



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

May 2016 Edition

By the German-Saudi Arabian Liaison Office for Economic Affairs

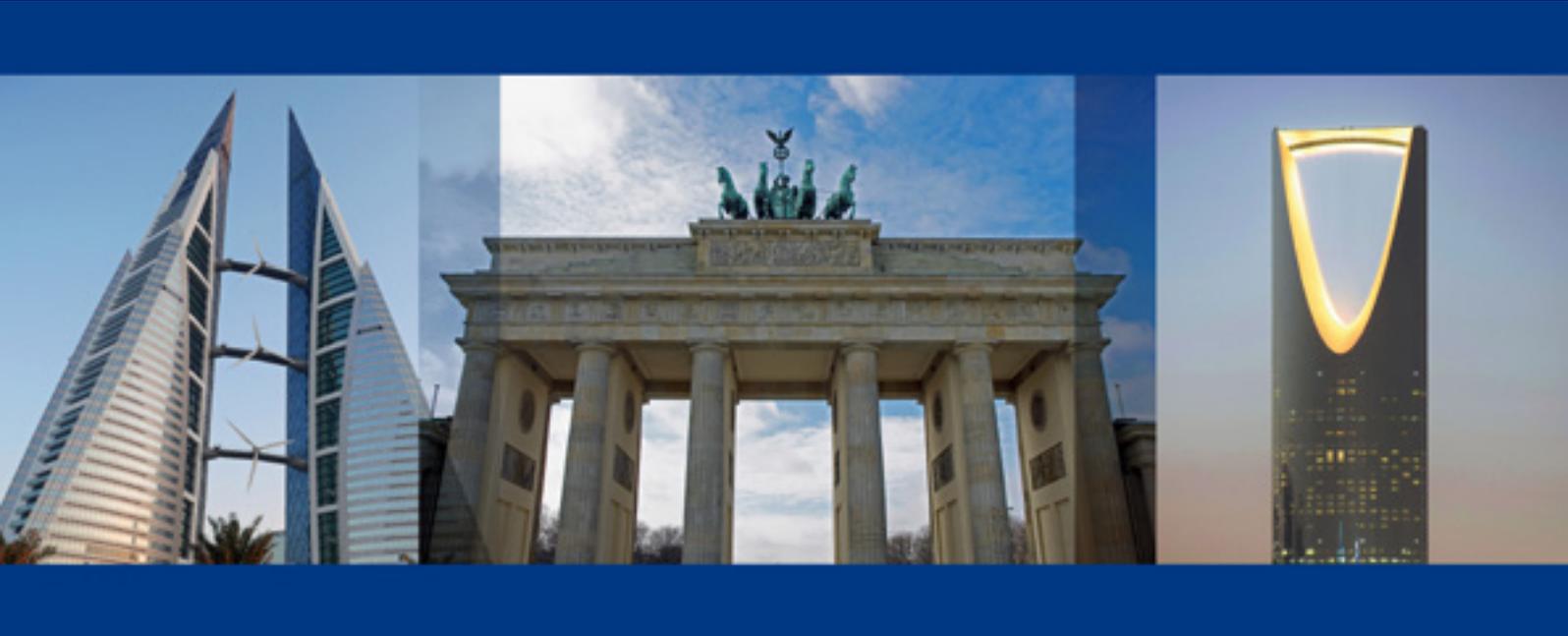


Table of Contents

I. EDITORIAL	3
II. YOUR CONTACTS @ GESALO	4
III. GENERAL NEWS - BUSINESS	4
Government reshuffle	4
New Terminal 5 opened at Riyadh airport	4
Lufthansa plans for expansion in Saudi Arabia	5
Tender in Bahrain - Design for Exhibition Centre	5
KAFD ownership to be transferred	5
SME bourse planned in Saudi Arabia for 2017	5
IV. GENERAL NEWS - LEGAL	5
Nitaqat system to be overhauled	5
New standard work contract and work regulations released	6
New Companies Law - Liability of officers and firectors	6
Foreign ownership limit in stocks to be eased	6
V. GESALO NEWS	6
New GSBM released	6
Our German Catalogue Shows and Breakfasts were a success	7
Siemens Factory in Dammam - First gas turbine produced	8
Visit Berlin invited Saudi companies to tour Berlin	8
VII. CALENDAR OF EVENTS	9
GESALO - Calendar of Events 2016	9
VIII. GESALO PUBLICATIONS	10
GESALO Publications - German Language	10
GESALO Publications - English Language	11
IX. SAUDI ARABIA DESK IN BIELEFELD	12

