

**Gulf Research Center Foundation**  
K n o w l e d g e   f o r   A l l

# The 2013 GCC-Swiss Forum





## Gulf Research Center Foundation hosts first GCC-Swiss Forum



Pierre-Francois Unger , State Councillor,  
Canton of Geneva



GRC Chairman Dr. Abdulaziz Sager

With close to 200 participants from the GCC States and Switzerland, the GCC-Swiss Forum took place on September 3<sup>rd</sup> and 4<sup>th</sup> in Geneva, Switzerland. The event was opened by Mr. Pierre-Francois Unger, State Councillor for the Canton of Geneva and Dr. Abdulaziz Sager, Chairman of the Gulf Research Center. In his keynote address, HRH Prince Abdulaziz bin Abdullah Al-Saud, the Vice-Minister for Foreign Affairs of the Kingdom of Saudi Arabia stated that while the states of the Gulf region are currently facing challenges which require careful political and economic planning, the principles of the free economy do allow the GCC states to build a strong base for prosperity and be part of the global economy. HRH argued that both sides should undertake attempts to enhance the relationship and seek new ways of cooperation.



HRH Prince Abdulaziz bin Abdullah Al Saud, Deputy Minister of Foreign Affairs, Kingdom  
of Saudi Arabia



H.E. Dr. Abdul Latif Bin Rashid Al Zayani, Secretary General, Gulf Cooperation Council for the Arab States of the Gulf

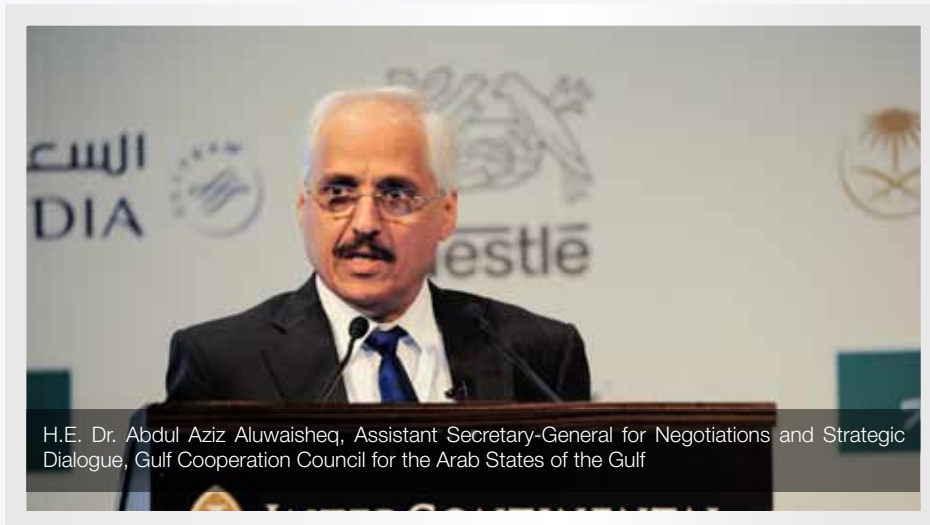
The opening panel with H.E. Dr. Abdul Latif Bin Rashid Al-Zayani, the Secretary-General of the Gulf Cooperation Council (GCC), and H.E. Yves Rossier, State Secretary in the Federal Department of Foreign Affairs of Switzerland suggested closer relations at the political level and bridge-building exercises between the GCC and Switzerland that can have an impact in terms of the reduction of violence and the lessening of armed conflict. The GCC Secretariat and the Swiss Foreign Ministry held meetings on the sidelines of the Forum to discuss the overall status of relations including seeing the Free Trade Agreement between the GCC States and the member states of the European Free Trade Area (EFTA) including Switzerland being fully implemented.

Following the opening panels, the forum moved on to discuss overall economic relations, banking and insurance, health and tourism. In the panel of GCC-Swiss economic relations, H.E. Dr. Abdul Aziz Aluwaisheq of the GCC praised the work of the GCC and EFTA in stimulating growth through the signing of a Free Trade Agreement. Dr Aluwaisheq highlighted



Opening Panel with H.E. Yves Rossier, State Secretary, Federal Department of Foreign Affairs, Switzerland





areas for future cooperation, a position which was vindicated by Erwin Bollinger, Deputy Head, Bilateral Economic Relations at SECO, Switzerland. Mr. Bollinger emphasized that diversifying trade between the two blocs is the way forward and the ratification of the FTA should be made a priority. H.E. Abdulrahim Hasan Naqi, the Secretary General of the Federation of GCC Chambers praised the position of GCC-based banks in Switzerland while arguing that the private sector could do more to foster growth in Education and Research in the Gulf. Iris Welton, Chief Executive Officer of BaselArea put forward a highly convincing argument for the Basel Area and its potential for cooperation with GCC nations. The dynamic nature of the Basel Area will no doubt appeal to a number of companies hoping to enter the Swiss and wider European markets. The conclusions of the



panel were that trade is increasing but more can and will be done to bring the relationship closer. The ratification of the FTA will be a big step in increasing the volume of trade between the blocs and investment in education will facilitate closer future relations.

