

Working in the Middle East and Central Asia A Business Perspective

Association of General Contractors
International Construction Forum

May 5, 2011

Colonel Ron Light
Middle East District Commander

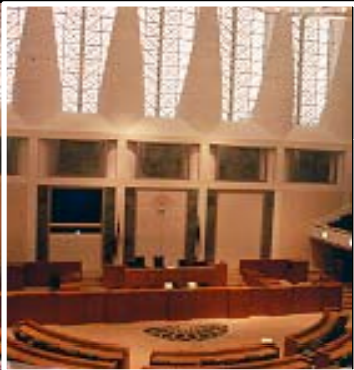
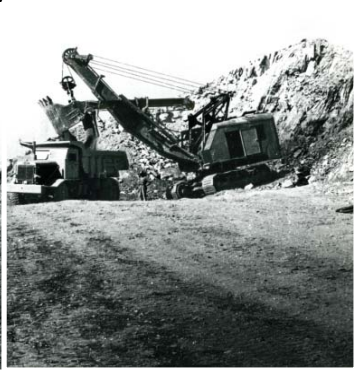
The views presented are those of the speaker and do not necessarily represent the views of the Defense Department or its components.



US Army Corps of Engineers
BUILDING STRONG®







Middle East District Mission in the USCENTCOM Area of Operations

- Afghanistan
- Bahrain
- Egypt
- Iraq
- Jordan
- Kazakhstan
- Kuwait
- Kyrgyzstan
- Lebanon
- Oman
- Pakistan
- Qatar
- Saudi Arabia
- Tajikistan
- Turkmenistan
- U.A.E.
- Uzbekistan
- Yemen





International monitors slam Kazakh vote
Forbes.com

U.S. Baghdad Embassy Will Double in Size
AGENCE FRANCE-PRESSE

The Arab Revolt And U.S. Interests
THE WALL STREET JOURNAL.

CBS NEWS Koran burning sparks UN massacre

Misunderstanding Bahrain's Shia protestors
Al Jazeera.net

U.S Cleric says; Islamists are elated by revolts
Egypt, Tunisia, Libya, Yemen, Arabia, Algeria and Morocco. (London Times)

U.S. Shifts to Seek Removal of Yemen's Leader, an Ally
The New York Times

Construction Industry Changes



1991

- 98 pages
- 17% of ads are software/computer related
- Most ads for equipment, tools, pipe, manufacturing items

2011

- 50 total pages
- 75% of ads are software, computer related
- Only one company from 1991 advertised in 2011 (Heavy Construction System Specialists)



