

# Fit for Partnership with Germany Journal

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ENGLISH

MANAGER TRAINING PROGRAMME OF THE GERMAN FEDERAL MINISTRY FOR ECONOMIC AFFAIRS AND ENERGY

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Dear Friends of the Manager Training Programme!

Each edition of the Fit for Partnership with Germany journal features a particular sector or topic within the Manager Training Programme (MP) of the Federal Ministry for Economic Affairs and Energy (BMWi). After the mining and extractive sector, health sector, and 'Mittelstand' (SME), the focus is on renewable energies this time round.



In times of climate change, rising energy costs, and particularly the nuclear disaster in Japan, Germany is not alone in turning to renewable energies. In fact, they are on the rise worldwide. One quarter of Germany's energy needs is now generated with renewable energies, and the country has further ambitious goals. The term 'energy turnaround' is today as much a part of the international jargon as the term 'Mittelstand'. Known in Germany as 'Energiewende', the energy turnaround has attracted a great deal of attention worldwide, and a lot of MP partner countries keep a keen eye on the success of its implementation in Germany.

Following the general elections in Germany last autumn, responsibility for all energy issues was bundled within the renamed German Federal Ministry of Economic Affairs and Energy (BMWi). This new name is also indicative of the growing importance this issue has for the MP's contracting entity.

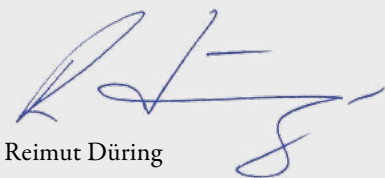
'A reliable, affordable, environmentally-friendly supply of energy is one of the central challenges of our time – in Germany and our partner countries,' Dr Eckhard Franz emphasises in his article in this journal. Dr Franz has headed up the Directorate-General for foreign trade at the BMWi, which is responsible for programmes such as the MP, since February 2014. I am pleased that he highlights the partnership-based approach within the MP. With his many years of experience in Mittelstand policy, Dr Franz will provide important impetus for further development of the MP.

The pilot competence system introduced into the programme this year constitutes one further development. It serves to enhance structuring of the training component and allows participants to obtain a qualified certificate.

Finally, just a quick note that the 'MP family' will continue to grow in this year: in spring, we welcomed a pilot group of Tunisian management executives in Germany.

I wish you yet another interesting read; the editorial team and I look forward to receiving your feedback and suggestions!

Warm wishes



Reimut Düring





*Dr Eckhard Franz is, since February 2014, Director General for External Economic Policy at the Federal Ministry for Economic Affairs and Energy (BMWi), inter alia responsible for the MP. The successor of Dr Karl-Ernst Brauner, he was previously Director General for SME-Policy at the BMWi.*



Mittelstand companies. Besides other foreign trade promotion programmes we offer, the MP provides an excellent opportunity.

The MP provides an opportunity for German companies to establish business relations with foreign managers during their time in Germany – be it by inviting groups to the German company, participating in cooperation exchanges, or engaging in well-prepared one-on-one talks. Around half of the foreign representatives conclude business contracts with German companies during or after participating in the programme.

On the other hand – and this is particularly important to me – the MP is far more than just a funding programme for German companies' foreign trade activities. The MP is above all a partnership-based programme. We wish to help drive economic development in partner countries and especially to strengthen their small and medium-sized companies in the process.

Within this, I see a number of different aspects that all help boost a company's competitiveness: firstly, companies from the partner countries enhance productivity, quality and innovative power at their companies by acquiring modern equipment and technology. Secondly, they are able to access new markets by making

contact with German companies and thus create the conditions necessary to increase their exports. And thirdly, when management executives imple-

ment the modern management methods or experience of German companies acquired during their training in Germany in their own company, this can lead to a decisive improvement in the internal company structures, help optimise business practices, and motivate employees. The programme thus creates a real win-win situation for both sides – and this is the real reason for its success.

What's more, the participants generally remain true to the MP and act as important multipliers in their home countries and as contacts for interested German companies. Regional networks devel-

**'The MP is above all a partnership-based programme.'**

## The Manager Training Programme: An Asset to Germany and its Partner Countries

By Dr Eckhard Franz

A Mittelstand policy that improves the framework conditions for medium-sized companies and foreign trade promotion that supports medium-sized companies in their overseas endeavours – these are important goals for the new federal government, which have been firmly anchored in the coalition agreement.

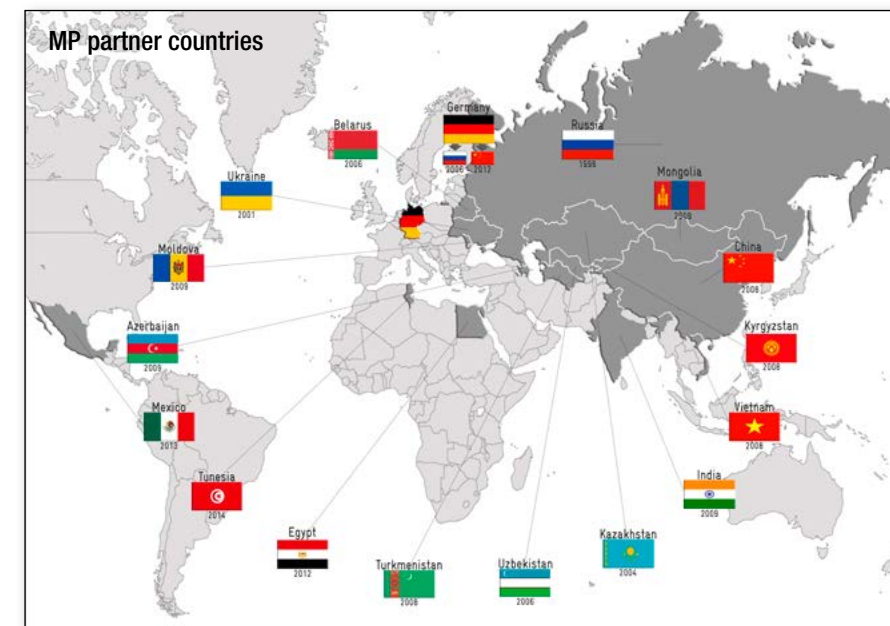
Federal Minister for Economic Affairs and Energy Sigmar Gabriel emphasised the special status of these tasks during his inaugural speech at the BMWi in January 2014.

I was therefore delighted to be named head of the external economic policy Directorate-General at the start of the year, and to be able to contribute my many years of experience in Mittelstand policy.

The Manager Training Programme (MP) is an important and successful tool within our external economic policy. At the same time, it is an excellent example of just how the Mittelstand and external economic policy goals of the federal government can be bundled within one single programme. I was already familiar with and appreciated this programme during my many years in Mittelstand policy. I am delighted to now be able to help shape it.

We pursue two strategic courses with this programme:

On the one hand, we wish to strengthen the German Mittelstand (SME). One in four Mittelstand companies is today active on the international market. Many others, however, hesitate to venture overseas. We wish to provide targeted support for the foreign trade activities of German



op from the alumni associations already established in a great many countries, which in turn become an important component of the business community in our partner countries and are increasingly networked among themselves.

Today we look back on over 15 years of development and experience within the MP. And you may be assured that, together and on an equal footing with our partners, we will continue to develop this external economic policy tool and adapt it to the latest tasks and challenges!

Allow me to outline two topics, which will continue to be important to us in the future, by way of example:

- A reliable, affordable, environment-friendly supply of energy is one of the central challenges of our time – in Germany and our partner countries. The MP can offer invaluable starting points for economic cooperation and an exchange of experiences in the fields of energy efficiency and renewable energies in particular.

- Signing of the association agreements, including the comprehensive free trade agreement between the EU and selected Eastern Partnership countries, helps drive the economic integration of these countries into the European Economic Area. This opens up new opportunities and markets for companies in the partner countries. At the same time, the pressure on the economy to adapt grows – companies are forever facing major new challenges. We will also have to implement and develop the MP further to support the necessary transformation process.

**'Together and on an equal footing with our partners, we will continue to develop this external economic policy tool and adapt it to the latest tasks and challenges!'**

I look forward to many personal encounters with programme participants and to fascinating discussions with representatives from our partner countries! Let us together ensure that the MP remains a win-win situation for all involved in the future. ■

## Cooperation with Kyrgyzstan Extended to 2016



**Berlin.** The BMWi Manager Training Programme with the Republic of Kyrgyzstan will be continued over the coming three years. At a reception for a Kirgiz delegation at the BMWi on 17 January 2014, State Secretary from the Ministry of Economy of the Kyrgyz Republic Ayday Kurmanova and State Secretary at the BMWi Stefan Kapferer signed the agreement to continue the 'Fit for Partnership with Germany' programme until 2016.

Interest in the MP and its alumni – and the concrete results from the programme in particular – has reached the highest level at the Kirgiz Ministry of Economics. A one-hour meeting of MP alumni with Deputy Minister of Economics Danil Ibrayev took place on 12 June 2014. Seven alumni reported on the results of their participation in the MP. In their presentations, they demonstrated the positive effects the programme has had on the people of Kirgizstan and the national budget. The Deputy Minister expressed great respect for and interest in the programme. ■





Tunisian managers, bidding farewell at the BMWi

## Tunisia – A New Partner Country for the Manager Training Programme



The Manager Training Programme (MP) is continuing to expand. While Mexico became a partner country last year, a government declaration is to be signed with Tunisia in 2014.

**Berlin / Tunis.** ‘Tunisia is a land of the future,’ declared Sigmar Gabriel, Federal Minister for Economic Affairs and Energy, on 19 June 2014 at the German-Tunisian Economic Forum in Berlin, which he opened along with Tunisian Prime Minister Mehdi Jomâa. Approximately 220 representatives of business and government from both countries took part in this high-level event. ‘The dictatorship has been overthrown,’ Gabriel emphasised. ‘The process of political and economic transformation is on track and, with the new constitution, Tunisia is moving in the direction of a peaceful and democratic transition. This new beginning can now also lead to a sense of economic optimism. Tunisia is not alone in its endeavour. German companies are reliable trade and investment partners.’

In 2013, representatives from the German Federal Ministry for Economic Affairs and Energy (BMWi) and the Deutsche Gesell-

schaft für internationale Zusammenarbeit (GIZ) also travelled to Tunis to review the preconditions for implementing the MP and to promote the programme. In April of this year, a pilot group of 20 Tunisian executives from the upper and middle management levels came to Hamburg and Berlin for a four-week training course, which was organised by the training centre Cognos International on behalf of GIZ (see article on p. 22).

**‘Tunisia is a land of the future.’**

Sigmar Gabriel, Federal Minister for Economic Affairs and Energy

### German-Tunisian Trade Relations

Economic relations between Germany and Tunisia are vigorous and future-proof. Since the Tunisian revolution, both countries have shown a real interest and a great deal of initiative in further strengthening relations. The EU is Tunisia’s most important trading partner while France, Italy and Germany make up the largest share of imports, exports and direct investments. However, as

a result of globalisation, China has made up a lot of ground and could knock Germany from its third place ranking.

The small North African state is interesting to Germany and the German economy for various reasons. Tunisia’s strengths lie in a diversified industrial structure, low production costs, proximity to the European market, and tax advantages for domestic export companies. Steps taken towards democracy, including a new constitution, are providing a significant stimulus to the weak economy.

By the end of the last century, the country had already acquired a good position in the region by supporting the private sector and integrating into the global economy. Opening up its economy brought solid growth to Tunisia and direct investments from abroad. The association signed with the EU in 1995 was a significant milestone. On 19 November 2012, Tunisia was granted Privileged Partnership status with the EU. The aim of the new negotiations is to conclude a complete Free Trade Agreement with the EU (ALECA). Tunisia has enjoyed free trade with the EU for industrial products since 2008. Agricultural products and services, as well as air travel (Open Skies), are now to be included.

After a decrease of two per cent in its gross domestic product in 2011, the year of the revolution, the Tunisian economy managed to recover. However, growth levels (2012: 3.6%; 2013: 2.7%) are still far

from what is needed to tackle high unemployment rates of 16-18 per cent. There is a need here for new investment from home and abroad and more political stability in the country is an essential prerequisite for investment. Although Tunisia is relatively low on raw materials, it still has its own oil and gas reserves. At the moment, these can still guarantee 40 per cent self-sufficiency but there is a downward trend. The exploitation of renewable

energy, particularly wind and solar energy, still plays a subordinate role: the proportion of wind and solar energy in energy production currently only amounts to four per cent. However, a medium-term energy strategy aims for renewable energy to represent a 30 per cent share by 2030. Tunisia is the fourth-largest producer of phosphates and the third-largest olive oil exporter in the world. German-Tunisian trading volume reached

2.84 billion euros in 2013. German exports accounted for approximately 1.4 billion euros of this figure. German exports to Tunisia fell by 3.4 per cent compared to the previous year and amounted to 1.35 billion euros. Exports primarily include fabrics, electronics, machines, cars, chemical products and foodstuffs. German imports from Tunisia increased by 3.8 per cent and totalled 1.49 billion euros in 2013; these

**In 2013, German-Tunisian trading volume reached**

**2.84 billion euros**

include textiles, electro-technical components, car accessories (including cables), leather goods, crude oil, foodstuffs, fuels, lubricating oils and carpets. An investment promotion and protection treaty and a double taxation agreement are in place between Germany and Tunisia. ■

Source of information on economic relations: BMWi/AA



Ministry of Foreign Affairs, Tunis

## 5,000 Russian Executives



Germany welcomed the 5,000th Russian participant in the Manager Training Programme (MP) last autumn. On 22 November, Sergei Nasonov, deputy manager of the health department in the south Siberian Altai region, was symbolically honoured by the German Federal Ministry for Economic Affairs and Energy (BMWi).



Ute Leupold (4th from right), Federal Ministry for Economic Affairs and Energy (BMWi), handing over the certificate to Sergei Nasonov (centre) in the House of the German Economy, Berlin.

**Berlin.** Nasonov visited Germany with 22 other executives from Russian medical facilities. The programme focused on business cooperations, health management, and innovations in the health care sector. The Russian guests were familiarised at first hand with both German hospital

management and ‘made in Germany’ medical technology. Nasonov arrived in Germany with a long list of orders for the health care facilities in his region. Besides negotiating with medical technology manufacturers, he also used the visit to the world’s largest medical trade fair, the

MEDICA, held in Düsseldorf, to maintain his contacts at German companies as well as to forge new ones.

