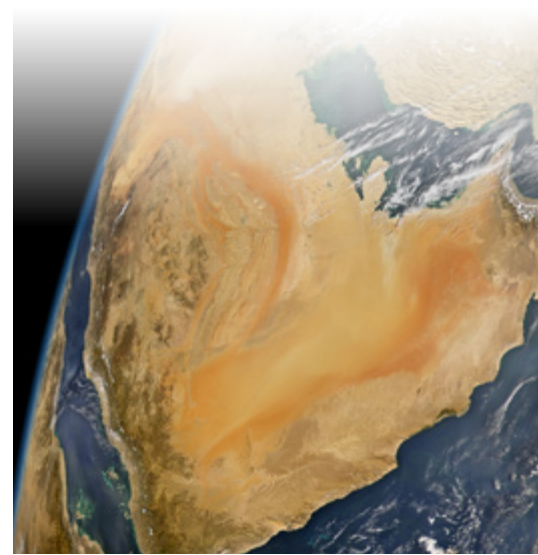
Please find our new Media Kit on our homepage:

[Click here for the English Version](#)

[Click here for the German Version](#)

GESALO

### MEDIA KIT 2016



### EMA BUSINESS DELEGATION

A business delegation from April 3 to 6, 2016 led by former German Federal President and acting president of the German Euro-Mediterranean-Arab Association (EMA) H.E. Christian Wulff to the Kingdom of Bahrain and the United Arab Emirates (UAE). The Delegate of German Industry and Commerce, Mr. Oliver Oehms and GESALO staff and Head of our German Desk in the Eastern Province of Saudi Arabia, Mr. Jan Lutz Mueller accompanied the delegation during their stay in Bahrain.

[Please find the EMA report here.](#)



EMA Business Delegation with H.E. Christian Wulff (tenth from the left) and GESALO staff Mr. Jan Lutz Mueller (third from the left) with the members of the business delegation and chamber officials from Bahrain.

## IV. GESALO NEWS

### OLIVER OEHMS MET SAUDI ARABIAN PHYSICIANS IN BERLIN

The Delegate of German Industry and Commerce, Mr. Oliver Oehms, met during a recent visit in Berlin young Saudi Arabian physicians undergoing a medical specialist training program at the Charité in Berlin. The program started in 2015 with 15 candidates. The training will take five to six years depending on the chosen specialisation.

GESALO's magazine covering the topic Health Care to be released by the end of June - beginning of July will also cover this program.



Mr. Oliver Oehms (second to the right, upper part), Dr. Joachim Seybold, Charité (third to the right, upper part) with Charité staff and the Saudi Arabian physicians.

## V. GESALO NEWS - TRADE FAIRS

### HANNOVER MESSE

Saudi Arabian company alfanar and the Jeddah-based University of Business and Technology are exhibiting at the Hannover Messe 2016. Along with several hundred visitors from Bahrain and Saudi Arabia, Mr. Oliver Oehms was visiting one of the world's most important trade fairs.

He held talks with Detlev Dues, CEO of V-Line, Abdulaziz Al-Mikhlafi, Secretary General of the Ghorfa, Philipp Andree, Director MENA at DIHK, Olaf Hoffmann, CEO of Dorsch Group, Hartmut Zeissig, CEO of Zeissig and Hannover Messe officials.



## VI. SPECIAL - 19TH ARAB-GERMAN BUSINESS FORUM

### 19TH ARAB-GERMAN BUSINESS FORUM

Arab countries and Germany traditionally share close business ties. The trade volume has more than doubled since 2002, reaching a new record at EUR 52.1 billion in 2015. However, full potential has not been tapped yet.

Especially in the long term, the economic perspectives for Arab countries are excellent and offer many opportunities. With almost 400 million inhabitants, the Arab world is a huge market for business and investment. German companies are highly welcome business partners and German products and services enjoy great popularity.

On the other hand, Germany is the largest economy in Europe accounting for around 21 % of the EU's GDP. Thanks to its central location in Europe, its first-class infrastructure and its excellent business climate, Germany is a perfect hub for Arab companies entering the European market with 500 million potential customers.

To further strengthen and enlarge these sustainable business relations between the Arab countries and Germany, the Ghorfa Arab-German Chamber of Commerce and Industry will host the 19th Arab-German Business Forum at The Ritz-Carlton Hotel, Berlin from May 25 to 27, 2016.

For more information, please visit the Ghorfa homepage via [this link](#).