Summary

Smaller companies are now the norm

Larger companies encompass varied skills/trades

Increased oversight is immediate

International work is necessary to stay competitive

Google Earth makes everything seem closer

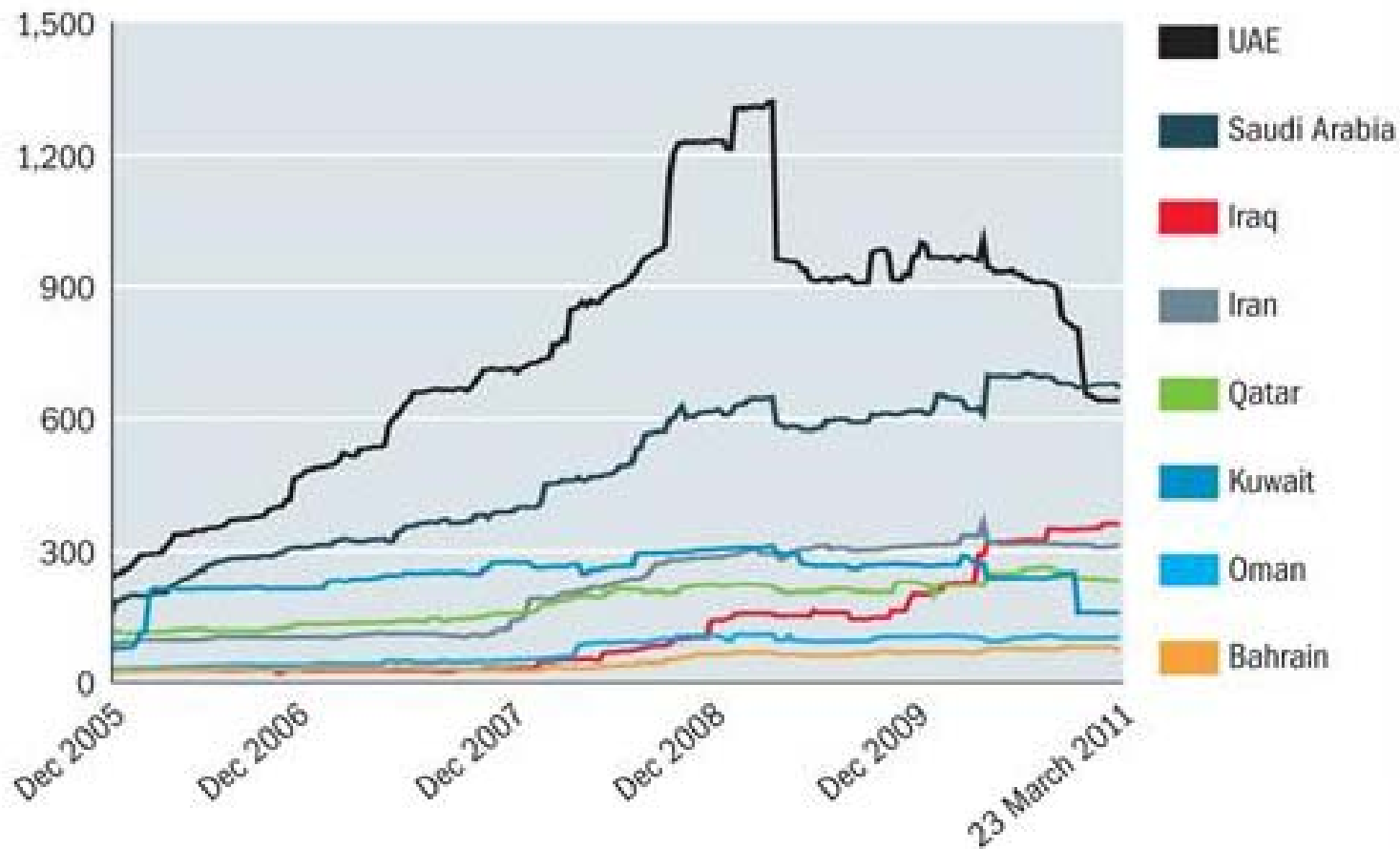
Communication is a faster process

Multicultural labor force is world wide



Construction Opportunities in the Middle East Region

VALUE OF PROJECTS PLANNED AND UNDER WAY (\$bn)



MEED Magazine, March 23, 2011

Conditions in the Middle East



Regional Governance



Security



Customs and Environment



Local Labor



Corruption



Partnering



Sampling of Contractors in Region



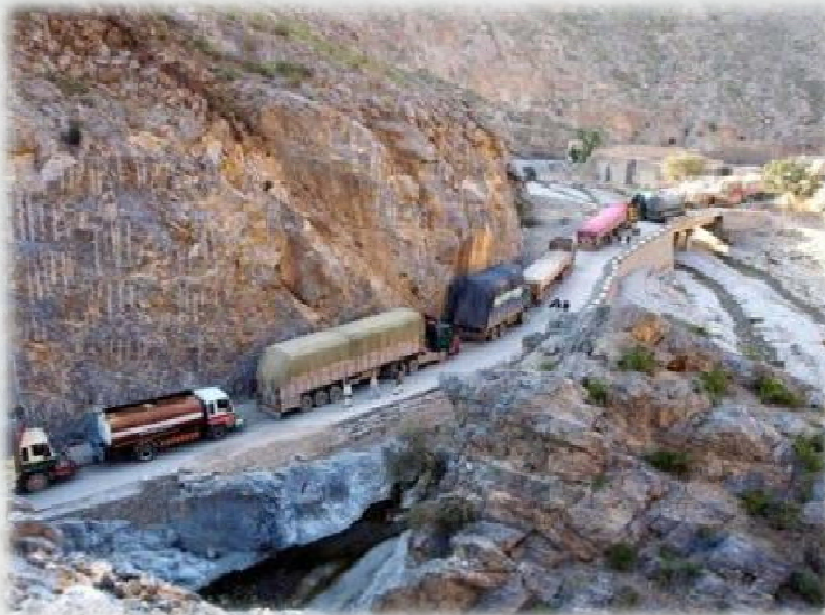
Business Models and Contractor Management



