

# United Arab Emirates

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## An oasis for Japanese investment in the Gulf region

Political and economic stability has always been a concern in the Middle East and North Africa (MENA) given the region's crucial role in global business.

Recent events that continue to rock the Arab world concern not just the citizens of countries oppressed by decades-old authoritarian rule but also heavily invested foreign interests.

However, in every region marred by uncertainty there exists a bright spot, and an oasis for economic and political stability.

With its rapidly diversifying, highly developed economy, the United Arab Emirates (UAE) has long been this region's safe haven for foreign capital.

The UAE has one of the fastest-growing economies in the world. It has

also become less dependent on natural resources as a source of revenue by diversifying into other industries, such as tourism, construction and a service sector that attracts expatriates from all over the world.

This stable and progressive pro-business stance by the government of the UAE has strengthened its relations with countries from all over the world, including Japan, which ranks among its largest and most important trading partners.

"There is no doubt that the UAE has been a key economic partner in this region for Japan. The UAE has been and remains a major supplier of crude oil to Japan, as it is the second-largest exporter next to Saudi Arabia. In fact the UAE accounts for about 21 percent of Japan's imports," says Tatsuo Watanabe, Japan's

ambassador to the UAE.

The oil concession from Abu Dhabi was in fact one of the earliest exclusive agreements for Japan, dating back to the late 1960s when Japan was securing energy resources for its burgeoning economic development.

"It is no exaggeration to say that Japan has achieved its growth with the help of the steady and continuous supply of oil from the UAE," he continues.

Similar to the evolution of the UAE's economy and its diversification from energy to other industries, Japan's trade and presence in the UAE have also evolved from simply securing energy resources. The UAE exports aluminum and other commodities to Japan.

"The establishment of a joint Emirati-Japanese economic council last year is

an important step in advancing bilateral cooperation between our countries. The council will allow us to concentrate on further diversifying our trade partnerships into areas such as aluminum, energy, ceramics, aviation and railways," says UAE Minister of Foreign Trade Sheikh Lubna bint Khalid bin Sultan Al Qasimi.

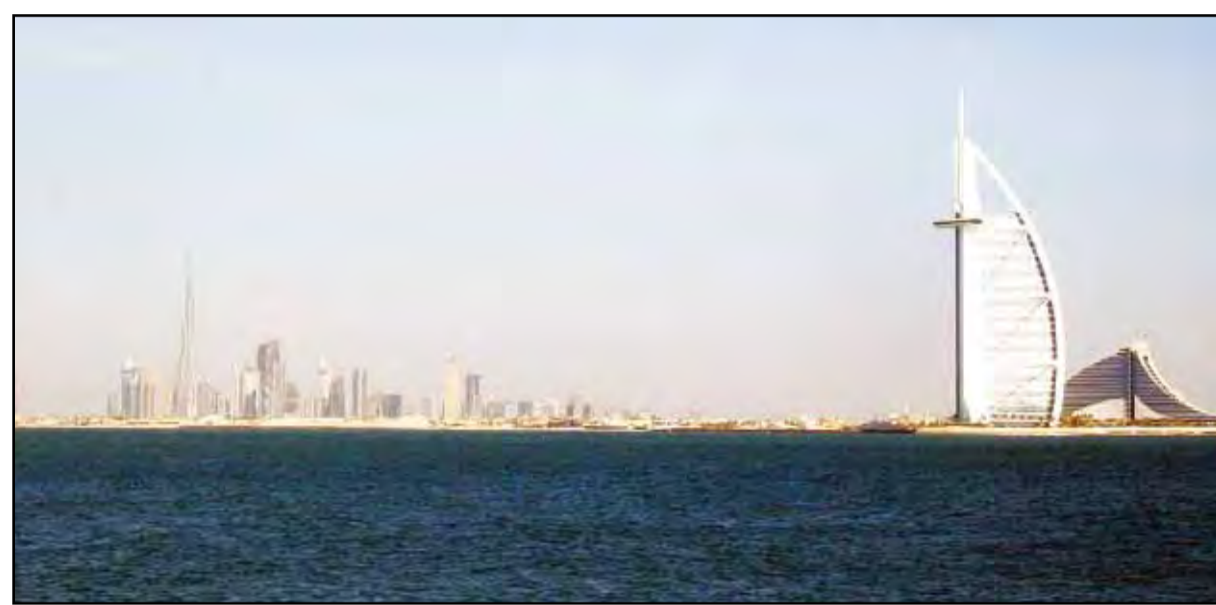
"The UAE and Japan also have an excellent symbiotic relationship since the UAE is a prolific technology and service spender while Japan is a top technology and service developer. Building further on this aspect of our partnership will accelerate our bilateral growth," she adds.