The Manager Training Programme with the Russian Federation was embedded in the German-Russian modernisation partnership and the BMWi export initiatives from the outset. In 15 years of bilateral relations, over 5,000 executives from Russian companies have now completed the MP. In the early years, the BMWi’s cooperation with the Russian Ministry of Economic Development concentrated on supporting Russian companies in their modernisation endeavours and accessing foreign markets. Today the cooperation is primarily about developing and expanding bilateral business cooperations, the search for investors, and ultimately the economic development of the Russian regions.

The cooperation between Russia and Germany has been extended to allow representatives from German companies to also complete further training in Russian regions. At the invitation of the Russian government, they learn about local framework conditions and practices. This scheme is of particular interest to small and medium-sized companies, as the establishment of contact with Russian business partners tends to be greatly facilitated in this way. ■



## State Secretary Zypries Praises the Manager Training Programme with India



Brigitte Zypries talking to the Special Envoy of the German Embassy in New Delhi Cord Meier-Klodt and Dr S. S. Gupta from the Indian Ministry of Commerce and Industry

Parliamentary State Secretary Brigitte Zypries of the Federal Ministry for Economic Affairs and Energy (BMWi) headed up the 15-strong delegation that accompanied Federal President Joachim Gauck on his nine-day visit to India and Burma at the start of February. During their time in Delhi, the business delegation had the opportunity to speak with Indian alumni from the BMWi's Manager Training Programme (MP) and to learn of their experiences of the development and expansion of business relations with German companies.

**Delhi.** State secretary Zypries praised the MP with India as a 'highly successful German-Indian project', for it helps to impart invaluable expertise and information on cross-border business relations and in the adjustment to new economic framework conditions. The MP brings German and Indian medium-sized companies together and provides excellent insight into the German corporate culture,

Zypries continued. She expressed her openness to the idea of German companies in future also having the opportunity to complete similar training in India. The MP bilateral steering committee recently held preliminary discussions on this (see article on p. 10).

During the meeting, Cord Meier-Klodt, who is the Deputy Chief of Mission

(DCM) at the German Embassy in India, praised the MP as a 'jewel of the BMWi'. A number of Indian companies reported on their contact with German companies, which came about through their participation in the MP. The Director of Marketing at Metalman Auto automotive supplier, Nishant Jairath, was able to win new business in Germany, for example. He now supplies BMW, among other companies. During his time in Germany, Jairath saw how German companies presented themselves. He subsequently reviewed his own company's image accordingly, particularly at trade fairs – with visible success.

### 'The MP is a jewel of the BMWi.'

Cord Meier-Klodt, Deputy Chief of Mission (DCM) at the German Embassy in India

Meanwhile, engineer Ravi Mahadeokar is planning a German-Indian joint venture to manufacture machines in India together with the German company, Strama-MPS Maschinenbau based in Bavarian Straubing. The contract is due to be signed soon. This is also a direct consequence of the business contacts he was able to forge during the MP.

Since the end of 2008, the MP with India has prepared around 270 Indian executives predominantly from medium-sized companies for business cooperations with German companies. The programme is backed by the BMWi from the German side as well as by the Indian Ministry of Commerce and Industry. GIZ implementation partners on the Indian side are the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI). ■



R-L: Brigitte Zypries (BMWi), Sanjay Bhatia and Khushboo Lulra (FICCI)



## 'A Genuine Partnership'



The bilateral Steering Committee of the Manager Training Programme (MP) 'Fit for Partnership with Germany' met in Ukraine on 15 and 16 October 2013. The Committee's message: the MP enables Ukrainian companies to gain expertise that is essential for cooperation with German firms. It helps to establish business contacts, to modernise the companies of the participants and thus to increase their competitive capacity.



MP alumnus Alexey Kozlov (2nd right), showing the visitors around his company TELECARD-Pribor

**Odessa.** The German-Ukrainian Steering Committee of the Programme 'Fit for Partnership with Germany' with representatives of the German Federal Ministry for Economic Affairs and Energy (BMWi) and the Ukrainian Ministry for Economic Development and Trade met for the second time in the Ukrainian city on the shore of the Black Sea. The Pres-

ident Dr Olena Nizhnik, Director of the Department for Regional Development, and Dr Hans-Joachim Henckel, BMWi Director for the Promotion of Foreign Trade and Development Policy, spoke of a 'genuine partnership', which brought major benefits to the economies of both countries. They said that, furthermore, the MP played a significant role for the

social and economic development of the regions in Ukraine. It contributed to strengthening the Ukrainian SMEs and consolidating the bilateral economic relationships. It was intended to adapt the MP more closely to the specific requirements of German-Ukrainian cooperation, particularly considering the EU Association Agreement. The focus is on agriculture, energy efficiency for industry and for the refurbishment of buildings,

As a sidebar to the Steering Committee, its members visited the company TELECARD Pribor in Odessa, which has established several stable business relationships with German companies thanks to the MP. As one of the largest Ukrainian manufacturers of equipment, TELECARD Pribor has sent six top managers to the Programme in the past few years. MP alumnus and Marketing Director (CMO) Alexey Kozlov said that the executives gained intercultural skills and finesse in negotiating with international partners. With that, their understanding of German partners grows, benefiting cooperation with German companies.

renewable energy and the health sector. The MP has already been completed by 800 Ukrainian executives from the middle and upper management levels, some of whom attended the Steering Committee to give an account of experiences with the MP from the alumni perspective. The BMWi extended an invitation to the next meeting for 2014 in Germany. ■

## New Director of the Federal Resource Center



L-R: Alexey Bunkin, Julia Mikheeva (Ministry of Economic Development of the Russian Federation) and Reimut Düring (GIZ)

**Moscow.** The partner organisation of the Manager Training Programme of the German Federal Ministry for Economic Affairs and Energy (BMWi) in Russia, the Federal Resource Center (FRC), has been under new management since 24 April 2014. Aleksey Sergeyevich Bunkin, who was delegated by the Ministry for Economic Development of the Russian Federation, is the new Director and thus now responsible for the organisation of the national training programme for executives from the middle and upper management levels in Russia. Young Russian managers can not only develop their knowledge further through extra-occupational training within the framework of this 'Presidential Programme', but subsequently also have the opportunity to participate in various training programmes abroad. The GIZ has been the FRC's partner for the training in Germany for 16 years now. ■



# Manager Training Programme with Egypt Extended to 2017



Ahmed Hassan Elshabat, ITC, and Karl Wendling, BMWi, after the signing of the MoU

**Berlin.** The Manager Training Programme with Egypt is to be extended and expanded. The steering committee for the German-Egyptian programme reached this decision when it met at the German Federal Ministry for Economic Affairs and Energy (BMWi) in Berlin at the end of April 2014. Both sides endorsed continuation of the programme launched in 2012. Egyptian managers are now also to participate in transnational industry and subject-related training in Germany. The Egyptian side expressed particular interest in the aspects of waste management and recycling, energy and agriculture.

## A win-win situation

To date, 77 Egyptian executives have participated in the bilateral programme. The training in Germany has motivated around half of these to implement restructuring measures and to boost product quality at their own companies. The perception of almost all executives of employees as a cost factor could be changed to considering them as a business asset. Two thirds of participants invested in further training for their staff as a consequence and began involving employees in business decisions more.

The German co-chairman of the steering committee, Karl Wendling (Head of the BMWi Directorate on foreign trade legislation, foreign trade controls, and economic cooperation with North Africa, Middle East, Asia and Australia) deems the outcomes of the co-operation to be extremely positive. Thus the German and Egyptian companies involved in the programme were able to enter into import and export business worth some six million euros (approx. 60 million Egyptian pounds). ■

## We are interested in your opinion!

Give us your feedback about this Journal at <http://feedback.managerprogramm.de>.



# First Steering Committee with India



The first meeting of the Steering Committee for the MP with India took place on 13 January 2014, chaired by Karl Wendling from the German Federal Ministry for Economic Affairs and Energy (BMWi) and Shri Ajit Gupte from the Indian Embassy in Berlin. On the occasion, it was decided to continue the MP, which has been running successfully since 2008. A joint statement on the extension of the MP term up to 2017 is expected to be signed before the end of this year.

Shri Ajit Gupte (r.) - Embassy of India, Berlin



**Berlin.** The four-week stay in Germany is a challenge for Indian MP participants and prevents some candidates from taking part. However, this period of time also offers a unique opportunity to gain a better feeling for the German market and corporate culture. The Steering Committee found that this was a decisive factor for the success of the MP and also confirmed this period for the future. Representatives of the two responsible ministries BMWi and DIPP (Department of Industrial Policy & Promotion) and the implementing organisations (GIZ, CII, FICCI) as well as representatives



of the German Federal Foreign Office, the Indo-German Society, the Senior Experten Service (SES) and Baden-Württemberg International attended the meeting.

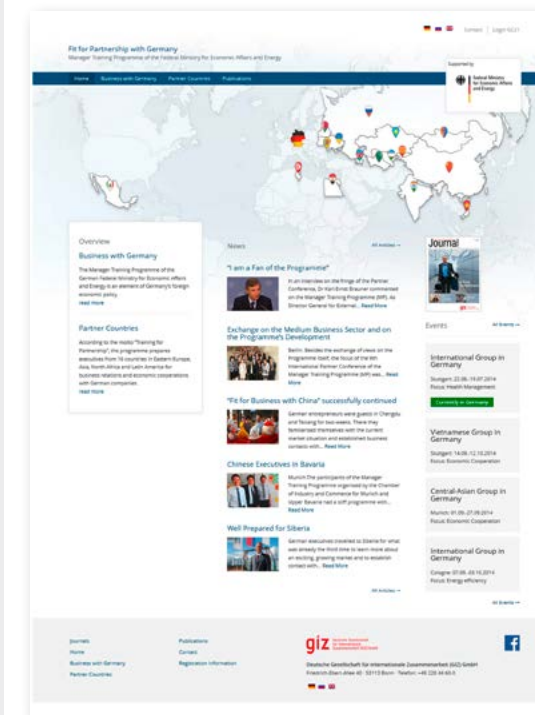
In view of India's economic potential and the strong demand from Indian candidates, increasing the number of groups was discussed. This could be achieved with additional industry-specific groups with focal points such as renewable energies (especially solar energy) and waste management – as is the wish of the Indian side.

## 'Fit for Business with India'

The suggestion to implement a 'Fit for Business with India' programme component for German executives was received with approval. Both sides expressed their interest and arranged to examine the matter. If the result is positive, the new MP component could be included in the next joint statement.

The Steering Committee is an important instrument for evaluating and steering the MP. It is intended that it should meet every two years in future, alternately in India and Germany. The next meeting has been proposed for the beginning of 2016. ■

# A New Look



Clearer, more up to date and modern: as from July 2014, the Manager Training Programme has a newly designed website. We publish dates, news and interviews on [managerprogramm.de](http://managerprogramm.de) – as usual, in the three languages English, Russian and German.

The new website is lean and well laid out. Practical for mobile internet users: the website recognises whether it is being accessed from a mobile phone or a tablet PC and automatically adapts the page display to the user's device.

Our new service: we report on the latest events, we interview partners and tell the success stories of our alumni. In addition, we publish information on dates well ahead and invite to events.



The programme for German executives from middle and upper management levels planning to travel to Russian or Chinese regions for training has its own subpage. All important information and the registration form can be found here.

Everything is presented in a modern design which takes the user to the desired contents with just a few mouse clicks. We will continue to offer all publications such as programme brochures or the Journal as downloads or for browsing through virtually on the monitor. Nothing has changed

for users of the internal portal. Users log in as usual with their ID and password and, with that, enter their virtual classrooms or the virtual marketplace.

The new MP internet presentation is complemented by our (also new) Facebook page. We look forward to receiving your feedback on our new internet presentation – perhaps via our contact form. ■



[www.facebook.com/managerprogramme](http://www.facebook.com/managerprogramme)



# An Anniversary in Moscow



Participants of the Conference

180 guests attended a conference in Moscow to celebrate the 15th anniversary of Germany's contribution to the Russian Presidential Programme, the name given to the Manager Training Programme (MP) in Russia. Official representatives from Germany and Russia travelled to the event on 18 October 2013 along with graduates of the programme from 36 Russian regions and Germany.

**Moscow.** In his welcome speech, the German ambassador to the Russian Federation, Ulrich Brandenburg, described the cooperation within the Presidential Programme as a positive example of bilateral economic relations. The Deputy Director

of the Department for Economic and Social Affairs and Priority Programmes at the Ministry for Economic Development of the Russian Federation, Julia Mikheyeva, thanked the German government and emphasised that Germany is the first strategic partner in implementing the Presidential Programme. Both Hartmut Röben, Head of Division at the German Federal Ministry for Economic Affairs and Energy (BMWi), and GIZ Country Director Russia, Julia Grishchenkova, offered their congratulations on this anniversary. Participants were then divided into three working groups.

## Contribution to Regional Development

The German organisers of the MP and representatives of the Russian Regional Commissions and Resource Centres came together in the first working group. Rep-

resentatives of the German and Russian Ministries of Economy reported on the results and the development of the MP. 'The programme is going from strength to strength because it adapts itself to current requirements,' explained Mikheyeva, and Röben underlined that the training trip provides the impetus for cooperation, which then creates a basis for sustainable development of foreign trade relations. He pointed out that MP participants ensured there was dynamic development of cooperation. Now foreign trade conditions should be created that keep up with the times.

Dr Gerd Schimansky-Geier, who first initiated 'Germany's contribution', reported how the Manager Training Programme of the Federal Ministry for Economic Affairs and Energy (MP), which now has 16 partner countries, developed from a partnership with Russia. He pointed out that the 15th anniversary shows that Russians and Germans can implement large, long-term projects together.

The MP promoted the development of economic cooperation between the Russian regions and Germany and made it possible to develop an understanding of intercultural differences. This is the main message of a flash poll on the benefits of the MP for the regions, which was carried out by GIZ colleagues Isolde Heinz, MP Project Manager, and Vladimir Bogdanov, Head of the Moscow MP project office.