## VII. CALENDAR OF EVENTS

### GESALO - CALENDAR OF EVENTS 2016

#### Planned Events in Saudi Arabia and Bahrain

##### May 2016

- 05.05. German Breakfast and Catalogue Show in Riyadh
- 16.05. German Catalogue Show in Dammam
- 17.05. German Catalogue Show in Jubail
- 19.05. German Breakfast and Catalogue Show in Manama
- 23.05. German Breakfast and Catalogue Show in Jeddah

##### August 2016

- 01.08. Health Care - Made in Germany event in Riyadh

##### October/November 2016

- 10.10. - 12.10. German Business Delegation: Renewable Energies
- 30.10. - 03.11. German Business Delegation: Confectionery companies
- 19.11. - 23.11. German Business Delegation: Engineering companies specialized in the petrochemical industry

#### Planned Events in Germany

##### May 2016

- 09. - 11.05. AHK World conference in Berlin
- 25. - 27.05. 19th Arab-German Business Forum in Berlin
- Date tba. Saudi-German Business Council

##### June 2016

- 21.06. Saudi Arabia information day at CCI Regensburg

##### July 2016

- 12.07. Luncheon at CCI in Hanau

##### September 2016

- 29.09. 9th Export promotion day of North Rhine-Westphalia at CCI Ostwestfalen

## VIII. GESALO PUBLICATIONS

### GESALO PUBLICATIONS - GERMAN LANGUAGE 1

#### **Business & Legal Guide Saudi-Arabien (Stand: Juni 2015)**

Der umfassende Leitfaden, neu erstellt in Kooperation mit der IHK Bielefeld, den deutschen Wirtschaftsjuristen Jochen Hundt (Hundt Legal) und Christoph Keimer (Schlüter Graf Rechtsanwälte) sowie dem Steuerberater Franz-Josef Epping (EY) vermittelt auf über 220 Seiten praxisnah und detailliert wirtschaftliche und rechtliche Informationen zum erfolgreichen Markteintritt in Saudi-Arabien.

Inhalt: 1. Einführung, 2. Geschäftstätigkeit in Saudi-Arabien, 3. Allgemeines Vertragsrecht, 4. Besondere Rechtsgebiete, 5. Ausländische Investitionen, 6. Rechtsschutz.

Preis: EUR 50 zzgl. MwSt. und Versandkosten. 228 Seiten.



#### **Arbeits- und Sozialrecht Saudi-Arabien (Stand: August 2014)**

Diese Publikation vermittelt detailliert und mit vielen Praxisbeispielen alle wichtigen Informationen zum Arbeits- und Sozialrecht in Saudi-Arabien. Dabei wird besonderes Augenmerk darauf gelegt, inwieweit die gesetzlichen Regelungen im Alltag umgesetzt werden und welche Möglichkeiten das saudi-arabische Recht zur Verfügung stellt, sich gegen Rechtsverstöße zu wehren oder eigene Ansprüche geltend zu machen. Die Themen Aufenthalts- und Arbeitserlaubnis im Zusammenhang mit den zu beachtenden Vorschriften zur „Saudisierung“ des Arbeitsmarktes sowie die Problematik des fehlenden Doppelbesteuerungsabkommens zwischen Saudi-Arabien und Deutschland bilden zusätzliche Schwerpunkte dieser Publikation.

Inhalt: 1. Einführung, 2. Arbeitsrecht, 3. Tarif- und Betriebsverfassungsrecht, 4. Personalbeschaffung, 5. Entsendung deutscher Arbeitnehmer, 6. Arbeitsrechtlicher Rechtsschutz, 7. Arbeitsaufsicht, 8. Sozialversicherungsrecht, 9. Steuerrecht.

Preis: EUR 50 zzgl. MwSt. und Versandkosten. 218 Seiten.



## VIII. GESALO PUBLICATIONS

### GESALO PUBLICATIONS - GERMAN LANGUAGE 2

#### Vergaberecht Saudi-Arabien (Stand: Juli 2012)

In Saudi-Arabien sind öffentliche Ausschreibungen von besonderer Bedeutung. Wie in Deutschland werden solche staatlichen Projekte durch öffentliche Ausschreibungen vergeben. Aufgrund des hohen Wettbewerbs ist es umso wichtiger, sich bestmöglich auf bevorstehende Ausschreibungen vorzubereiten. Der Leitfaden vermittelt praxisnah und detailliert Wissen u.a. zu den folgenden Themenbereichen: die Grundzüge des saudi-arabischen Vergaberechts, Projektdurchführung, Unterschiede zum deutschen Vergaberecht, Zuschlag und Abwicklung, Klageverfahren und Rechtsmittel sowie Tipps für die Praxis.

Inhalt: 1. Einleitung, 2. Grundzüge des saudi-arabischen öffentlichen Auftragsrechts, 3. Rechtslage im Privatsektor, 4. Niederlassungsformen, 5. Contractors Classification, 6. Zahlungsabsicherung, 7. Importpolitik, 8. Aufenthalts- und Arbeitsrecht, 9. Steuern, 10. Finanzierung, 11. Klageverfahren und Rechtsmittel, 12. Mustervertrag.