"Finally, we would mutually benefit from the reduction or total removal of Japanese customs duties on products such as aluminum," she also says.

Dubai, for instance, with its world-class infrastructure, and sea, airport and free zone facilities, is used as a logistics hub and a high-value consumer market while the UAE as a whole is viewed as a destination for technology transfer in a variety of industries.

"Japanese companies have a long history selling their goods in Dubai, and offering expertise in engineering and technology. A good example is the Dubai Metro, which is being operated by a Japanese company," explains Hamad Buamim, director general of the Dubai Chamber of Commerce and Industry.

"There are also several ongoing projects in the areas of power, water, transport and telecommunications. Japan offers advanced IT industries and cut-



Starting this year, the United Arab Emirates will allow full foreign ownership of companies being set up in the seven-state federation. Dubai, shown above, continues to attract most foreign capital, but Abu Dhabi has also stepped up efforts to lure more overseas investment.

ting-edge technology that Dubai's businesses are making the best use of. You will find it interesting to note that the Dubai Chamber building was designed by a Japanese architectural firm, Nikken Sekkei," he adds.

Today, the UAE is home to over 300 Japanese companies that use Dubai as their regional headquarters for the MENA region. This translates to 41 percent of all Japanese companies based in the Middle East.

Jebel Ali Free Zone in Dubai is an ideal base for leading Japanese companies like Panasonic, NGK Spark Plugs, Toshiba and Bridgestone because of its

proximity to Jebel Ali, the largest port in the Middle East.

"Japan's exports to the UAE are the highest in the Middle East and the share of Japanese cars in the country over the last 10 years has reached close to 70 percent," explains Hiroki Matsumoto, managing director of JETRO Dubai and MENA.

With the UAE considered the home for Japanese companies in the region, further cooperation in culture, education, technology and business is under way as the two countries celebrate 40 years of diplomatic relations.

"It is apparent that our economic co-

operation has consolidated the existing excellent relationship between the two countries. But, we should not forget that human exchange between us is the most important factor to develop the relationship," says Watanabe.

"I firmly believe that the UAE and Japan share a great number of common visions and interests, such as sustainable development, protection of the environment, peace and security, the importance of human resources and the harmonizing of our own culture with economic prosperity. Therefore, we are able to cooperate and obtain benefits together in all domains," he adds. ♦



UAE Minister of Foreign Trade Sheikhha Lubna bint Khalid bin Sultan Al Qasimi



Japanese Ambassador to the UAE Tatsuo Watanabe



Hamad Buamim, director general of the Dubai Chamber of Commerce and Industry

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## 2011 is the year of Middle East-Africa growth for Toshiba Gulf

The significant Japanese presence in the United Arab Emirates is a testament to the historic ties that exist between the two countries. The UAE's own initiatives in infrastructure and economic development have made it the preferred location for regional headquarters for Japanese companies operating in and around the area that includes Africa and the Commonwealth of Independent States.

Apart from its role as a logistics hub, the UAE is also a consumer-driven market that thirsts for the latest in gadgetry and new technology. With its ambitious infrastructure projects that range from the practical to the luxurious, there also remains a strong demand for the most advanced building management systems.

All these opportunities in place have enabled Toshiba Gulf FZE (TGFZ) to fully utilize its capabilities by providing partners and customers with its entire portfolio of products ranging from LCD TVs, notebook PCs, home appliances, photocopiers, LED lights to energy-saving infrastructure systems and management systems for water desalination plants.

"We provide our customers with a synergy effect by promoting all our products together," explains Yasuyoshi Matsunaga,

managing director of TGFZ.

"We offer full integration of our products from the Digital Products Group (DPG), Electronic Device and Components Group and the Infrastructure Systems Group," he continues.

Though the company experienced some difficulties in 2009 during the global recession, it quickly rebounded from this drop and posted record-breaking growth in 2010.

This paved the way for the company's restructuring plans to take effect this month as the new fiscal year in the Japanese calendar begins.

"Our headquarters re-organized the company to put more emphasis in emerging markets where there remains more opportunity for us to grow our business," explains Matsunaga. He is credited with quadrupling the sales of the company in less than six years.