## From Theory to Practice

The second working group mainly focused on the work of the German training centres that conduct the training in Germany on behalf of GIZ. They also focused on



L-R: Wolfgang Hombrecher (BMW), Nathalie Wenzel (DRMN), Dr Gerd Schimansky-Geier (GIZ expert) and Nils Knigge (DRMN)

the new skills system. Seminars in training centres and training sessions in German firms complement training in Russian universities and specifically prepare Russian managers to create international contacts. Stanislav Nikolayev, Technology Director at OOO Ekologiya Urala, had already been to Germany several times and thought he was well prepared to develop contacts with German companies – until he took part in the MP. The training modules in Germany helped him to gain a better understanding of his future partners and to secure additional advantages in negotiations. Mareike Dröge from the Carl Duisberg Centres (CDC) spoke about how the German training centres work with the participants' requests, how they select suitable German firms and organise business contacts.

Verena Freynik, GIZ Project Manager, spoke on the introduction of the new skills system which should allow the training offered to be more precisely tailored to each participant. Online tests, project tasks and long-term project monitoring are expected to help implement this system (see article on p. 16). This requires close cooperation between Russian universities and German training centres. Galina Lapushinskaya, Deputy Head of the Presidential Programme at Tver State University, praised the high quality of GIZ training offered to Russian lecturers taking part in the MP.

## Alumni Activities

Representatives of the alumni organisations gathered in the third working group. GIZ played an important role in many of their careers. According to them, GIZ motivates

and supports alumni to cooperate with the local authorities and companies on the one hand, which supports the development of their regions. On the other hand, GIZ helps to develop interregional and international cooperation, particularly with Germany.

In the ten years since they were

created, Russian alumni associations have worked together with GIZ to conduct over 100 activities with a total of approximately 3,000 participants. These also include large projects: the First Eurasian Forum for Business Communities in Novosibirsk which was organised by the Sibir Consortium (see Journal 2-2013), as well as projects by the North Caucasus Consortium to improve the region's image: the international conference 'Challenges of Our Times – The Manager Community's Responses' (see Journal 1-2012) and the festival 'The Hospitable Caucasus'. Representatives of the German alumni association (DRMN) underlined the need for further cooperation with the Russian associations. At the moment, alumni organisations from both countries are actively participating in setting up training trips in Germany and Rus-

sia where they are to make their own companies available as learning environments.

## Awarding Prizes and Taking Stock

As part of the anniversary celebration, the BMWi Innovation Prize was also awarded. Wolfgang Hombrecher from BMWi congratulated Mikhail Boyarkin from Ulyanovsk on winning first prize. He then reported on his project – constructing a factory to manufacture OSB chipboards (see article on p. 55).

Finally, participants took stock of German cooperation with the regional programme organisers, universities and alumni associations and expressed ideas on further developing the MP. Hartmut Röben and

Julia Mikheyeva, the Deputy Chairman of the German-Russian Foreign Chamber of Commerce Michael Harms, Dr Gerd Schimansky-Geier and representatives of the alumni organisations assessed the prospects of the MP and its influence on German-Russian economic relations. According to those present, the MP is of great benefit to the economies of both countries, to the deepening of

bilateral economic cooperation as a whole and to those companies that participate in the MP in particular. They spoke of its significant potential and agreed that it should be continued. ■

## An Overview of 'Germany's Contribution'

**Client:** German Federal Ministry for Economic Affairs and Energy (BMWi)  
**Coordinator:** Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)  
**Period:** 15 years  
**Expenditure since 1998:** 60 million euros (funded by the German state)  
**Trainees in Germany:** over 5,000 executives from the upper and middle management levels from 76 regions of the Russian Federation  
**Value of the bilateral agreements concluded as a result of the training trips:** more than 1 billion euros  
**'Fit for Business in Russia':** a training programme for German managers (313 participants since 2006)



L-R: GIZ representatives Tatyana Pivovarova, Vladimir Bogdanov, Isolde Heinz, Guido Reinsch, MP Alumni Julia Kochetkova and Innovation Prize winner Mikhail Boyarkin



L-R: Julia Mikheyeva - Ministry of Economic Development of the RF, Hartmut Röben - Federal Ministry for Economic Affairs and Energy (BMWi), and Ulrich Brandenburg - German Ambassador to the Russian Federation



# Innovations in Germany

The GIZ has released a new Russian textbook for lecturers and participants in the Manager Training Programme of the Federal Ministry for Economic Affairs and Energy.



Dr Alexander Kobyshev

'Innovations in Germany' is the title of the new textbook which GIZ released at the end of 2013. Its author, Dr Alexander Kobyshev, is a longstanding GIZ expert and lectures at the Saint Petersburg State Polytechnic University, one of the largest and most prestigious technical universities in Russia. In his book, Prof. Kobyshev illustrates the key role innovations play in successful company management.

The body of the text describes innovative developments in ten German companies. Small and medium-sized companies are given the same consideration as large corporations, bakeries are treated in the

same way as high-tech firms. The chosen companies are markedly different from one another, even in terms of how they were formed, as is demonstrated in the description of the establishment of a small family company and the creation of an independent research institute. The author vividly portrays the path of innovations, beginning with the idea and ending with introduction to the market. Pioneering management decisions that are essential for success are also carefully examined.

Other chapters in the book cover the current innovation climate in Germany, the research and development system, state support for innovations as well as the protection of intellectual property in Germany. A section covering methods

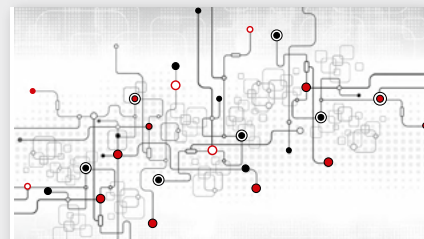


and an overview of possible sources of innovative ideas complete the account.

The textbook is intended for university lecturers who train executives from the middle and upper management levels within the framework of the Russian Presidential Programme. However, it is also expected to support participants of the Manager Training Programme with their private study. ■

## Energy Efficiency in Tower Blocks

Collection of materials from the GIZ seminars for MP participants has been published



Владислав Белов / Бернхард Шварц  
Энергоэффективная санация типовых жилых зданий: немецкий опыт для российских регионов  
Аналитический сборник материалов семинаров Немецкого Общества по международному сотрудничеству (GIZ) для ассоциации выпускников Президентской программы Российской Федерации

giz

A reference book has been published on one of the most important topics for the Russian regions – the energy-efficient refurbishment of tower blocks. It com-



Dr Vladislav Belov

Bernhard Schwarz

The analysis at hand concentrates on the comprehensive energy-efficient refurbishment of tower blocks like those common in many MP partner countries as a legacy of the planned economy. The subject of the publication is the experience gained in this respect in the new German Länder, and the focus is on specific projects and project management. Business cases and role play supplement the analyses. Special attention is paid to a German-Russian energy effi-

ciency project for the refurbishment of a tower block in which German know-how is applied. Here, among other things, detailed information is provided on technical, financial, legal and institutional framework conditions as well as specific refurbishment plans. The question of whether Russian regions can utilise this experience for themselves is critically examined.

Presentations and working documents developed by Dr Belov and Schwarz and also presented in the GIZ seminars form a large part of the publication. Methodological tips for carrying out seminars on energy-efficient refurbishment of residential buildings round off the collection of materials. It is published in Russian and addresses a broad readership, primarily alumni and participants as well as lecturers of the Manager Training Programme. ■

# Contacts in Central Asia



Thumbing through product catalogues during the contact forum in Leipzig

The MP hosted executives from Central Asia in Dresden, 17 February through 14 March 2014. Participants from Kazakhstan, Kyrgyzstan and Uzbekistan represented a wide spectrum of different industries. Thanks to a contacts forum, they got the opportunity to enhance their individual programme, make a whole host of follow-on contacts and arrange company visits.

**Dresden.** In the ARGE Konsortium Neue Bundesländer NBL, contacts forums have been part of the MP for years. The success model is based on cooperation with the Chambers of Industry and Commerce (IHK). Before the event, the participants' profiles and cooperation aims are communicated and published on relevant IHK platforms. Therefore, it is important that this information is retrieved and processed as precisely as possible beforehand. The more precisely cooperation aims are worded, the more interest they will arouse among German

companies. At the beginning of a contacts forum, the German companies introduce themselves, their potential for cooperation and their desires to those

participating in the training course. Individual discussions then get 'to the point', discussing issues such as technical specifications, supply and service conditions and time periods.

At the end of February, the Central-Asian MP group also had the opportunity to get to know 16 Saxon companies at a contacts forum at the Leipzig IHK. MP participants made many new contacts, including SMEs from the region, who would hardly have been able to pinpoint companies on foreign markets with which to initiate links.

'You should not let such an opportunity pass you by!' says Vladik Tumbashyan of Leipzig's Trade Centre for Central Asia and the South Caucasus. 'Entrepreneurs and executives from Central Asia, which seems so far away to us, with know-how and market knowledge delivered free to our door, it couldn't have gone any better. We would like to thank the organisers for this meeting; the rest lies in the hands of the entrepreneurs themselves.' Promising exploratory talks took place in the areas of mobile electricity supply, steel construction, training for medical staff and the delivery of medical services in Germany. ■



Roman Bannack has worked as a specialist tutor at NBL in Dresden since 2008 and actively contributes to hosting the MP. He primarily supports groups from Eastern Europe, Central Asia and Vietnam.



Contacts forum is in full swing



Anuar Zakirzhanov  
Chairman of the Board of the Karaganda Region



# Introducing the Skills System to the MP

The Skills System, a toolbox of teaching methods to provide specific skills to participants, has been part of the MP since early 2014. It creates a new toolbox of teaching methods which structures the training process specifically so that participants acquire defined skills. These skills were complemented with a toolbox of training methods reflecting recent German and international experience in management training.

**Bonn.** The Skills System dates back to a decision made at the international MP Partner Conference in St. Petersburg in 2009, where an international working group of representatives from foreign Partner Organisations, German training centres, and from GIZ identified the skills essential to successful international business activity.

## The Skills System's Added Value for the MP

The skills system comprises a toolbox to improve the MP's training section. This includes self-checks (to prepare for the German training trip), completing an individual cooperation project and a case multiple-choice test. These result in a qualification. The skills system encourages efficiency in the MP and helps it to better achieve its goals without having to change the existing format, the structure or content standards.

The goals of the skills system:

- to better tailor the programme to participants' needs by conducting self-checks beforehand,
- to clearly structure the desired result of training and make this transparent by defining what skills should be acquired,
- to become better able to assess how participants use the skills acquired,

- to encourage participants in the conscious and targeted organisation of individual training processes,
- to award a qualified certificate to the participants after their training in Germany.

The catalogue includes the following skills:

### Business Skills

1. Basics in Leadership
2. Human Resource Management
3. Quality Management
4. Marketing, Logistics
5. Innovation, Change Management
6. International Project Management
7. Global Business Process Management

### International Cooperation Skills

8. Intercultural Management
9. Presentation of Home Company
10. Searching for International Partners
11. Negotiations with International Partners
12. Preparation of Request and Development of a Draft Contract
13. Preparation of Business Idea and Business Plan
14. Basics of German Economy

The skills system increases the MP's attractiveness to participants as well as to German and foreign companies.

## The Catalogue of Skills

The catalogue defines the management skills that a foreign executive from the upper and middle management levels of an SME participating in the MP uses when he/she develops a long-term economic partnership with a German firm.

**'The Skills System increases the MP's attractiveness to participants as well as to German and foreign companies.'**

The skills mentioned are the focus of training throughout the whole programme period. At the same time, participants also work on an international cooperation project – which is also carried out throughout the whole programme period.

## The International Cooperation Project

The cooperation project establishes substantial, individual goals for individual participants. At its core is a specific task that the company sending participants wants to complete; that is to initiate contact with a German firm.

- Questions that must be asked in order to carry out this task are defined together with the participants. These are structured in terms of the training programme and milestones are coordinated (preparatory phase, start of training in Germany).
- The training centre supports participants with their work on the cooperation project. They actively use skills learned and purposefully acquire necessary know-how, particularly when specific to Germany, in training and group seminars in German companies as well as in individual discussions with German firms.
- Participants document insights acquired during this learning process in a project paper they complete during training.

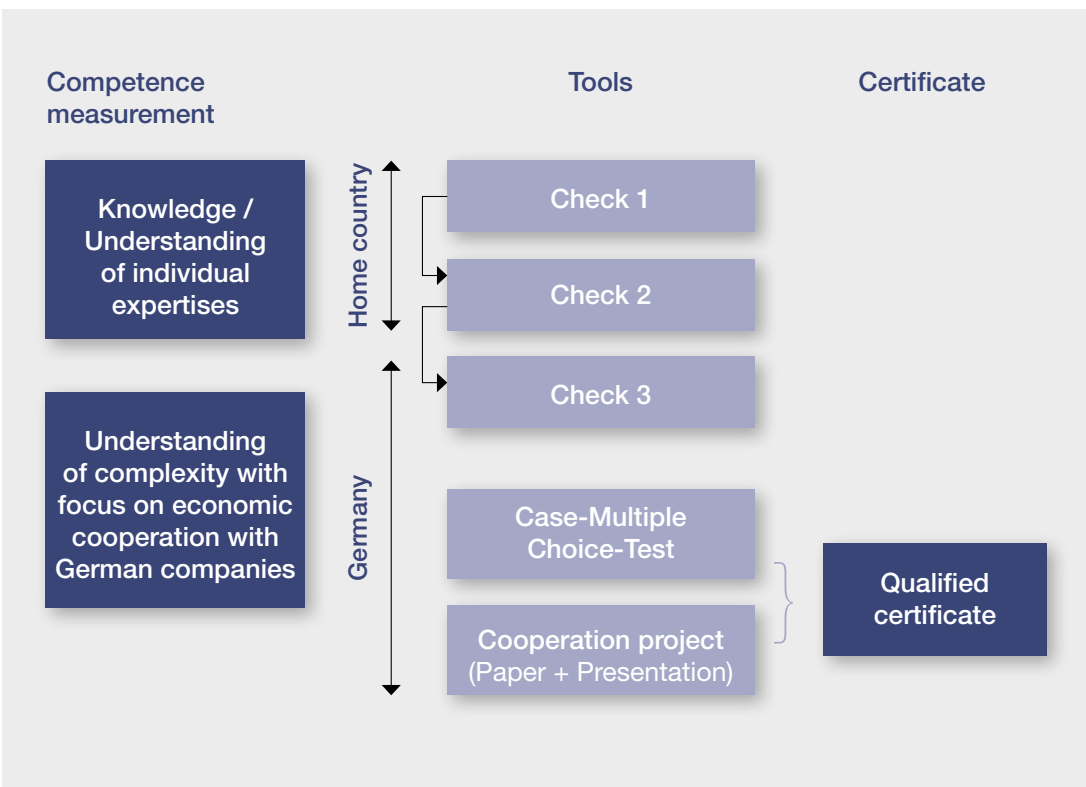
- In a final presentation, participants present the project paper's findings, the first practical results of initial contact with German firms and use a roadmap for the coming months to present their strategy for the continued implementation of the cooperation project in their company at home.