I. EDITORIAL

Dear readers,

After this eventful month it is time for me to draw a short conclusion as my first “semester” in Saudi Arabia is nearly over. The new economic realities sunk in the minds of about everyone in government, business and society. With the Vision 2030 Vice Crown Prince Mohammed Bin Salman launched a long-awaited framework for economic, and probably also socio-economic change. Since the foundation of the modern Saudi Arabian state, German companies have been engaged in the development process. From as early as the local manufacturing of Mercedes-Benz trucks decades ago to the recently launched Siemens gas turbine factory in Dammam, the history of German investment in Saudi Arabia - and also in Bahrain - is characterized by mutual trust, respect and commitment.

Those who follow us on Twitter (@ahksaudi) noticed it already: our five German Catalogue Shows & Breakfasts were a huge success. We counted more than 600 Saudi and Bahraini businessmen and businesswomen as well as officials visiting our events. Our 18 German exhibiting “hidden champions”, a term commonly used to describe small and medium sized firms which are world market leaders in their respective field, attracted the attention of an excellent crowd of potential local companies for entering the Bahraini and Saudi Arabian markets. Our gratitude goes to our sponsors who made the events possible: Lufthansa, ThyssenKrupp, MAN Diesel and Turbo, Volkswagen, Mercedes-Benz (Al-Haddad Motors), the Economic Development Board of Bahrain (EDB), coperion, Drees & Sommer, SSI Schaefer, Airbus, DB Schenker, Dywidag, DETASAD, Gerolsteiner and Herrenknecht.

Our re-designed [German Saudi Business Magazine](#) (GSBM) has been published recently. The updated concept features an interview series and an Arabic part - the latter for the first time! We will continue to improve the quality and are happy for any feedback. If you wish to be a part of our magazine our staff stands ready at any time. You will also notice some small changes to our newsletter. You will now find your most important contacts at GESALO right after the content page.

After Ramadan, we will host our “Health - Made in Germany” event in Riyadh and release the next edition of our GSBM - covering the Health Care sector as well. In October and November, we will host not less than three business delegations from Germany. The delegations will comprise of companies representing renewable energies, petrochemicals and confectionaries. Furthermore, we will be hosting a conference on water treatment and conservation in the Eastern Province. Glad to meet you on one of these occasions!

Let me wish you all a Ramadan kareem and recreative Eid holidays.

Yours,

A blue ink handwritten signature of Oliver Oehms.

Oliver Oehms

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



II. YOUR CONTACTS @ GESALO

Delegate of German Industry and Commerce

Mr. Oliver Oehms

Mail: oehms@ahk-arabia.com

Tel.: + 966 11 4050201

DEinternational

Mr. Anton Bondarew

Mail: bondarew@ahk-arabia.com

Tel.: + 966 11 4050201 Ext. 118

Trade Fairs and Promotion

Mr. Al-Ameen Al-Dalali

Mail: al-dalali@ahk-arabia.com

Tel.: + 966 11 4050201 Ext. 110

Legal Affairs

Mr. Omar Hassan Hamza

Mail: hamza@ahk-arabia.com

Tel.: + 966 11 4050201 Ext. 106

Mr. Mohammad Faleel

Mail: faleel@ahk-arabia.com

Tel.: + 966 11 4050201 Ext. 106

German Desk - Eastern Province/Bahrain

Mr. Jan Lutz Müller

Mail: mueller@ahk-arabia.com

Tel.: + 966 13 3470689 Ext. 1525

III. GENERAL NEWS - BUSINESS

GOVERNMENT RESHUFFLE

Some of the most important news are the new Saudi Minister of Energy, Industry and Mineral Resources is Khaled Al-Falih, chairman of Aramco. The reorganised Ministry of Commerce and Investment oversees now the SAGIA.