The restructuring has transformed TGFZ into a full sales company with increased responsibility to expand operations. And now after the re-establishment of a stable government in Egypt, Toshiba is expected to commence production of LCD TVs at its first manufacturing facility there this month.

"In order to expand business in emerging markets, we need to customize our products there. As we have already gained a reputa-



Toshiba Gulf Managing Director Yasuyoshi Matsunaga

tion for our brand, now it's time to develop suitable products that are tailor-made to the needs of the local market. That is why Toshiba felt it was crucial to set up a manufacturing facility to cater to this fast-growing region," says Matsunaga.

Toshiba's latest products and technology available in the region are displayed at the company's two-story showroom and regional headquarters in Dubai's Jebel Ali Free Zone (Jafza).

Through marketing approaches that include the use of the blue robot character Tosh and the Masterpiece ad campaign that compares Toshiba's quality laptops to some of the world's most famous paintings and sculptures, the company's brand equity remains very positive in the region.

Toshiba today remains a leader in the global notebook PC market. In fact, it introduced the world's first notebook PC in 1985, the same year that Jafza

was established. "By using the advantages of being present in Jafza, we have ultimately been fortunate to have very good business here," says Matsunaga, who is also a Director of the Japanese Business Council in Dubai (JBC).

With a restructured company in place that is fully integrated, capable of manufacturing localized products for the region and that has a solid brand name, Matsunaga explains his desire for growth in Toshiba's other business groups: "We also want to increase our infrastructure business and provide energy-saving systems as well as building management systems to large-scale projects by the government and private sectors."

"Within a few years, I want Toshiba Gulf FZE to be a \$2 billion company. 2011 is our kickoff year for further growth in Africa and the Middle East," Matsunaga concludes. ♦  
www.toshiba-gulf.com



Toshiba set up a showroom and headquarters for the Middle East region in the Jebel Ali Free Zone in Dubai.

# GAC Protective Solutions: a safe guiding hand in uncertain times

These are trying times for shipping. Every week brings news of political upheaval and pirate or terrorist attacks. More than ever, owners and operators must prepare their vessels to respond to any threat.

That was what GAC had in mind when it launched "GAC Protective Solutions, powered by AKE," in 2009.

Since the 1950s, the GAC Group has been serving the shipping community. Its global network of offices provides a range of integrated shipping, logistics and marine services wherever you go.

GAC Protective Solutions was created under the umbrella of GAC Solutions, which forms strategic partnerships with world-class

specialists to provide services tailored to the needs of its customers. The partnership combines the resources of the global GAC Group with the experience of security experts AKE in helping the maritime community protect vessels, cargoes and crew from the threat of piracy and kidnapping.

Hot spots include the Gulf of Aden and the Indian Ocean, which have seen a dramatic increase in Somalia-based piracy in recent years, as well as places like Nigeria where local political groups target foreign interests.

The wave of unrest that has recently swept across parts of northern Africa and the Arab world add a new dimension to the security concerns that shipping companies must consider.

Christer Sjödoft, GAC's group vice president solutions, says: "The best defense is timely preparation. GAC Protective Solutions helps minimize clients' exposure to the risks through an integrated intelligence-led approach.

"Our methods are tested, effective and non-lethal, and include crew and management training, pre-voyage preparation, defensive deck configurations and the possibility of placing sea marshals on board vessels traveling through high-risk areas."

GAC's multilateral approach to mitigating risks includes: crisis management, contingency planning and onboard training; crews consisting of ex-special forces personnel with extensive maritime experience; risk assessment and

risk alerts; protective equipment sales; newsletters and alerts; and round-the-clock monitoring and support.

Aside from those, GAC also offers training in its sea marshal school; daily integrated land and maritime intelligence analysis; and coordination with international and coalition maritime task forces.

**Peace of mind**

"We want to give vessel owners and operators peace of mind," says Sjödoft. "While we cannot eliminate the threat of piracy and political upheaval, GAC Protective Solutions helps equip vessels and their crew to best evade or handle any attack as they travel the world's shipping lanes." ♦

[www.gacworld.com](http://www.gacworld.com)



Good preparation is the best defense against the dangers of the high seas.



GAC Protective Solutions can place highly trained sea marshals on board ships transiting high-risk areas.

# NGK revs up growth in the region through high-performance parts

The Jebel Ali Free Zone (Jafza) in Dubai, located next to the largest seaport in the Middle East, was established in 1985 as a hub for companies seeking to access a market of over 2 billion people in the surrounding regions.

Since then, it has become one of the world's fastest-growing economic zones and home to hundreds of Japanese companies in the region.