## Monitoring Skills

Skills are monitored in order to guide the participants from thinking and acting according to individual expertise to thinking and acting in an integrated way in international business, with a focus on cooperation with German companies. In line with the latest international research practice, existing skills are measured in the checks based on specified evidence or by completing tasks.

The focus of the preparatory phase in participants' homelands is on participants mastering the individual skills in the aforementioned catalogue. At the same time, autonomy and motivation are encouraged among the participants and in defining the cooperation project. Participants self-check by filling out multiple-choice tests on their skills mastery. An assessment system shows participants their individual skill level and to what extent this meets the level required. The individual checks build upon one another.

- The initial check (Check 1) covers individual areas of expertise (beginning of the preparatory phase in the homeland).
- In the outgoing check (Check 2), areas of expertise are linked with one another (end of the preparatory phase in the homeland).
- The welcome check (Check 3) at the beginning of the programme in Germany makes the participant aware of central elements of the training on the German economy and the practical complexity of economic cooperation. It focuses on relevant skills in the fields of corporate management and foreign trade.



Together with the cooperation project, the checks guide participants towards the training qualification.

## The Qualification

The Skills System facilitates an MP qualification, which has three components:

1. A practical business exemplar on the theme 'The challenges of successful cooperation with a German company' provides a content framework for a case multiple-choice test where the participant must make real decisions;
2. The completed paper on the cooperation project;
3. The final presentation.

The overall assessment comprises a maximum of 50 points for the individual cooperation project as well as a maximum of 25 points each for the case multiple-choice test and the oral presentation. The equal weighting of the skill level required and the cooperation project underscores the MP's practical focus.

Through the participant's total score, the certificate acknowledges the acquisition of the required skills and their application in complex situations.

## Introducing the Skills System

The Skills System is being introduced gradually and pragmatically. During their work in international working groups, some partners have already begun to look towards the catalogue of skills when designing the preparatory phase. Important elements, such as the cooperation project and the case multiple choice test were introduced at the beginning of 2014. There are plans to test the Skills System as a whole using pilot groups during 2014 after consultation with foreign partners and relevant preparations. ■



Dr Gerd Schimansky-Geier, head of the MP for many years until 2012, currently a consultant and expert at GIZ



Dr Angela Leeke, Project Manager for the MP with Central Asia, GIZ



Dr Bertram Lohmüller, Steinbeis Global Institute Tübingen of the Steinbeis Hochschule Berlin (SHB) and CEO of Export-Akademie Baden-Württemberg GmbH



# Workshop in Bonn with the German Training Centres



Peter Rösler (GICON) at the working meeting in 2014

**Bonn.** Last year, a total of 14 training centres were identified within the scope of a tender procedure as partners for implementation of the MP in Germany. These included four new centres, which had not been involved in the programme in the past. The workshop in Bonn with the 14 centres began with a review and outlook of the innovations detailed in the tender. One day earlier, the representatives from the four new training centres in Berlin, Lower Saxony, North Rhine-Westphalia and Saxony had the opportunity to familiarise themselves with the MP procedures and guidelines.

In 2013, the number of participants in the MP grew to over 1,000 – in his review, programme leader Reimut Düring describes this as a unique situation in the programme's 15-year history. Among the total of 49 groups, there were also eight international and eleven sector-specific groups.

**'It is now a matter of consolidating the high level achieved with the existing partner countries.'**

Hartmut Röben, Head of Division at the BMWi

With the support of the BMWi department, two sector groups from the field of renewable energies could be created in 2013 (see pp. 42 and 43). The focus also lay on renewable energies in this year, with two groups from Egypt and Tunisia (see p. 41) as well as Viet Nam. Further MP focal topics are agriculture, health, waste management, mining, and energy efficiency. There will be a total of nine industry-specific MP groups in 2014.

Hartmut Röben, Head of Division at the BMWi, said: 'Following Mexico's integration into the programme last year, a pilot group from Tunisia will come to Germany this year. Tunisia is the sixteenth

GIZ cooperates with 14 business training centres to run the MP in Germany. At the start of the year, these centres were invited to a workshop with the BMWi and GIZ on 11-12 February. The workshop served to familiarise all those involved in the MP with the new training centres, exchange experience, and develop the MP further.



Daniel Strube, GIZ



Enlarged meeting of MP organisers in Bonn



Working atmosphere and concentration in Bonn



partner country to be taken up into the programme. Besides the existing partner countries, several other countries are also interested in joining. However, further expansion of the circle of MP partners is not foreseen at present. Rather, it is now a matter of consolidating the high level achieved with the existing partner countries.'

**Over 1,000  
MP participants came  
to Germany in 2013**

At the workshop, particular emphasis was also on the newly-developed Skills System for the MP (see p. 16). The Skills System is a methodological-didactic tool enabling targeted orientation of the training process on the mediation of all competences forming the basis of successful international business. It provides participants with new opportunities to orientate their training to their individual needs and to actively shape the learning process through self-management. The Skills System reflects the latest German and international experience in management training. It also allows for the evaluation of participants' ability to

master competences whilst engaging in economic cooperations with German companies. The basis for the awarding of a qualified certificate at the end of the training in Germany is thus created within the MP for the first time. While the Skills System will first undergo practical testing within four of the 42 groups planned for this year, it is to be introduced for all groups from 2015. Individual elements will already be implemented in all groups this year. The major annual meeting of the programme's implementing actors, represented by the BMWi, GIZ and 14 training centres, will be continued in 2015. ■





# Back in Germany – A Year After the Programme



Last November for the first time a follow-up meeting for the MP was held directly at the GIZ in Bonn: exactly one year after executives from six countries completed the programme with a focus on health care management at Cognos International in Hamburg.

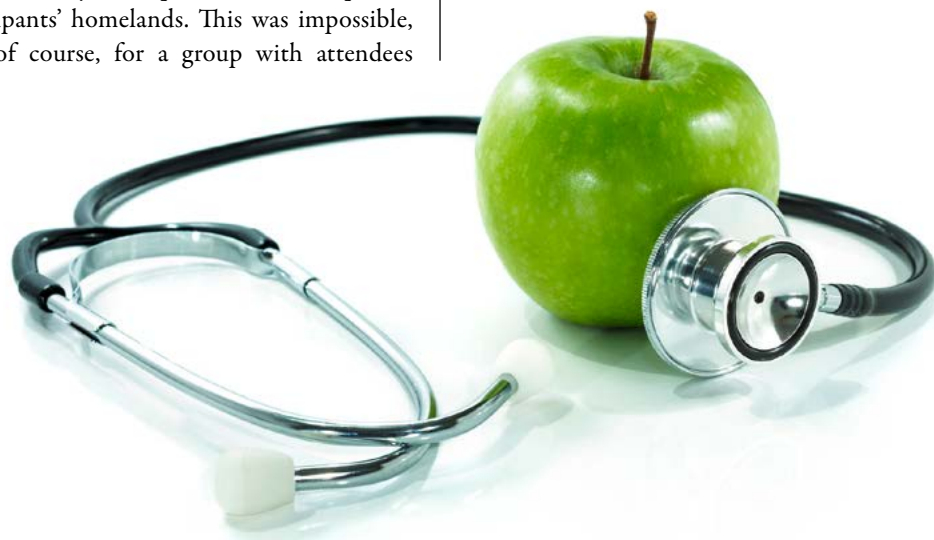
**Bonn.** GIZ invites all MP alumni to a two-day follow up event roughly one year after their participation in the programme in Germany. These meetings are very popular with both MP participants and GIZ employees alike. It is an opportunity to come together and reminisce about everything experienced in Germany and refresh old contacts. This mix of a positive atmosphere and intensive exchange among attendees has made these events perennial favourites. Despite their hectic schedules, 12 of the 20 participants of the multinational group from the health care industry made their way to Bonn.

As a rule, the follow-up to time spent in Germany takes place in the MP participants' homelands. This was impossible, of course, for a group with attendees

from six different countries. So GIZ and Cognos International decided to hold the first follow-up meeting in Germany for this international health care group. The pilot run was well-received by all. One key factor was the fact that the event was carefully planned to coincide in both time and location with the largest global exhibition for the health care industry, the MEDICA in Düsseldorf. Many alumni had already planned to come to Germany to attend the exhibition where they had so successfully established new contacts the year before.

In Bonn they talked about the results of the training programme, starting with the personal progress made that even included concrete joint business ventures. One very important issue raised was whether or not the business contacts established in Germany were still active and if new contacts to additional companies and institutions could be established. The guests from abroad also exchanged ideas with GIZ and Cognos representatives about the possible obstacles that resulted in the termination of business contacts with German firms and whether GIZ or the training centres involved might be able to offer additional support.

GIZ used this information to evaluate the programme, gather ideas and impulses for training in Germany, and use these to further improve the programme.



A presentation by Sarah Galander on the 'Health made in Germany' initiative was enthusiastically received. This BMWi initiative brings together the most important information about German health products and services on the internet.

Like at every follow-up, there was some expert input, this time from Christof Siebner (Cognos) on the topic of change management in health care. The focus was primarily on how a company could develop based on the personal motivation of its employees. The MP had left participants highly motivated to transfer the ideas and skills learned into practice in their firms. They reported on changes in their companies they had initiated as the result of their time in Germany, and shared the most important results of their programme participation with the group in prepared presentations.

Vladimir Gorbachev, for example, from MEDING in Minsk (Belarus) reported that he is able to communicate better with international partners, and not just from Germany. He is also using some of the organisational and motivation techniques he learned in the seminars. Amol Bhardwaj from Medicaid Systems in the Indian Chandigarh emphasised that he now understands different cultures better. He shared the knowledge gained in the MP with his company's directors and area managers by offering an in-house training seminar. The most important change was a detailed plan of customer relations Bardwaj introduced. Medicaid Systems' customers are primarily important hospitals. Additionally Bardwaj now places greater value on feedback from his customers. All participants agreed that they would encourage others to partic-

ipate in the programme. Now they are most interested in keeping their contacts active – in the German health care sector in particular, but also with each other.

GIZ places great importance on follow-up events. Contact with alumni in international groups is maintained over the long-term through alumni events on both a national and international level. ■

## 2014 Entrepreneur Talks



The Consulate General of the Russian Federation hosted the German-Russian Entrepreneur Talks for the sixth time in cooperation with the BMWi and GIZ. Over one hundred company representatives, most of whom are alumni from the 'Fit for Business with Russia' programme, responded to the invitation to Bonn on 6 June 2014 to exchange on German-Russian business relations, foster new contacts and refresh old ones in a relaxed setting.

**Bonn.** 'When entrepreneurs speak with one another and politicians remain silent, the children can sleep easy,' stated Consul General Yevgeny Shmagin, with his typical acuteness, of the meeting's purpose. The Consul General, whose term will end in late 2014, called for intensified dialogue and understanding at business level to reinforce mutual trust, in keeping with the long tradition of Russian-German business relations. The new head of division at the BMWi and Russia expert, Ulrich Benterbusch, also highlighted the similarities in the mentalities of Ger-

mans and Russians, which are favourable to business relations even if discrepancies exist in social development.

In light of recent events, the speakers oriented their presentations to the crisis in the Ukraine and the associated political and economic implications. Experts from the Düsseldorf Chamber of Commerce and Industry and the Chamber of Foreign Trade in Moscow in addition to a German specialist from the Moscow branch of consulting company Beiten Burkhardt, spoke on the business activities of German

companies in Russia, their market entry and the current requirements of legal risk management. Besides practical questions (e.g. on the conclusion of contracts) they also described the current mood among German companies in Russia and the future prospects. In the afternoon, the entrepreneurs had the opportunity to exchange among themselves. The round table on the business practices of Russian entrepreneurs in Germany facilitated by the German MP alumni association DRMN proved particularly popular. ■





## Tunisian Pilot Group



**Hamburg.** Three years after the start of the Arab Spring, the political situation in Tunisia has stabilised and good framework conditions for foreign investment have been created. With the passing of a modern constitution, Tunisia was able to bring the first stage of the transformation process to a positive conclusion in Janu-

ary 2014. Now the economy is expected to recover – and gross domestic product is projected to increase by 3.7 per cent this year.

Manager Training Programme participants have been able to make good use of Tunisia's economic success. In the

For the first time entrepreneurs and high-ranking managers from Tunisia came to Germany, from 27 April to 24 May. The branches represented included automotive, IT, food, textile, and industrial services. Cognos International organised an exciting and varied programme in Hamburg, Hannover and Berlin. Three representatives from the Tunisian Ministry for Industry, Energy and Mines also accompanied the group of business people.