Best Practices Part of the Mission



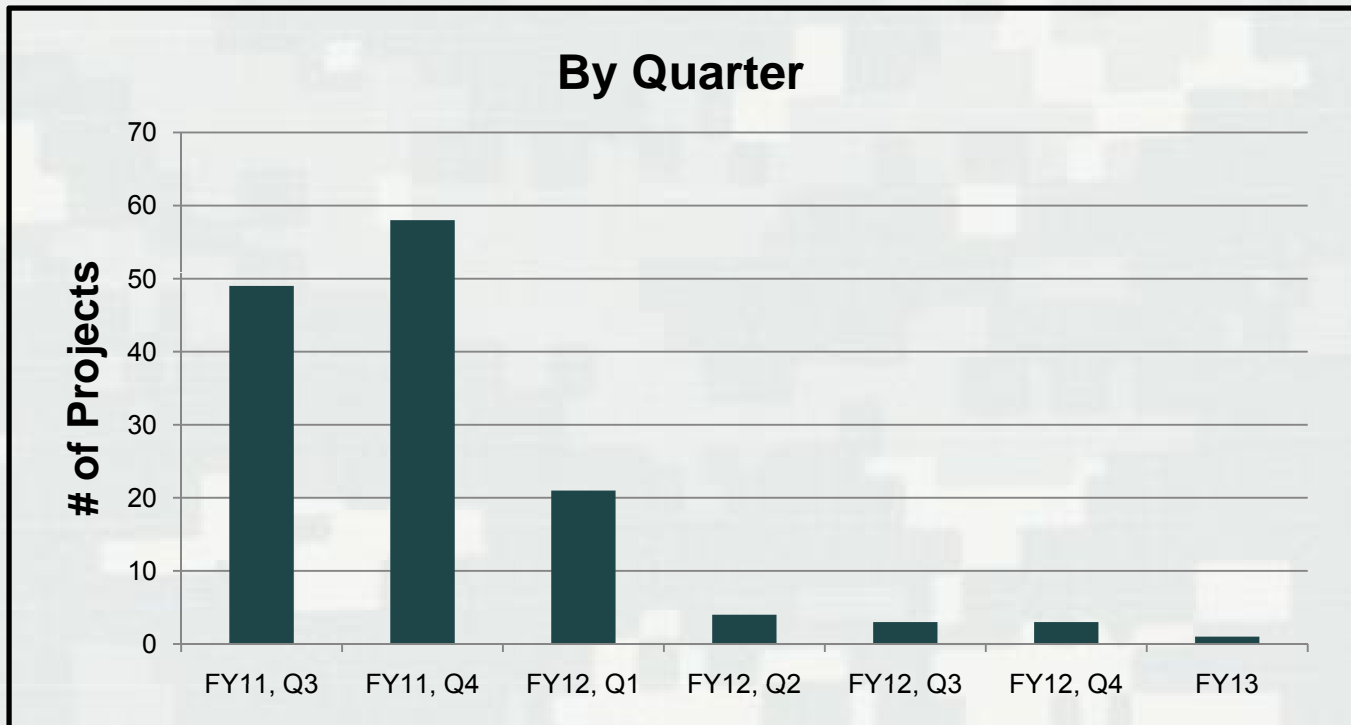
Best Practices - Logistics



By Time Frame

Upcoming Contract Awards

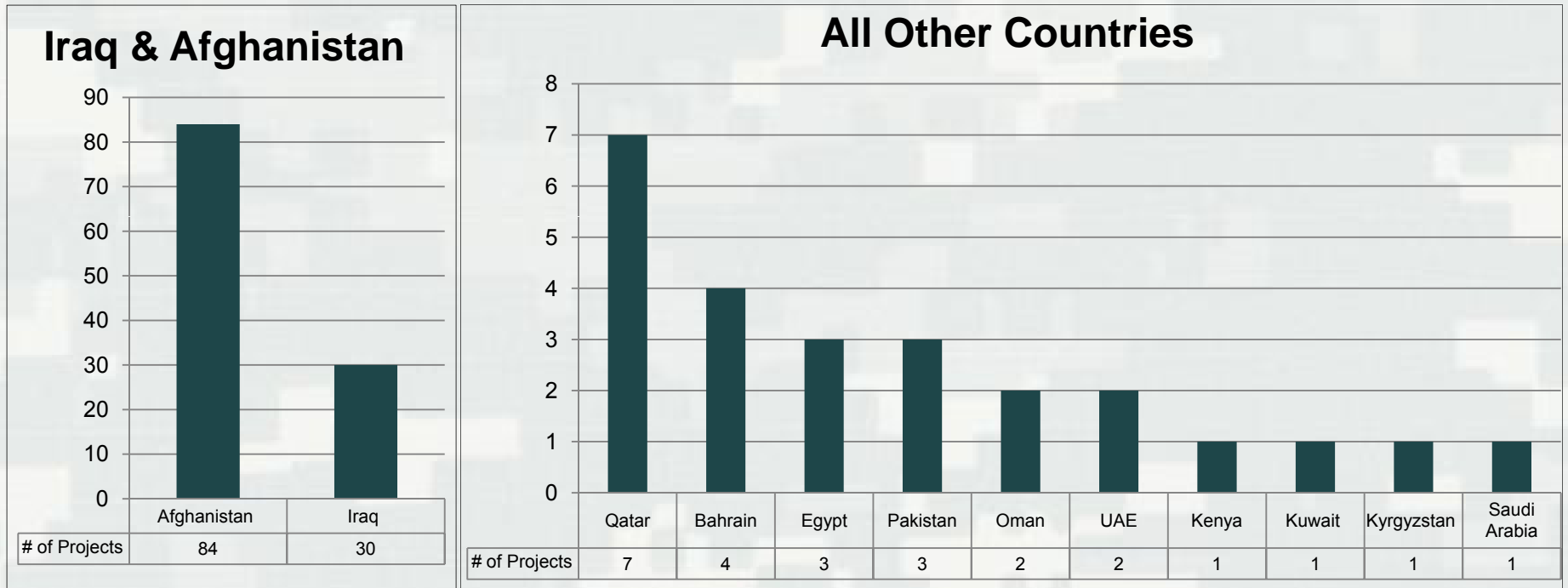
Available via www.tam.usace.army.mil/Contracting.asp



