

# The New York Times

By Michael T. Luongo | July 16, 2012

## A Rush to do Business in the Middle East



David Degner/Getty Images

*Marshall L. Stocker, a chartered financial analyst, says that despite the disruptions in Egypt, the country presents business opportunities.*

More than a year has passed since the Arab Spring, the catchall name for the revolutions sweeping the Middle East. The political and economic changes have closed some doors and opened others for business people willing to tolerate risk.

“I have seen a flurry of activity because of the Arab Spring that was not happening before,” said Naava Mashiah, an Israeli who is the chief executive of M.E. Links, a consulting company that she described as working “to nurture economic relationships between Israel and other places.”

Ms. Mashiah, who works out of Geneva, said much of the activity is in soft diplomacy and informal development meetings, often coordinated with human rights and nongovernmental organizations. She mentioned helping clients develop contacts in or from locations that include Tunisia, Qatar, Egypt and Libya.

“It is bringing people together, even if it is a think tank,” she said, adding: “A lot of networking goes on in the corridors.” She described the current back-channel activity and potential as akin to the 1993 Oslo Accords between Israel and the Palestinians, which touched off an economic boom. Chuck Dittrich, executive director of the U.S.-Libya Business Association, said he thought that American business people needed to “just get over there and get a feel for the place,” even if it did not seem immediately productive.

Mr. Dittrich said that association members were meeting Libyan government officials and business people, and that they were “not so much there to sell, as more developing relationships as they do their planning process and decide where to go now.” He mentioned Libyan trade shows focusing on oil, transportation and infrastructure development, health and education.

Mr. Dittrich said the Libyan economy had begun to be liberalized in 2005, when Muammar el-Qaddafi, then president, began courting the West. From a business perspective, he said, that means “the glass is more than half full,” adding, “The ingredients are all there for them to pull this off in a very good way.”

American businesses that wait too long, fearing the risks, could be left behind, he said. Mr. Dittrich said his group visited in April, and “we were the first organized U.S. business organization to go to Tripoli since the conflict.” But, he said, “Turkish and European delegations were there right from the early days.”

But a business traveler briefly stopping in the region has to make different preparations from someone who is based in a country in the midst of change. Marshall L. Stocker, a chartered financial analyst with the Boston hedge fund manager Emergent Property Advisors, moved to Cairo in June 2010, and temporarily fled after the mass protests began on Jan. 25, 2011.

“In Egypt, cells were off, the Internet was off. Obviously there was no business to be done. I was barricaded in my apartment,” he said, adding, “I self-evacuated to the airport with tickets for three different flights” that his wife had arranged for him from the United States.

Mr. Stocker returned in February 2011, after Hosni Mubarak resigned as president. Despite the disruptions, he said, Egypt presents business opportunities. “Now is a great time to buy assets,” he said. “Conceptually, and in practice here, assets are falling in value.”

He said his company was interested in Egypt because of the direction its business climate was moving. “One of the things that attracted us to Egypt was that the World Bank had improved its ‘ease of doing business’ rating,” he said. “Egypt had become more hospitable to investment. From 2004 to 2007, it had the single greatest improvement in ‘ease of doing business’ of any country in the world.”

While things have generally settled, he said he was prepared for emergencies. “As a result of the Arab Spring, I bought political evacuation insurance, and I have a satellite phone,” he said. He uses Global Rescue, a company that provides medical evacuation, security services and other emergency assistance. Still, Mr. Stocker said some Cairo business travel costs had decreased, including hotel rates and airfares.

The Arab Spring also affected regional flight patterns, particularly between Egypt and Israel, where near-daily direct flights once connected Tel Aviv and Cairo. The Israeli airline El Al now flies once a month, and the Egyptian carrier Air Sinai often cancels scheduled flights.

Ms. Mashiah suggested using neutral Jordan as an alternative meeting or connection point for these and other Middle East countries. She also recommended using Europe for initial meetings between American and Middle Eastern business people, avoiding visa issues and other risks.

With no direct flight connections between the United States and Libya, Mr. Dittrich said his group used varied hubs, including Frankfurt, Rome and Istanbul, to reach Tripoli. Once there, he said, internal connections on Libya’s Buraq Air were in “new Boeing planes, right on time and cheap.”

There are now fewer direct connections between the United States and Egypt, Mr. Stocker said. He now flies through Amsterdam or Paris, lamenting the connection time. Egyptair has direct flights from Kennedy Airport in New York to Cairo.

The Arab countries are not the only region of the world undergoing transformation. John McAuliff, executive director of the Fund for Reconciliation and Development, which works to normalize relations between the United States and Cuba, said certain sectors of Cuba’s economy were open to Americans, despite Treasury Department restrictions.

“Agriculture is allowed. Ag people can do this, can go for the purpose of discussing sales,” with Cubans, he said, adding that “telecommunications is allowed.”

Myanmar, formerly known as Burma, also recently liberalized its economy, though there are few Western business travelers. Marilyn Downing Staff, president of Asia Transpacific Journeys, said she had mostly seen travelers from aid groups like CARE, World Vision and Doctors Without Borders.

Asian business travelers have long made inroads, she said, from Chinese oil industry representatives to sales teams from Korean and Indian car, soap, clothing and refrigerator companies. “All bets are off with the embargo lifting,” she said. “Things are changing as we speak.” The problem, she said is “the business traveler is going to struggle to get appropriate accommodations. The infrastructure is maxed out,” with few hotels at international business standards.

Still, those with experience in troubled or developing regions will discount such concerns. Ms. Mashiah, the Israeli consultant, said, “If you are afraid of turbulent times, this is not right for you.”

*But, she added, “the more risk, the more opportunity.”*

“There is a risk for business people who wait five years, but some come in right on the ground, like in Iraq,” she said. “And they are reaping the profits.”