**Adnen Khadraoui** is the plant manager at Afrivision in Tunis. The company assembles televisions for Sony for the North African market, for example. Afrivision also produces a range of electronic components. Khadraoui was looking for offshoring projects for this area in Germany – companies looking to outsource part of their production. To this end he met with the Erni Electronics GmbH from Baden-Württemberg, RRC power solutions GmbH from Saarland, General Telecommunications Corporation (GTC) GmbH from Bavaria and Native Instruments GmbH from Berlin. Negotiations with the first three companies have progressed quite far and Khadraoui will be sending them quotes for different projects by the third quarter of this year. Follow-up meetings are also scheduled to take place in

Tunisia. The reasons for interest in cooperation are very different, such as the desire to find an alternative to a Chinese supplier, the collapse of production in Syria, or outsourcing production to lower costs – but everyone agrees on one thing: the services Khadraoui and his company offer are very professional and competitive. Claus Bunge, Vice President Quality & Supply Chain Management at Native Instruments, confirmed the positive impression Khadraoui made during their meeting: 'I met Mr Khadraoui during a business meeting in Tunisia. From the outset, I was impressed with Afrivision's professional and organised approach. The production line is state-of-the-art and its close proximity to Germany is very convenient. When Mr Khadraoui visited us in Berlin, his presentation of the company was very professional, which reinforced that initial positive impression.'

four weeks they spent in Germany, the 20 Tunisian managers had 63 meetings with potential business partners from different branches. These resulted in some very concrete approaches to future cooperation, which is reflected in the results achieved by two participants (see information boxes).

The group programme was very positively received by all participants. They emphasized the interesting and varied mix of interactive training, company visits to different branches and networking events with a range of associations and chambers of commerce. The Tunisian managers were very impressed by the importance of medium-sized companies for the German economy, something they experienced first-hand during a visit to family-owned hidden champions, such as Mankiewicz GmbH & Co. KG and Stulz GmbH.

As a target group, the Tunisian managers were a perfect fit for the MP. Their close proximity to Europe and European-influenced educational system means they have similar views and experience, which allowed them to adjust seamlessly to conditions in Germany. This also meant they were able to process the information gained during the programme to their advantage. On the other hand, participants were astonished to see how much

**Abdelhakim Samaali** is Managing Director of Nour Batteries, a battery manufacturer in Tunis. To date, the company has exclusively produced car batteries. Samaali feels the Tunisian market for this product is too small though, so he plans to expand his business in two directions. Firstly, he would like to distribute the car batteries made by Nour Batteries on the European and German markets. He has found a suitable partner in Akkuteam Energietechnik from Lower Saxony to work with on this venture. Akkuteam Energietechnik runs a certified testing laboratory for car batteries. Samaali plans to have his batteries tested there and, if necessary, involve an external chemistry laboratory in the certification process. Once they are certified, the Tunisian batteries from Nour Batteries will be qualified for the automotive market. During the meeting Norbert Engel, Managing Director of Akkuteam Energietechnik, confirmed: 'We can support Mr Samaali as a dealer for his batteries and with our battery laboratory. Akkuteam works as a test laboratory for starter batteries, an area in which we have been certified by the Volkswagen Group, a key laboratory client.'



In addition to penetrating new markets, Samaali also wants to expand the company's product portfolio. He sees the greatest potential in the areas of traction batteries, like those used in fork lifts, and stationary batteries to provide emergency electricity. Samaali wanted to find a company in Germany interested in a strategic partnership for these products. He contacted Hoppecke Carl Zoellner & Sohn GmbH, an accumulator plant in North Rhine-Westphalia. A marketing partnership is in the works initially. Nour Batteries will sell the aforementioned batteries from Hoppecke in Tunisia and North Africa and assume responsibility for service. If all goes well, the partnership will be expanded into a technical joint venture. In the medium term, Nour Batteries will produce the Hoppecke batteries in Tunisia for the North African market.

Germany differs from France and Italy. Most participants had prior business experience with these two countries. The Tunisian managers were very active and

open to new ideas and information in Germany. Their hard work contributed to the programme's success.

The Tunisian pilot programme ended with a reception at the BMWi. In addition to the group and representatives of Cognos International and GIZ, Ulrich Benterbusch, Head of Division at the BMWi, Heiko Wildner from the BMWi's Country Desk Tunisia and Wacef Chiha from the local Tunisian embassy were there to draw their own conclusions about the results of the pilot group. All sides expressed their desire to continue the programme between Germany and Tunisia over the long term. ■



Necessary knowledge and skills for making initial business contacts are provided in seminars and trainings



As project consultant and trainer at Cognos International GmbH in Hamburg, Timo Tekhaus is responsible for organising and hosting the MP. This was the fifth pilot project that Tekhaus, who studied ethnology and political science, has carried out while in this position.



# Mexican Executives in Bavaria and Berlin



While the Mexican and German ministries of economic affairs are preparing to sign a government statement as the basis for the bilateral cooperation within the framework of the MP, the pilot group has already successfully completed its training at the Academy of the Chamber of Industry and Commerce for Munich and Upper Bavaria.



A workshop in Berlin

**Westerham / Berlin.** Highly motivated Mexican executives from the machinery, textile, cosmetics and food industries as well as trade and IT visited Germany from 27 October to 23 November. The first 21 MP participants were selected in cooperation with the state-owned National Entrepreneurship Institute INADEM, which was commissioned by the Mexican Ministry of Economy to prepare the MP. All participants stood out through their professionalism, thirst for knowledge and passion for discussion. They supported and motivated each other during their stay in Germany, and the atmosphere within the pilot group was positive and dynamic.

Erwin Feldhaus, Commercial Councillor at ProMéxico in Germany, welcomed the Mexican executives at the opening event at the Academy of the Chamber of Industry and Commerce. This was the starting signal for an intensive programme which included 17 group visits to German companies and 47 individual business appointments. Several participants described the Programme as a 'process accelerator' in view of the large number of offerings in the short time. 'Normally, a business process takes a whole year before an agreement with the corresponding party is signed. Thanks to programmes like this one, processes are speeded up. It will help us to overcome existing cultural barriers that need to be removed,' sums up Raúl Cuevas Campillo, Commercial Head of Kuo Aerospace S.A. de C.V.

The possibility of getting to know companies from different industries is par-

ticularly interesting for the participants, who used the opportunity to speak with company representatives. Elisabeth Rosado Puerto, Managing Director of Tropical Honey Company S.A. de C.V., said that the group visits were very suitable for putting the knowledge gained in the MP into practice. The family enterprise processes and markets high-quality Mexican natural honey. Rosado Puerto also finds that the information on the administration and management of companies, building successful teams, export business and German business culture is tremendously important as it provides the participants with very helpful tools. Visits to trade exhibitions and cultural fringe events, which also included the reception for the participants at the Mexican Embassy in Berlin, rounded off the programme.

## First successes during the MP

First results show that the participants have achieved their targets. According to their own accounts, 13 agreements have already been concluded with German co-operation partners and further offers are being solicited. Product tests and product training as well as follow-up meetings have been arranged.

Rosado Puerto has also scored a success; the managing director had planned to make business contacts with German companies interested in Mexican honey. Thanks to the MP, she was able to contact four interested German companies. Since returning to Mexico, she has been driving the quality improvement of her processes and products forward – with her sights set on certification in order to be able to supply

**'Normally, a business process takes a whole year before an agreement with the corresponding party is signed. Thanks to programmes like this one, processes are speeded up.'**

Raúl Cuevas Campillo, Kuo Aerospace S.A. de C.V.

on site of the quality of new technologies – and will soon be receiving a quotation for new equipment.

The closing event at the German Federal Ministry for Economic Affairs and



At the Erdinger Weißbier brewery



Company visit to the Schabmüller GmbH

Energy (BMW) was a highlight. Representatives of the BMW, the Mexican Embassy and the representation of the

Mexican Ministry of Economy in Brussels came to the farewell event for the pilot group. ProMéxico, the Chamber of Industry and Commerce for Munich and Upper Bavaria and GIZ representatives were also there to

hear about the participants' personal results. Sandra Peters, Project Manager at the Academy of the Chamber of Industry and Commerce for Munich and Upper Bavaria, is very glad that Mexico is now one of the MP partner countries.

'The participants have proved that high potential for cooperation exists and there is demand for this Training Programme.'

Rosado Puerto's advice to those Mexican executives still considering whether they should apply to participate in the MP: 'Don't let the thought of being away from your company for such a long time stop you. It is hard to distance yourself and not allow yourself to think that you are neglecting the business, but it is worth it to invest this time in the Programme.' And she adds with a wink: 'Be careful with German beer – it's delicious, but it is much stronger than Mexican beer!' ■





*The German-Russian  
Foreign Trade Chamber  
in Moscow.*

# Chambers of Commerce Abroad as Worldwide Ambassadors



*Michael Harms*

In a guest article, Michael Harms, Global Spokesman of the German Chambers of Commerce Abroad (AHK) and Executive Director of the German-Russian Chamber of Commerce, speaks about the objectives and the work of AHK worldwide and particularly in Russia.

The Federal Minister for Economic Affairs and Energy, Sigmar Gabriel, put it in a nutshell at the AHK World Conference in Berlin on 13 May: 'Our AHK are the first contact partners for companies seeking to establish themselves and grow abroad. Small companies especially benefit from the long-standing networks in the respective countries and receive excellent advice.' The AHK are the most important partners abroad for the promotion of foreign trade through the Federal Ministry for Economic Affairs and Energy (BMWi). Together with the German diplomatic representatives (embassies and consulates), they officially represent the interests of German industry and commerce towards political and administrative bodies in the respective host country. For more than 100 years now, the network of the Chambers of Commerce Abroad has been smoothing the way for German companies that wish to extend their business activities to other countries.

The AHK are voluntary member organisations and, as such, an association in the interest of German industry and commerce in the respective host country. Almost all AHK have bilateral or multilateral structures; thus, they also serve as 'ice-breakers' for foreign companies in Germany. Under the service brand 'DEinternational', the



## Deutsch-Russische Auslandshandelskammer Российско-Германская внешнеторговая палата

AHK worldwide: 85 countries,  
125 locations

### Functions:

- Official representatives of the German business sector
- Member organisations for companies
- Service provider for companies

### Services of 'DEinternational' in locations all over the world:

- All around market entry
- Personnel search / location search
- Organisation and accompaniment of delegation trips
- Special events (trade fairs for component suppliers / investment forum)
- Business presence (office in office)

### Intensive cooperation with German partner organisations:

- Association of German Chambers of Industry and Commerce (DIHK) and Chamber of Industry and Commerce (IHK)
- GTAI (Germany Trade and Investment)
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
- DERA (German Mineral Resources Agency)
- dena (German Energy Agency)

AHK worldwide offer comparable services, complemented by location-specific services.

### German-Russian Chamber of Commerce

The German-Russian Chamber of Commerce has its headquarters in Moscow, a branch office in St. Petersburg and so-called regional authorised representatives in the Volga, South, Ural and Siberian/Far East regions. With them, we have reacted to the lasting trend towards

localisation. The German-Russian AHK currently represents the interests of around 850 companies, of which 70 per cent are German, 20 per cent Russian and 10 per cent of international origin.

Lobbying activities account for a large part of the daily work. We primarily cooperate with all relevant Russian ministries, federal, regional and municipal authorities as well as business and lobby associations. But we also maintain close contacts with Germany and – as in the current situation – provide all decision makers with necessary information and clearly represent the point of view of the business sector. Direct contact partners are the Federal Ministries for Economic Affairs and Energy, Education and Research, and Food and Agriculture. The programmes for business travel worldwide covering the export initiatives on renewable energies and energy efficiency as well as the areas of agriculture and vocational training are also implemented through these federal ministries.

The members receive up-to-date, first-hand information on the latest developments in the Russian market. There are 18 committees and working groups, in which the various specialists in their fields meet to make their expertise available in a condensed form to all the other companies. Topics are, among others: customs duties, technical regulations, matters concerning migration and labour law, localisation, legislation, compliance, energy efficiency, etc. The local availability of this competence is a unique feature of the German-Russian AHK.

The so-called AHK worldwide spokesman conveys these issues in a unique way. The Executive Director of the German-Russian AHK, Michael Harms, was confirmed

### The AHK also serve as door openers for foreign companies in Germany.

in office for another two years. He is the 'face' of all chambers of commerce abroad all over the world, their spokesman and interest representative in talks with national and international associations and organisations,

and equally in coordination with political bodies as well as business, specialist and lobby associations in Germany.

The AHK are therefore also very open to all forms of cooperation with current and future decision makers or interested parties, e.g. the alumni of the BMWi Manager Training Programme. The staff of the AHK are always available to help. In addition, support and information on a local basis are also possible, e.g. in the form of briefings, thematic events and discussion forums. ■

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Stanislav Hoerd



# New Energy



The hardware factory Metallwarenfabrik Gemmingen (MG) supplies electricity generating systems to countries all over the world. A group of entrepreneurs from the CIS countries who visited the Mittelstand business a few years ago within the scope of the BMWi Manager Training Programme included several future customers. A dealer from Turkmenistan even became a general importer shortly after that visit – and brought fresh momentum to MG's sales efforts in the former Soviet Republic.

**Gemmingen.** On his own, he would probably not have been able to so easily gain access to this difficult market. Turkmenistan in Central Asia, a country rich in oil and gas resources bordering on Iran in the south, is isolated. Stanislav Hoerd says import regulations are strict and customs duties high; the authorities have a slow and roundabout way of working. He is responsible for Eastern European sales at Metallwarenfabrik Gemmingen (MG) and sells sophisticated emergency generators of the Geko and Eisemann brands in the CIS countries.

Regarding Turkmenistan, however, MG had always run up against a brick wall. 'You need a trustworthy local contact who is familiar with the situation there,' says Hoerd. Looking back, the sales manager is glad that in 2007 his compa-

ny welcomed to its headquarters in Gemmingen a group of business people from the CIS countries who were visiting Germany for the MP. One of the participants was Zafar Tagyev, who turned out to be just the trustworthy Turkmen that MG needed.