"Our facility here in Jebel Ali is very important to us given its strategic geographic location in the region as a logistics hub," says NGK Spark Plug Middle East Managing Director Hisataka Sato. "From Dubai, we are responsible for about 40 markets in the Middle East, Africa, the Commonwealth of Independent States and South Asia."

While the Nagoya-based company develops tailor-made products for most of the world's leading auto manufacturers, NGK's activities in Dubai are limited to after-sales service. While Dubai has no auto manufacturers, its increasingly prosperous consumers have developed a keen interest in imported high-performance vehicles.

"We produce high-performance spark plugs that are suitable for car enthusiasts interested in modifying their cars with the best parts avail-

able," says Sato.

Opening its regional base in Dubai in 2002, NGK is particularly proud of its G-Power®, Iridium IX® and Iridium Max® spark plugs, which offer extreme ignitability, improved throttle response and superior antifouling ideal for supercar engines. Also, NGK has special CNG-LPG spark plugs for CNG- and LPG-powered engines.

Because these high-performance spark plugs are eco-friendly, they allow people to enjoy driving without having to worry about polluting the environment.

Last year, the company reported its highest sales turnover since 2002 and is looking to expand in the African region. This encompasses a total market of 72 million people and features auto manufacturing facilities.

"Our strategy is to increase our sales force and standard distribution in the countries where we are present. I would also like to promote our high-performance, environmentally friendly products to the auto industry," says Sato. "Dubai is a very important home for us in the region and we are a strong supporter of the industry here." ♦

[www.ngkntk.co.jp](http://www.ngkntk.co.jp)



NGK Spark Plug Middle East Managing Director Hisataka Sato



NGK's line of high-performance CNG-LPG, G-Power® and Iridium IX® spark plugs

# Focus on customers propels growth in the Middle East market

With the growing number of wealthy consumers in Abu Dhabi and Dubai, the United Arab Emirates is the ideal market for any manufacturer of consumer goods. However, though local consumers are affluent and tech savvy, it takes more than superior products for companies to overturn the economic slump and post record revenues.

"Fortunately, recovery was very quick for us here. We have now been able to return to the level of 2007 sales and experienced double-digit growth the last two years. Our aim is to ride this momentum of continuous expansion," says Panasonic Marketing Middle East Managing Director Seiji Koyanagi.

Established a decade ago, Panasonic Marketing Middle East is the regional marketing headquarters in the Middle East and Africa for Osaka-based Panasonic Corp., a worldwide leader in the development and manufacture of electronic products.

"Our success can be attributed to our honesty as a company and the intimacy we've created with our customers over the years through one-on-one communication," says Koyanagi, who assumed the top post six years ago and has since amassed a database of 1 million actual customers through "point-

casting" (a marketing strategy aimed at individuals) and "narrowcasting" (intended for a specific group).

While the company engaged in "broadcasting" in the early years to build its brand through endorsements and marketing campaigns, the customer-centric approach was necessary in order to dig deeper into a market where competition among brands is very fierce.

"Intimacy toward a brand as a lifetime personal choice has not been built yet in this part of the world. Our mission is to change that through our direct and daily communication with our customers, and through the products we offer," says Koyanagi.

Panasonic's diverse range of industry-leading electronic products includes flat panel Viera televisions, digital Lumix cameras and camcorders, among others.

"Our double-digit growth in sales turnover shows our products have been accepted well by the public, especially in 3D technology, which is gaining popularity all over the world and something we are launching here aggressively," he says.

Last year, the company launched the world's first 3D consumer camcorder, the 3D VIERA TV, 3D Blu-ray home theater systems, 3D lens and 3D HDMI cables to complete the full line of industry-leading full HD 3D and HD TV technology products available for the Middle Eastern market. By 2012, it hopes to have a 50 percent market share in large-screen 3D TVs in the region.

"We are the only company who has 3D technology available to consumers for shooting and replaying. Our editing machines are coming up for professionals and even the professional 3D cameras are in place," says Koyanagi.

As its approach to the market solidifies its customer base and its complete line of 3D products builds brand loyalty, Panasonic



Panasonic Marketing Middle East Managing Director Seiji Koyanagi

remains steadfast about its role in the local community.

"Relationships on a personal level as well as corporate citizenship are very important to us. We hope to continue our strong relations with the government, our employees and our customers. We've had the opportunity to work closely with the World Wide Fund for Nature-Eastern and Southern Africa Regional Program Office (WWF-ESARPO), the Dubai Municipality and Abu Dhabi University for certain projects as part of some of our social activities, and we continue to look for more ways to integrate ourselves in our communities," says Koyanagi.