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Panel on GCC-Swiss Banking and Risk Management Relations

The third panel featured a discussion on banking and risk management relations. The dependence on oil for the GCC economies was a major issue raised by the moderator of this panel, Gabriela Lippe-Holst, Chairperson of the Board of Directors of Acqupart Holding AG and Acqufin AG. She praised the investments being made to alleviate this issue. Urs Stirnimann, Managing Partner at Swiss ILC Management Services in the UAE provided an overview of the increased activity of the GCC financial sector and the development of financial sectors in countries not normally associated with banking. Roger Ammoun from Credit Suisse praised the innovation of the young gulf population and extolled the benefits of producing customised and sensitive investment packages for Gulf-based clients. Abdulmohsin Al Omran, Founder and Chief Executive Officer of The Family Office in the Kingdom of Bahrain put forward the argument that the GCC is maturing and investments in knowledge and cash will pay great dividends. Dr. Kurt Karl, Chief Economist at Swiss RE advised the panel and audience of the appeal of the GCC for re-insurance companies. The low penetration rate, rapid population growth, and compulsory insurance were identified as the key drivers for insurance companies. The panel concluded that the main challenges facing GCC-Swiss Banking and Risk Management Relations are transparency and regulation.

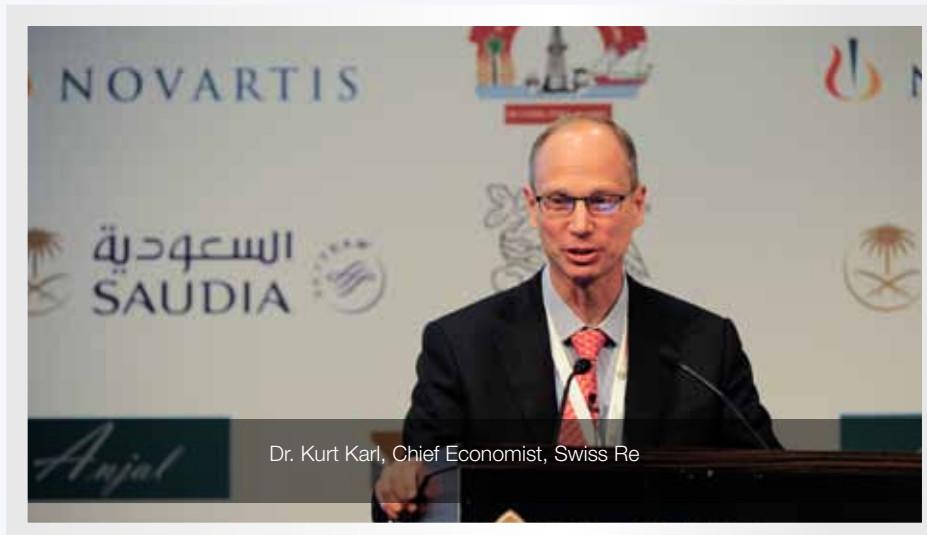


Abdulmohsin Al Omran, Founder & Chief Executive Officer, The Family Office, Kingdom of Bahrain

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The sector of healthcare represents an important component of economic and business relations between the GCC States and Switzerland. Gregor Frei, Managing Director at SwissHealth began by identifying the differences in healthcare between the GCC and Switzerland centered around the number of hospitals and hospital beds per capita. He also identified that Switzerland spends 50% more than the combined GCC on healthcare, which may lead to problems as diseases such as Diabetes become more prevalent in the coming years. Mohamed Ezz Eldin of Novartis Middle East identified the medical sector as an important part of a growing economy in the GCC countries. Research and Development and pharmaceuticals were raised as major areas of employment and importance. Prof. Tawfik Khoja, Director General of the Executive Board of the Health Minister's Council at the GCC argued that the healthcare system in the GCC countries has experienced little stability and that the government currently pays 75% of the healthcare costs of the population. He argued that the private sector should also share some responsibility for this. He also made the



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Prof. Tawfik Khoja, Director General, Executive Board of the Health, Minister's Council, Gulf Cooperation Council for the Arab States of the Gulf

relevant point that it is impossible to implement a cut and paste solution from the west into the GCC. Instead, the solution will come about from strong leadership in the GCC. Janet Voûte, Global Head of Public Affairs at Nestlé was the final speaker in this panel. She highlighted the need for investment in nutrition and health sciences arguing that prevention must become a key emphasis on companies dealing with health and food issues. This is also something that GCC companies and governments must focus on.