By Country

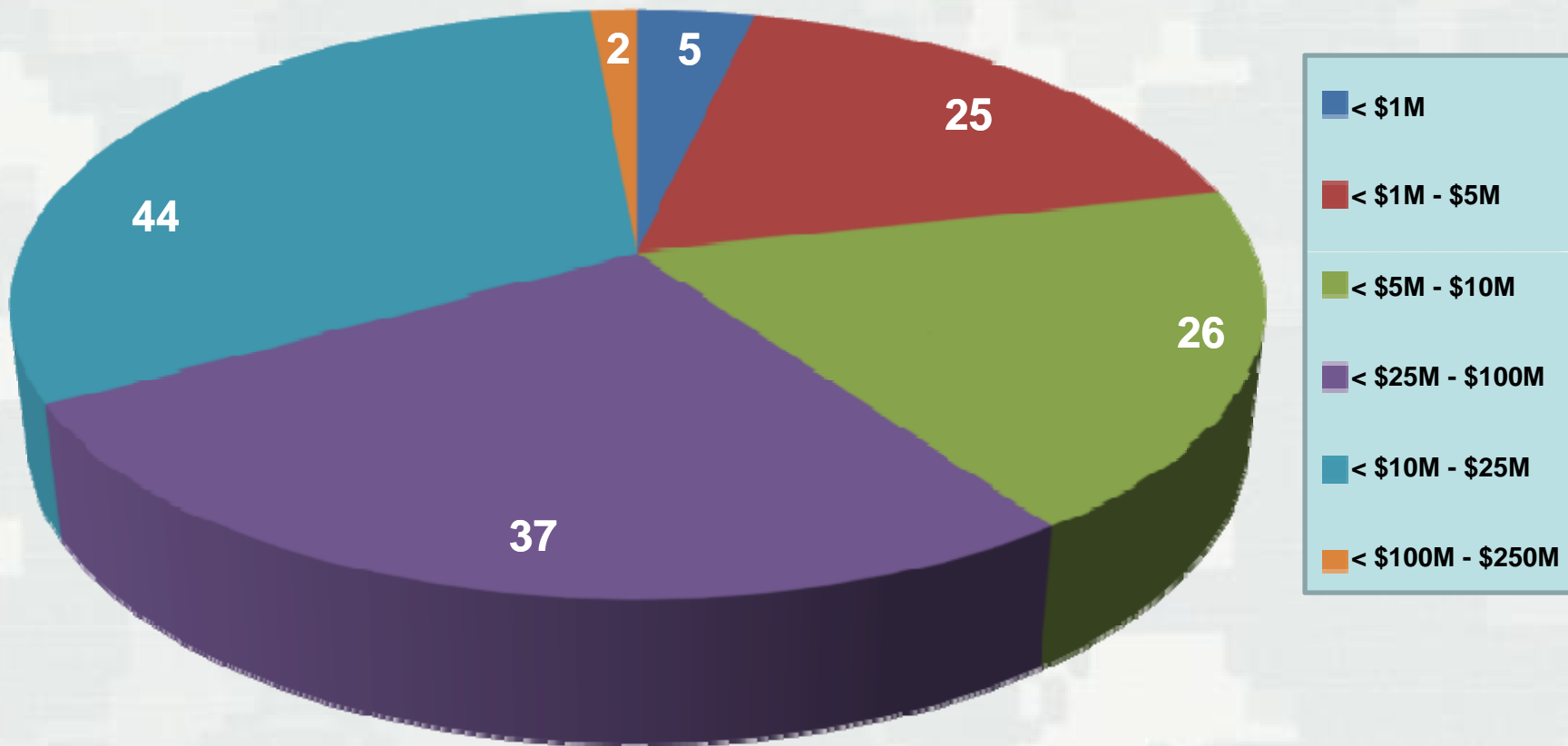
Upcoming Contract Awards

Available via www.tam.usace.army.mil/Contracting.asp