Panasonic also intends to become the world's leading green innovation company in the electronics industry by 2018, just in time for its centennial. ♦

[www.panasonic.ae](http://www.panasonic.ae)  
(Editor's Note: WER met with Mr. Koyanagi in Dubai on February 15, 2011.)



Panasonic has unveiled the latest range of Intelligent Viera TVs in various sizes, featuring Infinite Black pro and Viera Connect.

*"Relationships on a personal level as well as corporate citizenship are very important to us. We hope to continue our strong relations with the government, our employees and our customers."*

## eBOX

Spread over an area of 48 sq. km, the **Jebel Ali Free Zone (Jafza)** is one of the world's largest and fastest-growing free zones. It is home to more than 6,400 companies from all over the world, including over 300 from Japan. Its website provides information on procedures to start a business in Jafza. [www.jafza.ae](http://www.jafza.ae)

The **Ministry of Foreign Trade** adopts developmental policies in terms of the country's foreign trade and represents the state in trade negotiations with other countries. It also prepares programs and studies on the development of exports and increasing competitiveness. [www.moft.gov.ae](http://www.moft.gov.ae)

The **Dubai Chamber of Commerce and Industry** provides updated business-related information and procedures essential for doing business in the emirate, and dealing with members of the business group. Its website serves as a platform for interaction between members and stakeholders. [www.dubaichamber.com](http://www.dubaichamber.com)

The **Abu Dhabi Chamber of Commerce and Industry** has played a significant role in discussing trade policies, and drafting laws and regulations on the national level. Its website offers all the information needed by the business community in Abu Dhabi and the UAE. [www.abudhabichamber.ae](http://www.abudhabichamber.ae)

The **Japan External Trade Organization** in Dubai promotes trade and investment between Japan, the UAE and the other Gulf states. JETRO Dubai serves as the central office for the MENA region, and provides local and foreign companies with services and information related to doing business in Japan. [www.jetro.go.jp/uae/](http://www.jetro.go.jp/uae/)

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The World Leader

## Panasonic ideas for life

Life-size reality created by the world's largest 152-inch 3D plasma revolutionizes product design and medical education.

(left) **Keiji Maeda** Plasma Product Planning Leader  
(right) **Yasuaki Sakanishi** Plasma Design Leader

Creating the kind of image quality, video performance and scale demanded by video professionals takes a development process that wholly integrates technologies with product planning. Our days are spent reviewing the globe, from America to Europe to the Middle East.

## High-definition video processing and high-speed panel drive technology for clear 3D on an ultralarge screen.

Panasonic has developed a plasma TV that can display life-size images of people. The giant 152-inch screen creates a highly realistic 3D space.

Sakanishi: For people to feel as if the real thing is right there in front of them, the size must be lifelike, but it is also important for the colors and contrast to be as realistic as possible. The plasma display we developed has the world's largest dimensions while also offering resolution four times that of full HD. For higher fidelity colors and textures, we created a more advanced imaging engine with a semiconductor. Moreover, in order to clearly display high-definition 3D video on an ultralarge 152-inch screen while minimizing afterimages, we developed a panel drive engine that reduces the panel emission time to approximately one-fourth of existing products<sup>2</sup>. These two engines made it possible to reproduce life-size reality on an ultralarge plasma screen.

Maeda: We will now take on the challenge of extracting all the potential inherent in this plasma display. For example, it could be used to concretely expand the imagination with 3D simulations for product design — apparel, interiors or automobiles — or at medical education facilities. Panasonic's imaging technologies will enhance entertainment, of course, but also contribute more broadly to society in many ways.

Makes it possible to share highly concrete images for medical education, product design, architecture and other real-world applications.

152-inch full HD 3D Plasma Display (P152) [http://panasonic.net/proplasma/152\\_plasma/152inch.html](http://panasonic.net/proplasma/152_plasma/152inch.html)

See the Human File website for more information. <http://panasonic.net/human>

Figures \*As of June 9, 2010. For flat-panel displays, based on a Panasonic survey. <sup>2</sup>Compared to Panasonic's FV05 Full HD panel displays (P112 series). External dimensions: 3,600 (W) x 5,980 (H) x 149.0 (D) mm (depth incl. protruding portion). Weight (incl. unit only): Approx. 390 kg. Screens are composite renderings. Visuals are simulated images.