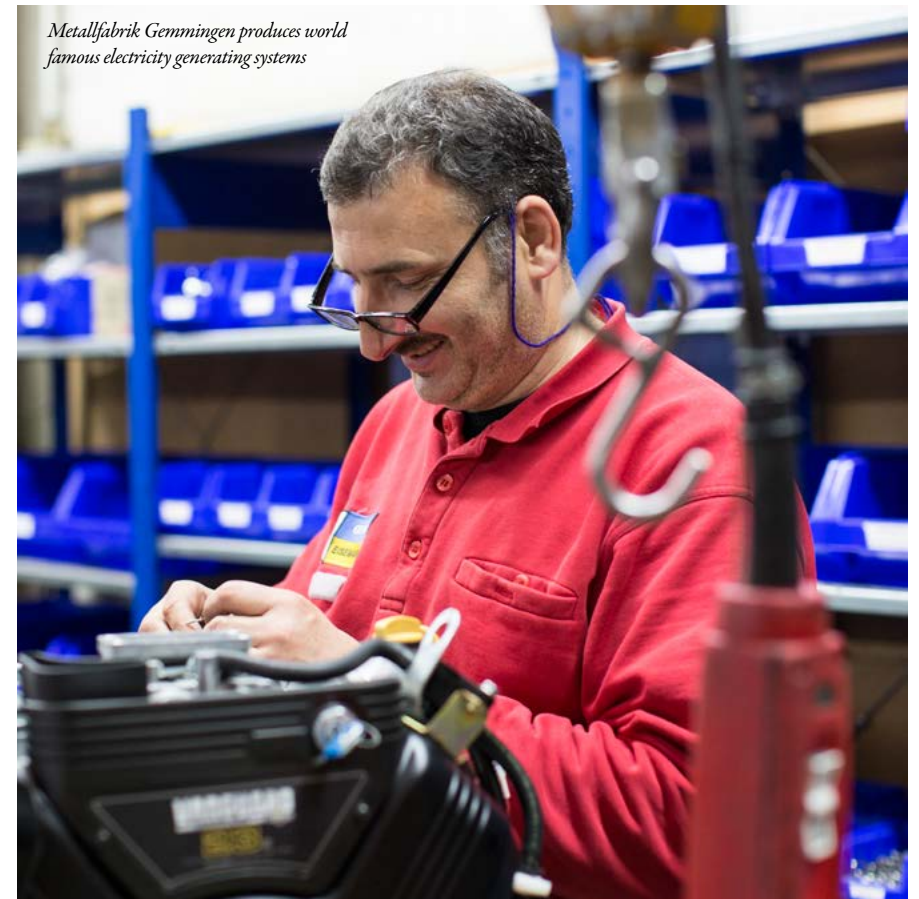
Metallwarenfabrik Gemmingen manufactures its own die cast bodies, high-precision stators and rotors. The company also makes reliable electricity generating systems with sophisticated control electronics and remote maintenance systems – internationally renowned electricity generators are produced in the main plant in Baden-Württemberg. MG supplies emergency generators for hospitals and mobile radio and communication companies as well as the civil protection and rescue services plus extremely robust electricity generators for building sites, which supply energy for the most diverse electric consumers despite rain and dust. As one of few suppliers, MG is even authorised to sell electricity generators to the armed forces because the stators and rotors made of hundreds of the finest metal bits function with such precision that practically no electrical interference fields occur.

A total of 380 employees work in currently three plants – in addition to the main plant, MG now also produces in Hungary and China.

They cast generator nacelles from aluminium under high pressure, press fine bits out of metal strips and bundle them, wrap endless kilometres of copper wire to form coils. Finally, they install sensors, fuses and even mobile radio modules with which, for instance, oil com-

panies can monitor the generators from a distance. After all, the purpose of these generators is to supply electricity for a pump somewhere in the Siberian tundra. The vertical range of manufacture of this medium-sized company is up to 80 per cent – MG only purchases the combustion engines for the power units from suppliers of many years' standing such as Deutz. An MG employee even bakes the powder coating for the nacelles into

Metallfabrik Gemmingen produces world famous electricity generating systems



the metal in the Gemmingen plant's own stoving oven.

MG supplies very compact small generators that only weigh 22 kilos, but also two-megawatt plants weighing tons, which can easily supply a small town with

**'Without the MP, we would probably not have received orders from Turkmenistan so easily. The market is isolated, the conditions difficult. You need someone on the spot.'**

Stanislav Hoerd, Sales Manager Eastern Europe, Metallwarenfabrik Gemmingen GmbH

electricity. 'Demand is strong,' says Sales Manager Hoerd. 'In many emerging economies, the supply of electricity is still unreliable; many mobile communication companies equip their masts with our generators.' Exports account for 40 per cent of the turnover of approximately 47 million euros. The

medium-sized enterprise, which has belonged to a group of financial investors since owner Robert Spieß left the company in 2008, is growing steadily.

Some particularly exotic markets such as Turkmenistan, however, remained unknown territory for a long time until GIZ enquired whether MG would host a group from the CIS countries. 'This visit was exceptionally successful for us,' says

Hoerd, 'because in countries like those, nearly every industry needs generators.' Shortly after the visit, first orders arrived from countries of the former Soviet Union. However, of greater importance was the participant from Turkmenistan, Zafar Tagyev, Managing Director of the Turkmen wholesaler Alamater Energo, who became MG's general importer in his country a short time later. In the meantime, the Swabian company supplies up to 150 generators a year to Turkmenistan and has achieved turnover of about 2.5 million euros there since 2007.

And Hoerd, who today speaks to Tagyev on the phone almost every day and visits the Turkmen capital of Ashgabat every two years, is certain: 'Without the MP, we would probably not have received orders from Turkmenistan so easily.' During his visits, Hoerd also discovered how delicious Turkmen pastry rolls are. ■



David Selbach is a freelance business journalist based in Cologne. His focus is on medium-sized companies.



Cairo



## Catching Up in Cairo



From mid-2012 to the beginning of 2013, the first Egyptian managers participated in the Manager Training Programme (MP) in Germany. At the beginning of December 2013, the GIZ issued invitations to a follow-up meeting in Cairo – and most Egyptian alumni accepted.

**Cairo.** For one manager group it had been six months since they had attended training in Germany, and around 18 months had passed for the pilot group. Enough time to draw conclusions about the advantages of participation in the programme. The effects on business in particular were more than satisfactory. Despite the ongoing problematic domestic political situation in Egypt, MP participants concluded business deals for the import and export of goods amounting to a total of around 5.5 million euros.

Many managers applied ideas from Germany to change processes in their companies. The programme considerably raised their awareness of the importance of the human resource factor. In response MP alumni have begun involving their employees in decision-making processes more and investing in human resource development, such as through training. The managers learned about these mod-



Participants of the first follow-up event in Cairo

els on a visit to North Rhine-Westphalian companies. Negotiations with potential business partners also inspired many to increase their product quality.

The goal of the event in Cairo was to intensify existing business contacts. Dr Rainer Herret, Managing Director of the German-Arabic Chamber of Foreign Commerce, explained what a foreign chamber of commerce (AHK) can do to help. He sees the Manager Training

Programme as: 'a lighthouse project in German-Egyptian cooperation.' The services provided by the AHK for market research and to support the search for potential partners for new business areas were received with great interest.

The GIZ country office is also located in Cairo. Country Director Dr Thomas Engelhardt was glad to take advantage of the opportunity to present GIZ activities in Egypt. These focus on the working fields of water supply and distribution, renewable energies and administration.

The Carl Duisberg Centres (CDC) from Cologne organised both trainings in Germany. During the Cairo event, CDC Project Manager Jörg Kalmbach ran a training seminar on networks. This inspired participants from both groups to found an Egyptian Alumni Club. Frank Nichte – responsible at the BMWi for the MP with Egypt – feels that the results achieved exceeded the expectations of the pilot group. This is a very positive place from which to start negotiations for the continuation of the MP with Egypt starting in 2015 at the first ever meeting of the German-Egypt steering group (see article p. 10). Currently cooperation is based on a government declaration from December 2011 for the time period from 2012 to 2014. ■

## Strong Demand Despite the Crisis

The political crisis in Ukraine worsened dramatically in winter and spring 2014 and brought several international projects to a standstill. In spite of this critical situation, the Manager Training Programme (MP) 'Fit for Partnership with Germany' is entering the next round and demand for it is even increasing.



**Kiev.** Something nobody expected: in 2014 there were so many applications to participate in the programme 'Fit for Partnership with Germany' that a large number of applicants will have to wait until the selection process for 2015. This shows that there is continued interest in the Programme. The MP gains strong impetus through the EU-Ukraine Association Agreement, of which the political provisions were signed on 21 March and the economic provisions on 27 June 2014 as a sidebar to the European Council. The Agreement is an important signal for the Ukrainian business world that the economic cooperation with the EU is gaining in significance. The commitment of the partner networks throughout the country (see article in Journal 2-2013), supported by MP alumni and the Ukrainian Minis-

try of Economic Development and Trade, is showing positive effects.

Enterprises from the agricultural sector, which plays an important role in the Ukrainian economy and has weathered the global financial crisis well, showed particular interest in the Programme. Already one third of Ukrainian export and import business is done with EU markets. Cooperation with the EU is decisive for the modernisation of the Ukrainian economy and for reducing dependency on the energy sector. Therefore, for the Ukrainian executives one of the primary training objectives is to become familiar with energy-efficient technology and its use in production. ■

**Info in the Ukrainian Language:**  
<http://ukraine.managerprogramm.de>

Kiev



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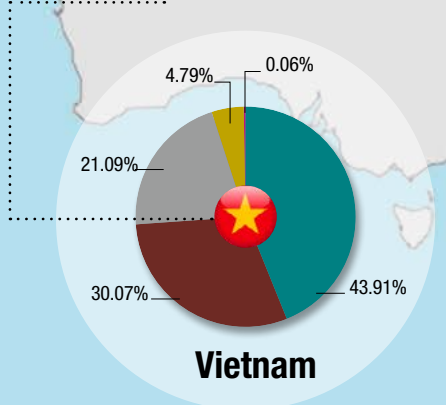
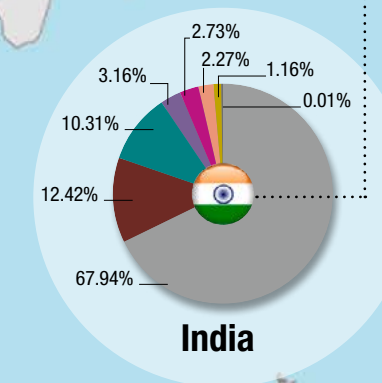
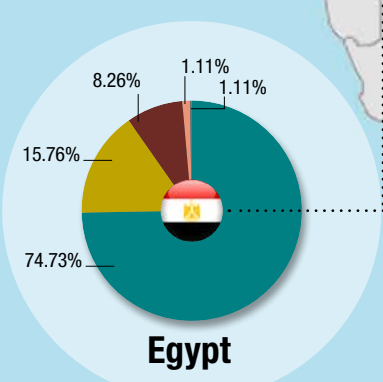
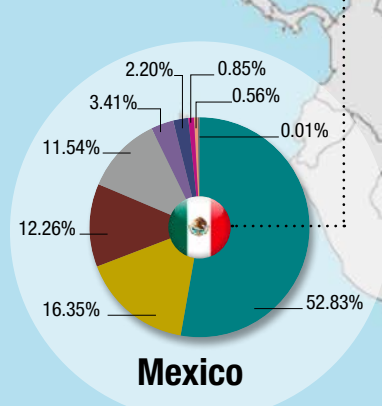
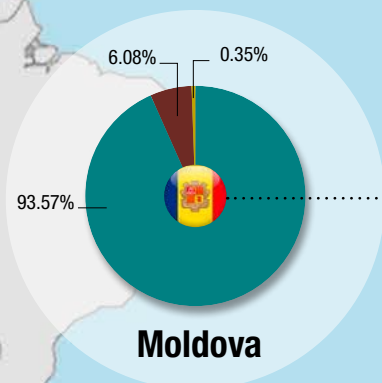
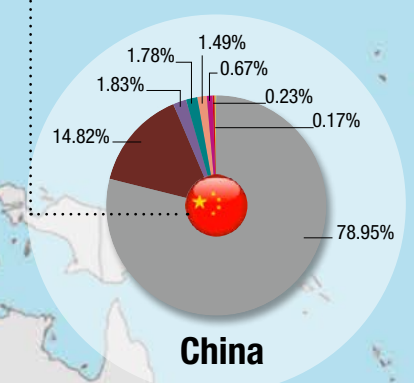
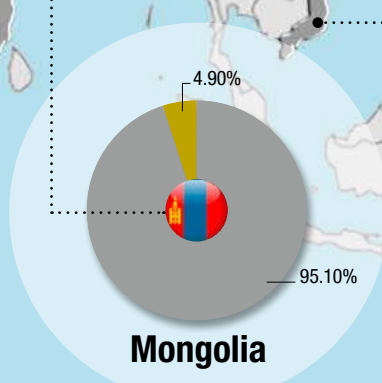
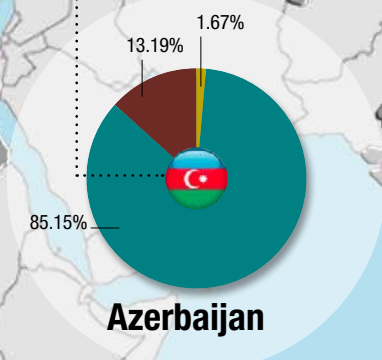
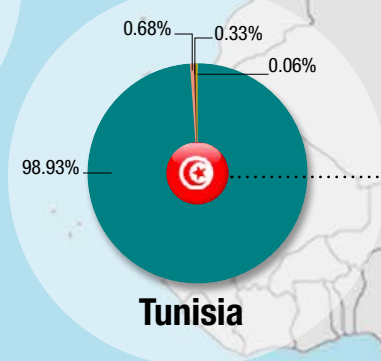
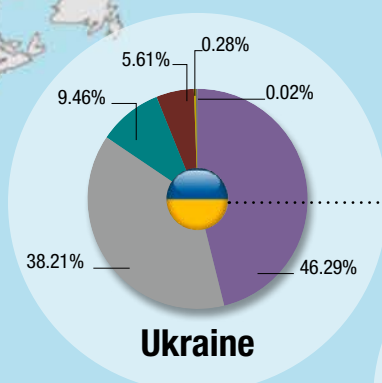
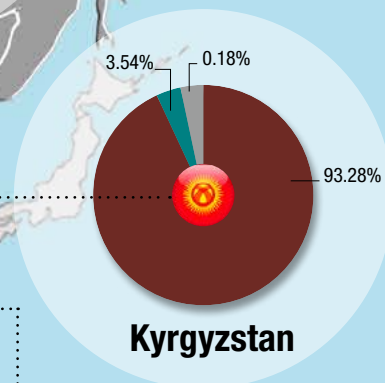
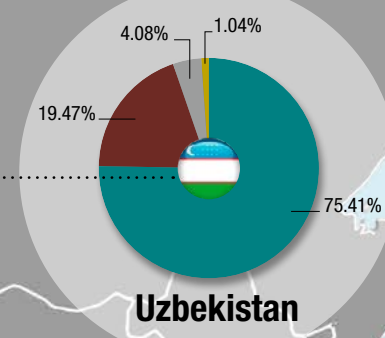
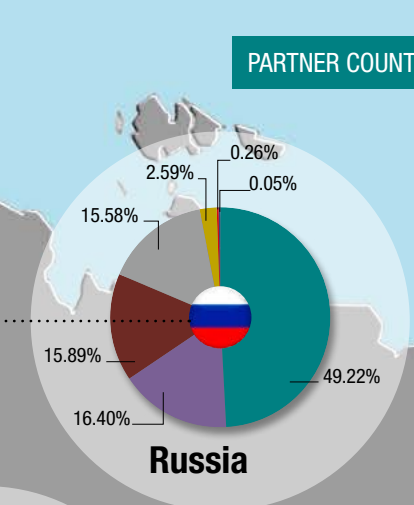
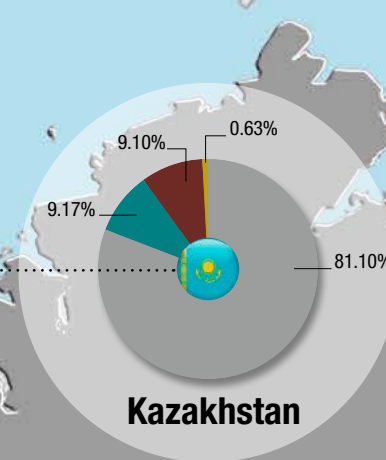
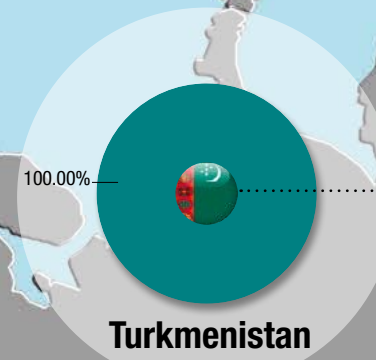
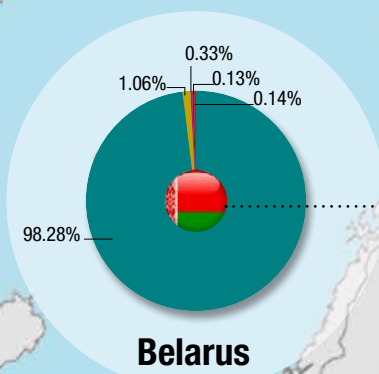
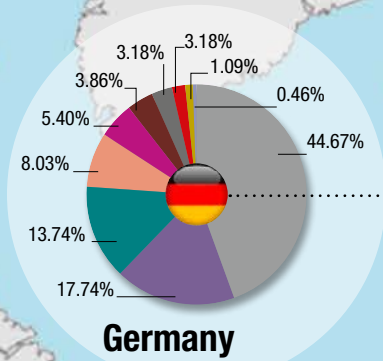
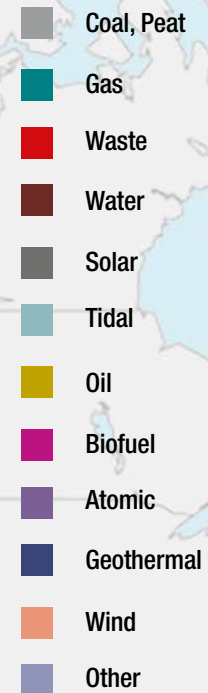
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## Electricity Production in the MP Partner Countries