Preis: EUR 50 zzgl. MwSt. und Versandkosten. 153 Seiten.



#### Gewerblicher Rechtsschutz Saudi-Arabien (Stand: November 2013)

Diese Publikation vermittelt praxisnah und detailliert alle wichtigen Informationen zum gewerblichen Rechtsschutz im weiteren Sinne. Im Fokus stehen die Fragen, inwieweit die gesetzlichen Regelungen im Alltag umgesetzt werden und welche Möglichkeiten das saudi-arabische Recht zur Verfügung stellt, sich gegen Rechtsverstöße zu wehren oder eigene Ansprüche geltend zu machen.

Inhalt: 1. Einleitung, 2. Gewerblicher Rechtsschutz, 3. Wettbewerbsrecht, 4. Urheberrecht, 5. Rechtsschutz, 6. Allgemeine Hinweise zu Saudi-Arabien, 7. Anhänge (Patentgesetz, Adressenverzeichnis).

Preis: EUR 50 zzgl. MwSt. und Versandkosten. 145 Seiten.



## VIII. GESALO PUBLICATIONS

### GESALO PUBLICATIONS - ENGLISH LANGUAGE

#### Directory Importing Companies in Saudi Arabia (2012)

German companies' exports to Saudi Arabia have been rapidly increasing the last years. Germany is the third most important supplier of Saudi Arabia. The Directory shall facilitate the market entry for companies to Saudi Arabia. Categorized by groups and products every exporter will find the right importing company for its needs.

Price: EUR 40 plus German VAT (only applies for orders from Germany) and postal charges. 187 pages.



#### Directory of German Companies and their Representatives in Saudi Arabia (January 2016)

German companies' engagement in the biggest economy and market in the MENA-Region has grown rapidly during the last decade. By now more than 400 German companies are established in Saudi Arabia. German enterprises have successfully contributed to economic development in Saudi Arabia by investing, training local expertise and transferring technologies and know-how.

The „Directory of German Companies and their Representatives“ by GESALO lists all German companies that are doing business in the Kingdom of Saudi Arabia and Bahrain including their contacts in Saudi Arabia and Germany. Additionally, a categorization in fields of activity and branches facilitates the search for a perfect business partner for new projects and cooperation between Saudi and German companies.

Price: SAR 300 plus German VAT (only applies for orders from Germany) and postal charges, price in Euro upon request. 243 pages.



#### Inquiries and Sales

If you are interested in our publications, please contact Mr. Soeren Kohse via [soeren@ahk-arabia.com](mailto:soeren@ahk-arabia.com).



## IX. SAUDI ARABIA DESK IN BIELEFELD



### Saudi Arabia Desk



Due to the high potential of the Saudi market and the increasing demand of German small and medium sized enterprises (SMEs) and the Chamber of Commerce and Industry of Eastern Westphalia (IHK) based in the city of Bielefeld established in the beginning of 2011 the first Saudi Arabia Desk in Germany.

The aim of the Saudi Arabia Desk is to intensify the bilateral economic relations. By now IHK is the first contact partner for SMEs in North Rhine-Westphalia and the whole of Germany with regard to information and consultancy for business in Saudi Arabia. As the nucleus chamber for the Arabian Gulf in Germany IHK Bielefeld will be able to offer a much better service to all companies.

With an exporting volume of EUR 9.97 billion in 2015 the German economy is one of the three most important importing countries for Saudi Arabia and the most important in Europe. Public tenders as well as private projects for several hundred billion Euros are planned in the field of infrastructure, petrochemicals, health care and education. Made in Germany is frequently demanded by Saudi Arabian decision makers especially when projects are including the needed transfer of technology and know-how. In 2015 the German-Saudi Arabian trade volume was worth approximately EUR 11 billion. Exported goods were foremost machinery, motor vehicles and parts, chemicals, food, metals, electronics and electro technical supplies.

With the Saudi Arabia Desk IHK and GESALO would like to organize common information events and expert symposiums in order to inform intensively and detailed about the latest topics of the German-Saudi relations and business opportunities. Furthermore, it is planned to build up a strong network with all players and organizations in the German-Saudi Arabian business. Additionally, business delegations to Saudi Arabia shall be organized and information about known international trade fairs shall be provided to companies in Saudi Arabia and Germany.

More information:

IHK Ostwestfalen

Mrs. Ines Ratajczak, Tel.: 0521 554-101, E-Mail: [i.ratajczak@ostwestfalen.ihk.de](mailto:i.ratajczak@ostwestfalen.ihk.de) and

Mrs. Karin Schepelmann, Tel. 0521 554-238, E-Mail: [k.schepelmann@ostwestfalen.ihk.de](mailto:k.schepelmann@ostwestfalen.ihk.de).

Chamber of Commerce & Industry of Eastern Westphalia

German-Saudi Arabian Liaison Office for Economic Affairs