By \$ Range Upcoming Contract Awards

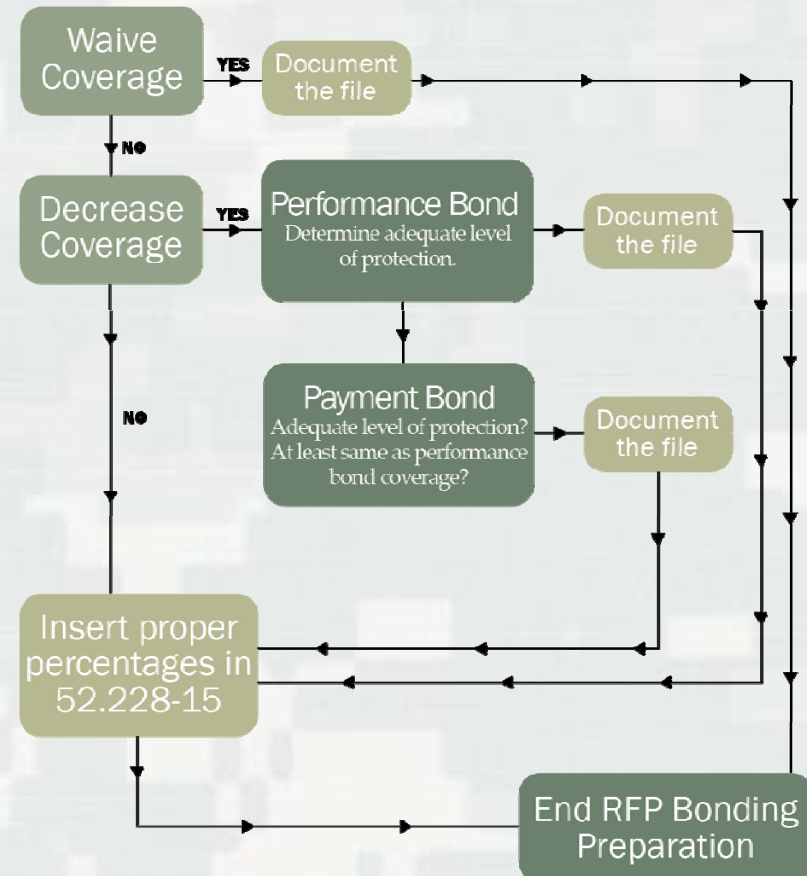
Available via www.tam.usace.army.mil/Contracting.asp