Source: www.iea.org, 2011





# In Focus: Renewable Energies



Germany is developing its renewable energies and promoting their implementation worldwide through a number of foreign policy tools. German companies from the renewable energies sector are actively being supported, among others through the 'renewables – Made in Germany' export initiative and the Manager Training Programme of the Federal Ministry for Economic Affairs and Energy (BMWi).

**Berlin.** 'Renewable energies are on the increase worldwide. Germany is among the pioneering countries with the highest annual growth in the share of renewable energies in its energy mix. Our country is a leader in investments in this field, too. Countless countries have now firmly anchored renewable energies in their energy policy. This also strengthens the export opportunities of German companies, who are at the forefront worldwide in count-

less energy technologies.' It is with these words that Federal Minister for Economic Affairs and Energy, Sigmar Gabriel, describes the development of renewable energies in Germany. In the current legislative period, energy-related matters have been bundled within the former Federal Ministry for Economics and Technology. This is reflected in the renaming of the ministry as the Federal Ministry for Economic Affairs and Energy.

The German federal government coined the term 'Energiewende', the energy transition, to describe its decision to develop German energy supplies from renewable sources. This term has been used in political and social debates since the 2002 symposium in Berlin entitled 'Energiewende – Atomausstieg und Klimaschutz' ['The Energy Transition – Nuclear Phase-Out and Climate Protection']. With the nuclear disaster in Fukushima and nuclear

phase-out by 2022 agreed thereafter, all major German political parties now advocate an energy turnaround. The nuclear phase-out has caused a sensation around the globe, and the term or its translation is now known worldwide. Within this, Gabriel describes Germany as a pioneer in the energy turnaround and attributes this success to the German Renewable Energy Sources Act (Erneuerbare Energien Gesetz – EEG):

'With the EEG, an extraordinarily successful tool for the promotion of green

energy was conceived back in 2000. No other country in the world has achieved such a fundamental change in its power supply in such a short time. After just 14 years of funding through the EEG, one quarter of the power produced in Germany originates from renewable energies.' This proportion is to be increased further – from 40 to 45 per cent by 2025 and from 55 to 60 per cent by 2035. Gabriel is convinced: 'As such, we have today already achieved what sceptics considered impossible: green energy is no longer a niche market but rather an established pillar of our energy supply.'

'With the energy transition in Germany, the federal government is pursuing a long-term strategy to reduce the demand for fossil fuels through the development of re-

**60% of German power should originate from renewable energy sources by 2035**

newable energies and increase in energy efficiency,' says Uwe Beckmeyer, Parliamentary State Secretary at the BMWi. Among other goals, the energy transition aims to boost present-day power generation from around 25 per cent renewable energies to at least 80 per cent by 2050. 'We not only wish to meet our climate protection goals but also to reduce our dependence on international oil and gas imports in the long

term with the two pillars of renewable energies and energy efficiency,' Beckmeyer continues. At the same time, this route develops new technologies and new growth paths to create new jobs. While this must be a medium to long-term strategy, it is already having an impact today. 'In 2012 alone, Germany saved 36 billion euros in import costs through energy efficiency measures and the use of renewable energies. This is money that can instead be invested locally,' Beckmeyer emphasises.

## Opportunities for the German Mittelstand

It therefore comes as no surprise that renewable energies are 'an important economic factor and offer work for many people' here in Germany, says BMWi State Secretary Rainer Baake. In 2013, around 371,400 people were employed in the development of renewable energies for the generation of electricity, heat and biofuels. Of these, some 261,500 jobs can be attributed to the EEG. The wind power industry, in particular, is experiencing a boom, with wind energy now the largest contributor to the total number of jobs in renewable energies.

**In 2013, the renewable energies sector provided jobs for**

**370,000 people**

According to Economics Minister Gabriel, 'the challenges of the German energy transition are very similar in many other countries'. Indeed, renewable energies and expansion of the grid play a decisive role worldwide. The basis for this trend is the significant global increase in the demand for energy. Renewable energies are especially in demand: according to the International Energy Agency (IEA), 77 per cent more green energy will be required by 2035.

This is good news for the German Mittelstand working on implementation of the energy transition here in Germany. German companies command extensive expertise that is in demand worldwide. Large federal states such as Bavaria, North Rhine-Westphalia, Baden-Württemberg and Lower Saxony offer the most jobs in the renewable energies sector. However, when regional jobs in renewable energies are compared with the total number of employees in the federal state, there is a clear shift in the ranking. It can then be seen that renewable energies are in fact above all an important job factor in small federal states such as Bremen and Thuringia.

With its renewable energies export initiative, the BMWi helps German businesses – and particularly small and medium-sized companies – access foreign markets and export renewable energies technologies (see pp. 36-37). The BMWi strives to promote German expertise in this way and to boost the market potential for German technologies abroad. This contributes to reinforcement of Germany as a business location and to attainment of the global climate protection goals. The renewable energies export initiative was launched in 2002 following a Bundestag resolution, and has been managed and financed by the BMWi and with the support of countless partners both in Germany and abroad ever since.

## Manager Training Programme with a focus on renewable energies

As one further element and a module of the German foreign trade promotion, the Manager Training Programme (MP) of

the Federal Ministry for Economic Affairs and Energy helps transfer German expert-

ise in the renewable energies sector to countries in Eastern Europe, Asia, North Africa and Latin America. German medium-sized companies are offered a unique opportunity to meet high-ranking foreign management executives, present their own company and products, and establish business cooperations.

Interest in the use of renewable energies technologies is also on the increase in ►



Renewable, regenerative and alternative energies are energy sources which are practically inexhaustible or can be regenerated relatively quickly. As such, they differ from fossil energy sources, which take millions of years to regenerate. Besides improved energy efficiency, renewable energy sources are considered an important pillar in a sustainable energy policy and the energy transition. They include hydroelectric power, wind energy, solar radiation, geothermal heat, and raw materials such as wood that can be regrown.





For some time now, the German federal government has called for the increased expansion of renewable energies through Hermes cover. In the past five years alone, a multitude of projects worth a total of 3.5 billion euros in value have been guaranteed. 'We are convinced of the advantages of renewable energies and campaign for these internationally. We therefore also support German companies with Hermes cover in the development of renewable energies in other countries. In this way, we reinforce our Mittelstand, who count among the world's leading manufacturers of environmental technologies,' says Federal Minister for Economic Affairs and Energy Sigmar Gabriel. In contrast, this cover should in future no longer be offered for nuclear plants abroad. This applies for both new and existing plants. This decision demonstrates the federal government's readiness for an energy transition also in an international context, and their commitment to increased nuclear safety abroad.

the MP partner countries. In 2013, two manager groups with a focus on the renewable energies sector therefore visited Germany for one month for the first

time. The participants came from Russia and Ukraine as well as from Uzbekistan and Kazakhstan (see pp. 42 and 43). Interest was high from both the Ger-

## 20% of today's global energy supplies are obtained from renewable sources

man side and the partner countries. Indeed, a number of preliminary sales contracts were agreed upon the stay in Germany. Follow-up meetings have also been arranged in the partner countries. In light of these successes, the 'renewables – Made in Germany' export initiative will support two groups with a focus on renewable energies again this year. In June, a 22-strong group from Egypt and Tunisia travelled to Germany specifically to meet with German companies from the fields of solar thermal energy, photovoltaics, wind energy and biomass (see p. 41). A visit by a Vietnamese company group is also planned for this year. ■

Source: BMWi

# renewables – Made in Germany

## Innovative Technologies to Meet Energy Needs

### High-quality Technologies 'made in Germany'

Global demand for energy is growing. In the face of rising energy prices and the challenge of climate change, renewable energy (RE) is gaining importance. All over the world, new sales markets are being created for solar energy, bioenergy, wind energy, geothermal energy and hydropower. Here the system integration of RE is also playing an increasingly important role.

RE can be used for generating electricity and heat as well as in the mobility sector. Whereas the wind and sun provide a varying energy production dependent on weather conditions, bioenergy, hydroenergy and geothermal energy are almost continuously available or storable and controllable. This enables a continuous, reliable energy supply

that meets demand. Due to the enormous power range from a few watts to hundreds of megawatts, renewables can be adjusted to any kind of energy service. In close dovetailing with modern energy technologies, they can make a considerable contribution to security of supply.

More and more market participants worldwide rely on technologies and services 'made in Germany'. The continuous promotion of renewables in Germany since 1991 has led to an upswing in the RE industry. Today this industry offers world-leading technology. The sector comprises several hundred small and medium-sized enterprises that have specialised particularly in research, development, planning and production. They have many years of experience and know-how and offer reliable, durable and sustainable technologies.



### Offerings of the Initiative 'renewables – Made in Germany'

Against this background, the German Bundestag established the initiative 'renewables – Made in Germany' in 2002. The initiative supports German companies – particularly small and medium-sized enterprises – venturing abroad. It supports the distribution

of RE technologies all over the world, thus contributing to climate protection.

But foreign companies can also benefit from the Initiative's offerings. It supports companies from abroad in finding the right solution for their energy requirements. The offerings include:

#### Networking and business opportunities abroad

► Conferences and individual business meetings with German companies

The initiative 'renewables – Made in Germany' brings potential cooperation partners together. Information on German technologies is provided first-hand at seminars and networking events.

► German community stand at trade fairs abroad

At leading trade fairs all over the world, visitors can speak directly with representatives of German companies at the German community stand and learn more about innovative technologies.

Networking at the informative event of the Export Initiative



► dena Renewable Energy Solutions Programme (dena RES Programme)

The projects within the framework of the dena RES Programme are carried out all over the world and serve as lighthouse projects for German technological know-how in the field of RE.

► Online Marketplace

[www.renewablesB2B.com](http://www.renewablesB2B.com)

The multilingual online business platform facilitates international trade with RE technologies and provides valuable information on markets worldwide.

#### Networking in Germany

During information tours, foreign decision-makers from politics, administra-



## renewables – Made in Germany

tion and business can inform themselves about specific RE examples of use in Germany. The objective of this knowledge transfer is to support the use of the technologies abroad.

Make use of 'renewables – Made in Germany' and find the right business partner for your project!

### 'renewables – Made in Germany' – a success story

The Initiative 'renewables – Made in Germany' is not only of great value to German companies; our partner countries, in which our companies enter into business partnerships, also utilise the measures.