[Please find more information here.](#)

NEW TERMINAL 5 OPENED AT RIYADH AIRPORT

Riyadh's King Khaled International Airport new domestic terminal is the first to be operated by a foreign company. The planned privatisation of all 27 airports in Saudi Arabia and continuous increase of passengers (+9,5 % in 2015) can create interesting business opportunities for at least some of the airports.

[Click here for more information on Arabnews.](#)

LUFTHANSA PLANS FOR EXPANSION IN SAUDI ARABIA

The Saudi Arabian privatisation drive may lead to an increased engagement of Lufthansa in the market. Both Lufthansa Passage and Lufthansa Technik are currently active in Saudi Arabia.

[Please find more information via Argaam.](#)

III. GENERAL NEWS - BUSINESS

TENDER IN BAHRAIN - DESIGN FOR EXHIBITION CENTRE

Bahrain Tourism and Exhibition Authority plans to float a tender for the design contract for its USD 135 mio. exhibition centre in Q4 2016.

[Click here for details.](#)

KAFD OWNERSHIP TO BE TRANSFERRED

A new concept may follow after the King Abdullah Financial District's ownership has been transferred from the Public Pension Agency (PPA) to the Public Investment Fund (PIF). Currently, the number of tenants is small.

[The full story can be read here.](#)

SME BOURSE PLANNED IN SAUDI ARABIA FOR 2017

A new stock market for small and medium-sized businesses is under consideration in Saudi Arabia. The country's main stock exchange Tadawul is only for big companies, but SME's shall play a bigger role in the country.

[Please click here for details.](#)

IV. GENERAL NEWS - LEGAL

NITAQAT SYSTEM TO BE OVERHAULED

The plans will integrate women's employment, the average pay of Saudi nationals, the ratio of the wages of Saudis to non-Saudis, and the sustainability of jobs occupied by local citizens into the evaluation of a company's quota.

[More can be found here.](#)

NEW STANDARD WORK CONTRACT AND WORK REGULATIONS RELEASED

The new standard work contract and work regulations - announced with the updated Labour Law in 2015 - have been released recently.

[Please find here information via legal service Lexology.](#)

IV. GENERAL NEWS - LEGAL

NEW COMPANIES LAW - LIABILITY OF OFFICERS AND DIRECTORS

The overhauled companies law is in effect since May 2nd. It also tightened the sanctions for criminal offences.

More can be read via [Dentons](#).

FOREIGN OWNERSHIP LIMIT IN STOCKS TO BE EASED

The Saudi Capital Market Authority (CMA) will ease the requirement of assets under management of the investor from SAR 18.75 bn. to SAR 3.75 bn. (USD 1 bn.). The new rules and their effective date will be published by the end of Q2 2017.

Read the full story [here](#).

V. GESALO NEWS

NEW GSBM RELEASED

Our re-designed German Saudi Business Magazine (GSBM) has been published. The updated concept covers a new interview series and an arabic part.

Please find a soft copy via [clicking this link](#) or the pictures.

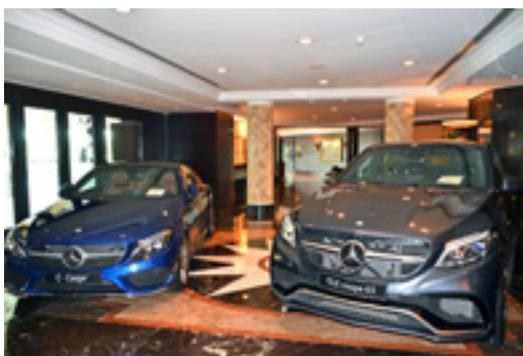
To find out more about our advertising options, please [click here](#) to see our new Media Kit.



V. GESALO NEWS

OUR GERMAN CATALOGUE SHOWS AND BREAKFASTS WERE A SUCCESS

Our five events in Riyadh, Dammam, Al-Jubail, Manama and Jeddah have been very successful!
Over 600 businessmen and officials explored the 18 participating companies from Germany.



V. GESALO NEWS

SIEMENS FACTORY IN DAMMAM - FIRST GAS TURBINE PRODUCED

Delegate Oliver Oehms and Head of the German Desk in Dammam Jan Mueller visited the presentation of the first gas turbine produced in Saudi Arabia. Siemens CEO Joe Kaeser and Minister of Energy, Industry and Mineral Resources Khaled Al-Falih also attended the event in the 2nd Industrial City of Dammam.