The fifth panel on GCC-Swiss Tourism relations, moderated by Olivier Vershelde of Lausanne Hospitality Consulting SA, showed that the service, tourism, and hospitality industry are hugely important in both the Swiss and GCC markets. Federico Sommaruga, Director of Emerging Markets & Special Projects at Switzerland Tourism outlined the importance of tourism in Switzerland, the attractiveness of the GCC market for Switzerland and finally the mission of Switzerland Tourism in the Gulf market. He stated that the tourism sector in Switzerland has 20 million visitors per year



Federico Sommaruga, Director Emerging Markets & Special Projects, Switzerland Tourism

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that represent 70 million overnight stays. The total annual turnover for tourism sector is 30 billion Swiss francs and employs 245,000 people which corresponds to 3% of the population. Switzerland has always maintained a close relationship with guests or visitors from the GCC. The success of the Swiss tourism sector is greatly due to the positive image of the country including its political stability, high level of science and research, high level of protection of the environment, its natural beauty, its quality education system both public & private, and its high standards in hospital and medical services. In 2012, the Gulf Countries ranked 12th in terms of total overnight volume, 8th in terms of turnover and 1st in terms of daily expenditure (CHF 500).

Andre Mack, Director, Lausanne Hospitality Consulting, **École** hôtelière de Lausanne started off by stressing the fact that the Swiss hospitality industry has become a benchmark for the rest of the world. This is mainly due to the practical application of knowledge throughout the hospitality







Panel on GCC-Swiss Education Relations

study programs, the international mindset as well as the thorough understanding of service excellence principles. Using the Ecole hôtelière de Lausanne as an example, Mr. Mack demonstrated the importance of a mutual beneficial relationship or synergy between the hospitality industry and educational institutions. Education in this field should be motivated by the industry's needs and supported by that same industry. Given that the hospitality industry in the GCC countries has seen tremendous growth over the past decade with many new projects still to come, there will logically be an urgent need to have educated staff at all levels to fill up



Dr. Hisham El-Agamy, Executive Director, International Institute for Management Development (IMD)

these new positions. In this case, the pool of available expatriates will not be sufficient and there will be a high demand of locally educated professionals. This is where the relationship with Switzerland can be beneficial as experts from Swiss institutions can transfer their knowledge and collaborate with the GCC to create new programs in hospitality education. On a final note, it is important that all future efforts in regards to hospitality education are based on Swiss service principles while respecting local customs and including the local culture.



Dr. Haifa Jamal Al-Lail, President, Effat University, Kingdom of Saudi Arabia

The second day of the GCC-Swiss Forum featured panels on education, young business leaders, and energy issues. Education and its importance was a common theme amongst all of the panels of the GCC-Swiss Forum. Dr. Hisham El-Agamy, Executive Director at the International Institute for Management Development (IMD) and the moderator of the Education Panel, stated that education is at the heart of everything and argued that the conclusions of the GCC-Swiss forum have vindicated this statement. H.E. Dr. Ali A. Al-Karni, Director General of the Arab Bureau of Education for the Gulf States (ABEGS) outlined the future trends of education in the GCC. He argued that the quality of education in the GCC is increasing and that it is becoming more accessible. In this context, cooperation with Swiss institutions will help the GCC education system grow whilst avoiding costly mistakes made in other nations. He also stated that education will be the key in diversifying the GCC economies during periods of an uncertain future.

Dr. Haifa Jamal Al-Lail, President of Effat University in the Kingdom of Saudi Arabia gave a passionate speech on the progress of education for



Christian Watts, Regional Director IMEA, Switzerland Global Enterprise





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women in Saudi Arabia. She identified a number of challenges still facing education such as the social norms requiring the support of a guardian, and the fact that many women marry early and do not get to finish their studies. Dr. Al-Lail, however, believes that education can be adapted around these challenges and education can progress in a sensitive manner. Dr. Franco Vigliotti, Dean of the EPFL Middle East highlighted the importance of embracing emerging technology in the GCC and in investing in research and development. He described the virtuous cycle which results from this and how it will assist in diversifying the economy. Christian Watts, Regional Director IMEA at Switzerland Global Enterprise described the value that can be found in vocational training and how it needs to be given a higher status than is currently afforded to it. He used the Swiss example where 70% of students go into vocational rather than higher education. Governments need to focus on how this 70% can contribute to the economy.