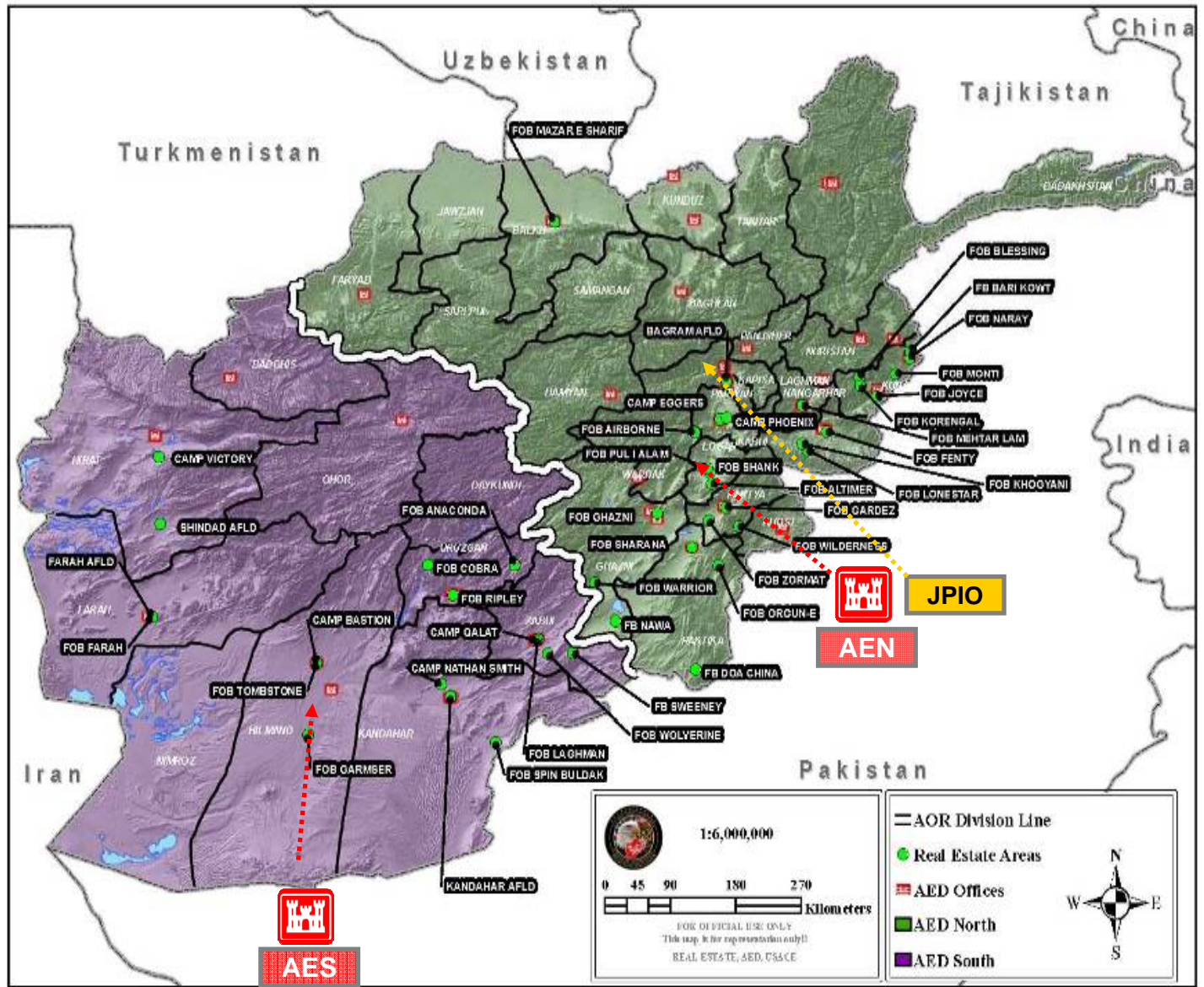
Bonding for Construction Contracts

- Safeguard to ensure performance and payment of subcontractors and material suppliers
- Required on all federal construction contracts valued at \$150,000 or more
- Default value of coverage is 100%
- Value can be lowered or waived on a case-by-case basis
- These sureties, among others, actively participate with the Surety Association of America to meet bond requirements on federal contracts in the Middle East: ACE Ltd., Chartis, Chubb, CNA, Liberty, Travelers, Zurich NA

Contracting Officer's Decision Matrix: 100% Bonding, No Bonding or Some Bonding?