Please see the picture and information via our twitter account.



VISIT BERLIN INVITED SAUDI COMPANIES TO TOUR BERLIN

A Delegation of Saudi Arabian businessmen visited Berlin to learn about the German capital's offers regarding professional marketing, tourism and medical tourism by the city's tourism agency Visit Berlin, Lufthansa, gta and the Ritz-Carlton Hotel Berlin.



V. GESALO NEWS

19TH ARAB-GERMAN BUSINESS FORUM IN BERLIN

The Delegate of German Industry and Commerce Mr. Oliver Oehms attended the 19th Arab-German Business Forum in Berlin, organised by the Ghorfa, as a speaker at the panel “Logistics and Mobility: What is the Vision and where are the Limits?” where he presented the current situation in Saudi Arabia and Bahrain to the audience.

Please find the information here (in German and Arabic only).



VISIT AT NEW BASF OFFICE IN DAMMAM

GESALO’s Head of the German Desk Mr Jan Mueller visited the new premises of German chemical giant BASF in Dammam. Mr. Mueller held fruitful talks with the General Manager Eng. Basim S. Tawfeeq and we look forward to our future cooperation!

You can find more information also on our twitter account.



VII. CALENDAR OF EVENTS

GESALO - CALENDAR OF EVENTS 2016

Planned events in Saudi Arabia and Bahrain

August 2016

01.08. Health Care - Made in Germany event in Riyadh

September 2016

Date tba. German Business Delegation: Water & Wastewater

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

June 2016

20.06. Saudi Arabia information day at CCI Darmstadt

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

Trade Fairs

May 2016

30.05. - 03.06. IFAT in Munich

31.05. - 03.06. CeMAT in Hanover

June 2016

22. - 24.06. InterSolar Europe in Munich

September 2016

20. - 23.09. InnoTrans in Berlin

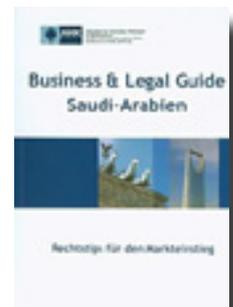
VIII. GESALO PUBLICATIONS

GESALO PUBLICATIONS - GERMAN LANGUAGE

Business & Legal Guide Saudi-Arabien (June 2015)

Comprehensive guide to enter the Saudi Arabian market. It covers all important topics to set up a business like basic information and business culture on the one hand and legal topics like foreign investment law, contract law, commercial agents law, tax and zakat law, labour and employment law, arbitration and legal protection on the other hand.

Price: EUR 50 plus German VAT (only applies for orders from Germany) and postal charges. 228 Pages.



Arbeits- und Sozialrecht Saudi-Arabien (August 2014)

Our guide on the Saudi Arabian labour and employment law is a vital resource for all German employers in the Kingdom. It sets a focus on the legal practice of all rules concerning labour and employment law and the secondment of German employees to Saudi Arabia.

Price: EUR 50 plus German VAT (only applies for orders from Germany) and postal charges. 218 Pages.



Vergaberecht Saudi-Arabien (July 2012)

The public procurement law in Saudi Arabia differs from the situation in Germany. To give German companies the necessary advice, our guide is a very helpful resource as it compares the Saudi arabian and German legal situation and describes the legal practice.

Price: EUR 50 plus German VAT (only applies for orders from Germany) and postal charges. 153 Pages.



Gewerblicher Rechtsschutz Saudi-Arabien (November 2013)

Industrial property protection plays an important part in competitive markets like Saudi Arabia. Foreign companies should be well aware of the local rules and how to assert their claims.

Price: EUR 50 plus German VAT (only applies for orders from Germany) and postal charges. 145 Pages.



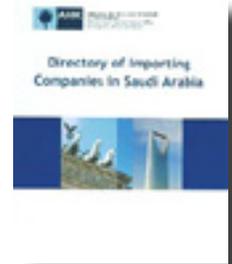
VIII. GESALO PUBLICATIONS

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.

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 and

Mrs. Karin Schepelmann, Tel. 0521 554-238, E-Mail: k.schepelmann@ostwestfalen.ihk.de.

Chamber of Commerce & Industry of Eastern Westphalia

German-Saudi Arabian Liaison Office for Economic Affairs