Souad M. Al Hosani, President, Nexus Business ServicesNexus Agencies

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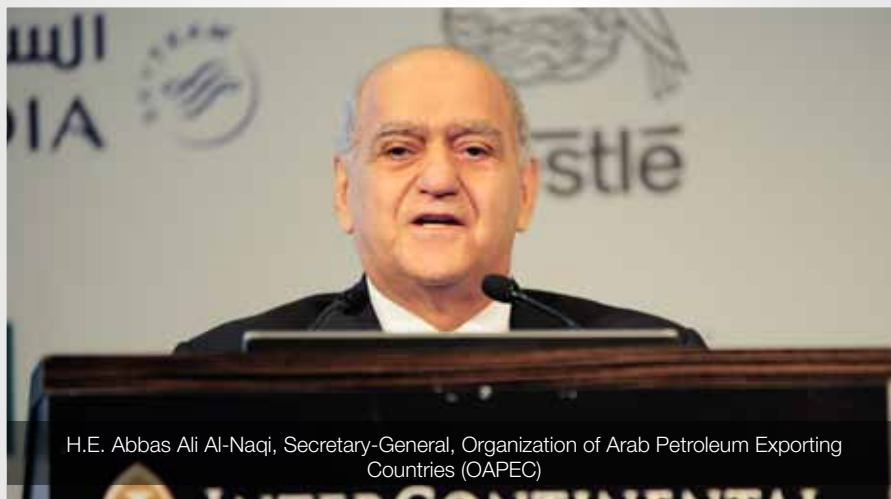






Panel on GCC-Swiss Healthcare Relations

As the moderator of the panel of Young Business Leaders, Dr. Lama Al Sulaiman, Deputy Chairwoman of the Jeddah Chamber of Commerce & Industry, described the challenges facing young entrepreneurs in the GCC. She argued that quite often they are lacking the practical skills required to be successful which is often the result of the failure by Small and Medium Enterprises (SMEs) to gain momentum and growth and as such create a competitive atmosphere for young entrepreneurs to thrive. Dr. Joerg S. Hofstetter, Assistant Professor of Management and Chair of Logistics Management at the University of St. Gallen highlighted the problems facing many companies who outsource their work. The main problem discussed was the pressures facing the supply chain and supply chain management. Supply chain management has become a core function in the business world and for businesses to be sustainable they need to maintain a well-trained team in this position. Souad M. Al Hosani, President of Nexus Business Services\Nexus Agencies discussed the practical challenges facing a young business leader including in setting up her own business. She also extolled the importance of building a reliable network of contacts.



H.E. Abbas Ali Al-Naqi, Secretary-General, Organization of Arab Petroleum Exporting Countries (OAPEC)



Panel on GCC-Swiss Energy and Industrial Relations

In the final panel of the Forum on Industry and Energy Relations, moderated by Dr. Naji Abi-Aad of the American University of Beirut, H.E. Abdulaziz bin Hamad Al-Ageel, Secretary-General of the Gulf Organization for Industrial Consulting (GOIC) identified a number of areas of investment, specifically in non-ferrous metals and processed food and supported his argument with statistical analysis. One of his conclusions was the point that both the GCC and Switzerland can benefit from cooperation between small and medium sized enterprises. He further identified the “missing sectors” (such as pharmaceutical and construction industries) where Swiss companies can fill the gap and benefit from the many advantages in building industrial units and plants in the GCC region. H.E. Abbas Ali Al-Naqi, Secretary-General of the Organization of Arab Petroleum Exporting Countries (OAPEC), pointed out that the GCC nations will remain the main supplier of hydrocarbons for the foreseeable future and as such they will continue to maintain its role in stabilising oil prices. At the same time, he argued for the importance of Switzerland and the rest of the consuming countries in securing petroleum demand in the the same way oil and gas



Valerie Ducrot, Manager, Gas Centre, United Nations Economic Commission for Europe (UNECE)

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providers are securing supply. Mr. Al-Naqi also stated that the climate change is an issue of concern for OAPC and that discourse is required to find an acceptable solution.

Rene Bautz, Chief Executive Officer of Gaznat S.A., Geneva, described the value of the hydrocarbon resources in the CIS and Middle East. He pointed out that the requirement for gas will increase in Europe in the near future and the GCC nations are well placed to supply this. In Switzerland, nuclear energy will be phased out in the future and greater investment will be placed in hydroelectric power and also in increasing energy efficiency. Valerie Ducrot, Manager of the Gas Centre at the United Nations Economic Commission for Europe (UNECE) extolled the virtues of investing in human



capital. The average age of an energy worker in the GCC states is over 51 years old. This aging workforce raises the potential of future problems for the energy industry and brings back the theme of education to the core of the discussion in this panel. The lack of specialized staff for the energy industry is certainly becoming an acute problem for both the producers and the consumers. The panel went on to discuss the future in energy security for Switzerland and how developments such as the Shale Gas Revolution will affect the GCC states.

For more information on the Forum and the presentations delivered, please refer to the event website under <http://gcc-swiss.kcorp.net/>



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