USACE Afghanistan Overview



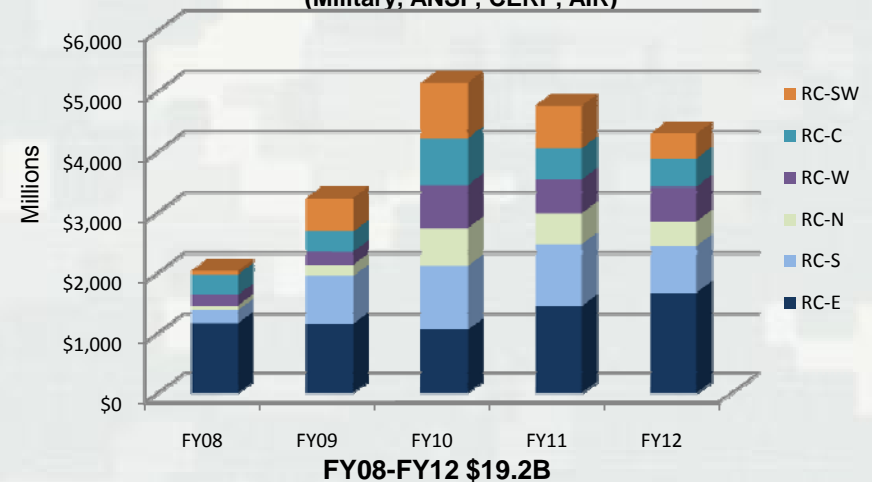
Construction in Afghanistan

Programmed Amounts (FY08-FY12)



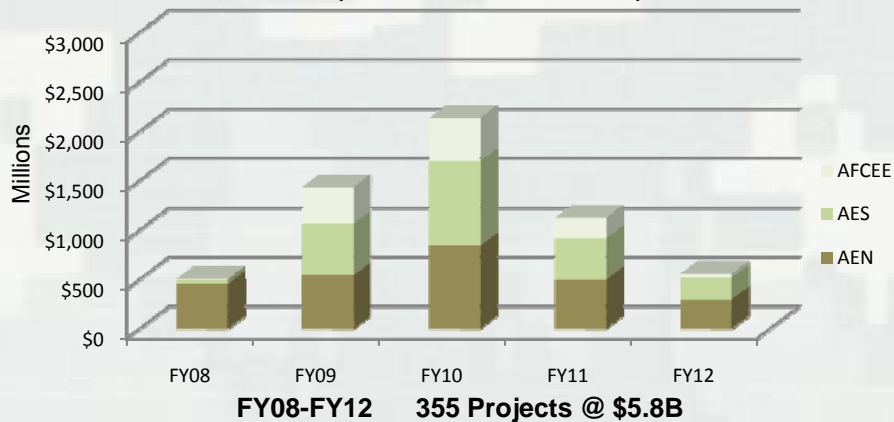
Program Allocation By RC

(Military, ANSF, CERP, AIR)



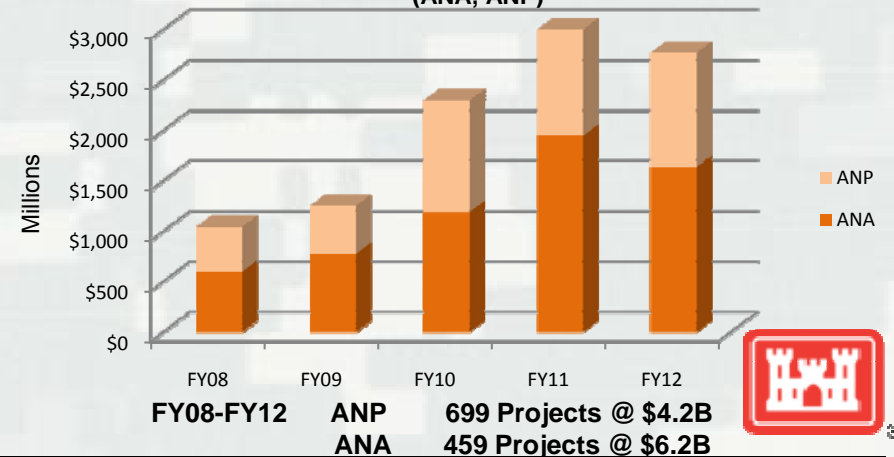
Military Construction For US Forces

(MCA, OCO, CCA, UMMCA)



ANSF Program

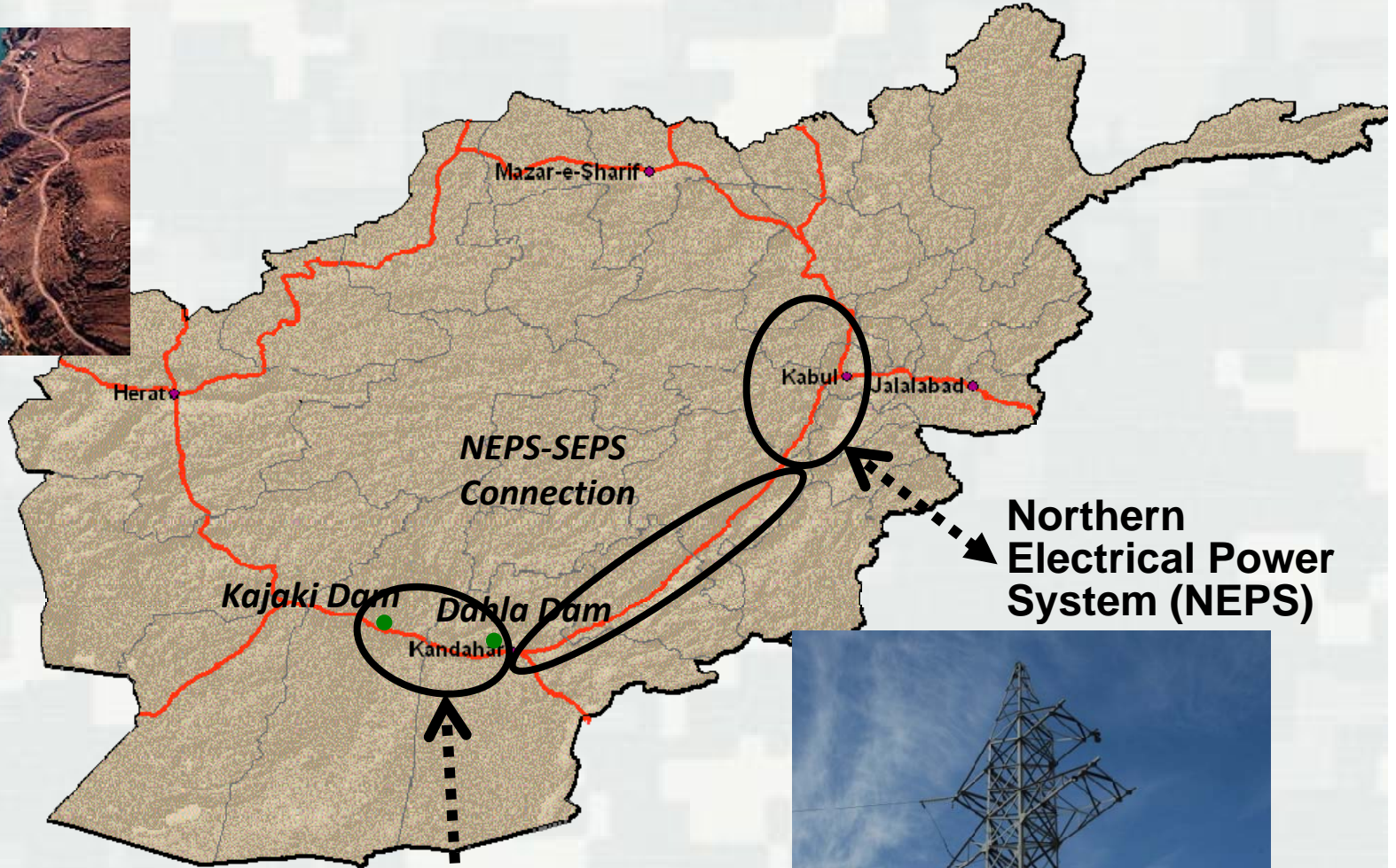
(ANA, ANP)



Afghanistan Infrastructure Fund



Kajaki Dam



Northern
Electrical Power
System (NEPS)

Southern Electrical
Power System (SEPS)



How to do business in the Middle East and Central Asia

■ Information

- ▶ FedBizOpps: www.fbo.gov
- ▶ Army Single Face to Industry Acquisition Business Web Site: <https://acquisition.army.mil/asfi/>
- ▶ U.S. Small Business Administration: www.sba.gov
- ▶ Corps of Engineers Contracting
 - Middle East District:
www.tam.usace.arm.mil/Contracting.asp
 - Transatlantic Division Contracting (includes AEN and AES): www.tad.usace.army.mil
 - USACE: www.usace.army.mil/CECT/Pages/home.aspx



Summary

- Keep your hands on the wheel
- Nothing is a given
- Right people on the job
- Drive schedule and execution
- Along with security, pay attention to safety
- Toughest construction environment
- Do not underestimate the complexity of the Middle East and Central Asia
- Great potential for growth, success and profits