- Our partners benefit from the many years of experience and the high technical standards of German companies;
- Through the expansion of RE in the partner countries, new jobs are created;

A win-win situation for both sides! ■

Further information on the initiative 'renewables – Made in Germany' as well as current event dates and publications can be found at [www.renewables-made-in-germany.com](http://www.renewables-made-in-germany.com). Contact: [renewables@dena.de](mailto:renewables@dena.de)



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# Renewable Energies Are on the Rise



A turnaround in energy policy as in Germany is not yet in sight anywhere else in the world. Fossil fuels and nuclear power remain the most important sources of energy for the time being. In view of rising global energy demand, the significance of renewable forms of energy is, however, growing everywhere, as a survey by Germany Trade & Invest has shown. In a guest article, Dr Hans-Peter Hüssen, the editor responsible for this study, summarises the most important findings.

**Bonn.** Global energy demand will continue to grow strongly in the coming decades. In the World Energy Outlook 2013, the International Energy Agency (IEA) forecasted annual growth of 1.2 per cent for the period 2011 to 2035. However, the increases differ strongly among the regions. While demand in the OECD countries remains almost constant, it increases annually by 1.8 per cent in the non-OECD countries. Especially Asia, Latin America, the Middle East as well as Africa need new power station capacities.

Here renewable energies (RE) play a particular role. The IEA forecasts growth of 77 per cent to 3,059 Mtoe (megatons of oil equivalent) in demand for primary energy from regenerative energy carriers for the period from 2011 to 2035. Their share of primary energy supply should

increase to 17.6 per cent by 2035 in comparison to 13.2 per cent in 2011, according to the Agency's prognoses.

However, this does not mean a general shift from fossil energy carriers, of which the supply will also continue to grow noticeably in the coming decades. According to calculations by the IEA, global primary energy demand for energy from fossil fuels will increase by 2,540 Mtoe (24 per cent) altogether between 2011 and 2035, i. e. coal, oil and gas account for about 59 per cent of total growth in demand. Demand for electricity from nuclear energy will also increase. From a general perspective, there will primarily be diversification in energy supply.

The proportion of energy  
generated from RE will be

**31 %** by 2035

The proportion of electricity generated from renewable energy carriers will increase between 2011 and 2035 from 20 per cent to 31 per cent of total electricity generation. Approximately a half of the increase in global electricity generation forecasted up to 2035 will be from RE. This means that, by 2035, electricity generation from regenerative energy carriers will almost reach the level of electricity generated from coal, currently the most important energy carrier. The IEA forecasts that swift growth in wind and solar energy will be accompanied by a steady increase in hydropower and bioenergy.

According to the World Energy Outlook 2013, two thirds of growth in electricity generation from RE will be in non-OECD countries, and this group of countries' share of total electricity generation from RE is likely to increase from 53 per cent in 2011 to 62 per cent in 2035.

From a regional perspective, electricity generation with the aid of RE will increase most strongly in Asia (in absolute figures more than 1,800 TWh), according to the IEA forecast. This is equivalent to growth of almost 140 per cent. The People's Republic of China will probably have by far the highest growth of all individual countries, with an increase by 1,990 TWh or 244 per cent; this is equivalent to 28 per cent of the total increase in electricity production from RE and is a higher absolute increase than in the EU, the USA and Japan together. But high growth rates must also be expected for Africa and the Near and Middle East

with over 370 per cent and almost 1,000 per cent respectively. In Africa, the proportion of generation from RE will increase by about 19 per cent points to 36 per cent between 2011 and 2035. With that, the proportion on this continent would be clearly above that of Asia (27.2 per cent) and Eastern Europe/Eurasia (21.8 percent) as well as that of Asia/Oceania (25.5 per cent) and the Middle East (12.9 per cent).



The Global installed wind-powered electricity generation capacity was over 318,000 MW at the end of 2013, according to the Global Wind Energy Council. About 28 per cent of this was due to China. The USA (with a share of 19 per cent) and Germany (almost 11 per cent) followed far behind. Thus approximately 58 per cent of all installed capacities belonged to these three countries. Africa, Latin America and the Pacific Region had erected particularly few wind turbines; together, their share of the global capacities amounted to 3.1 per cent. However, all regions plan to expand wind energy in the coming years. According to IEA forecasts, electricity generation from this energy carrier ought to increase rapidly from a comparatively low 434 TWh in 2011 to almost 2,800 TWh in 2035 – which means growth of over 2,340 TWh or by 539 per cent.

In most countries, this is to be achieved through onshore wind power. China has the most extensive plans. According to official plans, the installed capacity of wind power is to be increased from 44.7 GW (2010) to 100 GW by 2015 and 200 GW by 2020. Of this capacity, 95 GW (2015) and 170 GW (2020) will be achieved with onshore plants. Other Asia countries – among them Vietnam and India – also want to expand onshore wind power. In Europe, the onshore segment is being expanded in almost all countries. Germany was in third position worldwide at the end of 2013 with a wind power capacity of 34 GW. These capacities were primarily installed in onshore wind power plants, but also 280 MW (end of 2012) in offshore plants.

Offshore plants often only account for a small proportion of a country's total wind generation capacities. With a few exceptions, the situation is not likely to change in the future as many countries do not have the preconditions for offshore plants and others are either only in the initial stages of expanding capacities or do not wish to do so. Nevertheless, business opportunities for offshore technology are also good, particularly in Europe and China. China, for instance, wants to expand its capacities to 30 GW by 2020.

## WATER

According to the IEA forecast, electricity generation from hydropower will grow by about two thirds to over 5,800 TWh by 2035 in comparison to 2011, which means growth similar to that of electricity generation from wind.

For some countries, among them Germany's neighbours Switzerland and Austria, water is the most important energy carrier – at least with regard to RE; however, expansion possibilities are often limited, or there is need for modernisation in parts.

Many countries want to utilise their so far unused water power potential more in the future. Therefore, various European countries – among them Russia – intend to invest considerably in hydropower. Various Latin American countries, too – including Mexico – plan to expand their capacities considerably by building large, medium-sized and small power stations. While in some Asian countries, e.g. Viet Nam, hydropower is expanded rather cautiously, it could grow significantly in the future in other countries. In China, the utilisation of hydropower is to be increased from 280 GW in 2013 to 400 GW by 2020.



# SUN

Sun or solar energy is the energy in the sun's rays which can be technically utilised in the form of electricity, heat or chemical energy. With the aid of solar technology, solar energy can be used in different ways. In photovoltaics (PV), solar cells generate direct current electricity, whereas concentrated solar power plants (CSP) use solar heat through absorbers as the primary energy source.

The IEA forecasts an increase from 63 TWh (2011) to 1,196 TWh (2035) in the global utilisation of solar energy (PV+CSP) for electricity generation, even if its share of total electricity production will still be small with 3.2 per cent (2011: 0.3 per cent). At the same time, the installed capacity (not including CSP) will increase sevenfold to 690 GW.

China (+150 GW) and India (+90 GW) will have particularly high growth rates. The USA and the EU will follow, each with 80 GW growth, as well as Japan with an increase of 50 GW. However, in the opinion of the IEA, these growth rates are strongly dependent on government subsidies. According to its current five-year plan, China wants to have more than 35 GW of installed solar capacities at its disposal by the end of 2015 (of which 34 GW are PV, 1 GW CSP) and even over 50 GW by 2020 (47 GW PV, 3 GW CSP); in 2010, the figure was only 0.9 GW. The Indian government plans to build large power stations with capacities exceeding 500 MW. For a start, four ultra mega solar projects are being considered.

In most European countries, solar energy capacities will be expanded in the next few years. Here investments in solar energy also depend on feed-in tariffs. As they were high in the past in some countries, solar capacities were rapidly expanded. So rapidly that the government has now lowered the tariffs to curb this development; this measure has slowed it down considerably.

Further country-specific reports can be found at [www.gtai.de](http://www.gtai.de)

## BIOGAS/BIOMASS, GEOTHERMAL ENERGY, TIDAL/MARINE CURRENT POWER STATIONS

Throughout the world, abundant unutilised potential exists in the areas of geothermal energy, biogas/biomass, tidal and marine current power stations. This is currently being comprehensively researched on all continents. Depending on the natural circumstances, they either are already being or will be utilised more intensively in the future. Furthermore, individual countries are experimenting with additional forms of bioenergy generation such as biochar, biofuel or wave energy systems. There is also a continuously increasing number of refuse incineration plants. The IEA forecasts an increase in the generation of energy from bioenergy by 2035, i.e. from biomass, biogas and refuse incineration (excluding geothermal energy and tidal power stations). Compared with 2011, the proportion of bio-energy would increase by almost 250 per cent to 1,477 TWh. Electricity generation from geothermal energy would grow by 333 per cent to 299 TWh and from tidal and wave energy power stations by 3,800 per cent to 39 TWh.



India's expansion target for its twelfth five-year plan is 2.7 GW for total biomass-based capacities including urban waste-to-energy systems. Potential – not including bagasse (remains from sugar production) – is estimated to be 17 GW.

In the area of geothermal energy, growth of 24.2 MW (2010) to 100 MW (2015) is planned, according to the Chinese five-year plan. The China National Renewable Energy Centre estimates that the country's potential for geothermal energy makes up about eight per cent of worldwide resources. In Mexico, too, geothermal energy is to be developed. Tidal and marine current power stations are still in an early development stage, but have strong potential. Research institutes and project developers want to expand their cooperation further – with the objective of combining offshore wind and wave power (combination power stations).



Dr Hans-Peter Hüssen is currently head of the Germany region. Previously he worked for many years as a correspondent in Hong Kong and Stockholm, and as a travel correspondent in Cologne, he was responsible for Switzerland.

# Executives from Egypt and Tunisia at the Intersolar



18 executives from Egypt and Tunisia visited Germany in June for a four-week training programme. True to the motto 'Fit for Partnership with Germany', they wanted to start off with training on cooperation with German partners and especially to learn about current technologies for utilising renewable energy.



L-R: Shady Mustafa Soliman (La Roche Furniture, Egypt), Dr Mounir Brik (TERRA Engineering and Services Tunisia) and Mustafa Mohamed Soliman (Oddny Integrated Solutions, Egypt)

**Aachen / Munich.** The MP with a focus on renewable energy (RE) was jointly organised by the GIZ partners trAIDe and International Academy of the Aachen University (RWTH). In addition to seminars on business culture for dealings with German partners, it includes visits to manufacturers of solar, wind and biogas power plants. The Programme participants are given the opportunity to talk with representatives of German companies from the RE industry.

These are just the technology providers that the Renewable Energies Export Initiative of the BMWi supports; the office of the Export Initiative is responsible for co-ordination. The Export Initiative also promoted the training of this group and was involved in the planning and preparation – in line with the orientation towards the countries of the Middle East and North Africa (MENA region).

Only a few days after their arrival in Germany, the participants visited Intersolar Europe in Munich, the world's largest specialist trade fair. Approximately 1,100 exhibitors from 48 countries presented their products and services along the entire value creation chain of the solar power sector. This provided an ideal opportunity for the Programme participants to gain an



Osama Abdelbaset (Green Energy Solutions, Egypt)

overview of the market and speak with exhibitors – on the basis of their respective actual plans.

The time at the trade fair on 5 and 6 June included a visit to the export forum of the RE Export Initiative, which provided information on future markets for technology providers, e.g. Canada, the USA, France, Tunisia and Egypt. While preparing this visit, BMWi, the office of the Export Initiative and GIZ soon agreed that an MP participant should inform the German companies at the export forum about the Tunisian market.

In the opinion of Sofiane Khallel, Managing Director of Shams Energy Access, 'the Tunisian on-grid market for small photovoltaic systems is developing rapidly and offers opportunities for cooperation with German companies. After its start in 2010, systems with a total capacity of four megawatts were installed already in 2013. The total capacity of the projects should double to eight megawatts for the current year.'

Rashad Hassan, Project Manager of Sun Infinite Energy in Egypt, finds the timing ideal for a RE industry programme in 2014 within the scope of the MP: 'Interest is there, demand is growing in the market and legal framework conditions are being prepared at the political level. And the situation will become even more dynamic when the government subsidies of electricity prices, which have curbed investments in own photovoltaic systems so far, are reduced by the end of the year.' All in all, 129 appointments for talks had been planned for the two days at the trade fair. ■



# Pilot Group Renewable Energy



At the invitation of the BMWi, the Export Initiative Renewable Energies and GIZ, 22 executives from Russia and Ukraine were guests at Wirtschaftsakademie Schleswig-Holstein GmbH from 10 September to 5 October 2013 within the framework of the MP.



*Company visit to the German Pellets GmbH in Wismar*

**Kiel.** Germany puts a focus on sun, wind and water – and thus on climate protection, supply certainty, regional value creation and the consistent expansion of regenerative energy. Schleswig-Holstein has a lead within Germany as the federal state between the North Sea and the Baltic Sea has been expanding its capacity for renewable energy for many years now. Electricity generated from renewable energy sources reached a share of 49 per cent of gross electricity consumption in 2010, which is a leading position in the entire country. Regenerative generation made up ten per cent of total energy consumption. A look at the national comparison makes the northernmost federal state's favourable position clear: 28,884 companies throughout the country are active in

the renewable energy industry; 2,127 of these companies are in Schleswig-Holstein.

The Manager Training Programme with the industry focus on Renewable Energy specifically offered the participants the opportunity to inform themselves comprehensively and to initiate business contacts and economic cooperation. More than 15 cooperation agreements



*Visit of MP participants from the Ukraine and the Russian Federation to the solar park in Templin*

concluded during the stay in Germany were impressive results of this intensive Programme.

The emphasis of training was on increasing the efficient utilisation of energy by expanding regenerative energy sources and growth in innovative technology for the efficient conversion of energy and the optimisation of energy systems. The participants represented five different segments of the industry: biomass, wind energy, solar energy, geothermal energy and energy efficiency. The primary objective of the training was to gain an overview of the current situation as well as the development and implementation of renewable energy, to receive information on the German Renewable Energy Act (Erneuerbare-Energien-Gesetz, EEG) and, in technical discussions with company representatives, to become familiar with the latest technologies in this field. Subjects included the energy efficiency of electricity grids, Smart Grid Systems, and production and processing methods in the area of pelletising or for biogas plants. Government promotion and subsidies, particularly in the biogas sector, were a controversial aspect.

The participants were backed by renowned German partners and companies such as the German Energy Agency (dena), the Centre of Excellence of Biomass (CE Biomass), the Training Centre for Renewable Energy (BZEE) or Deutsche Gesellschaft für Sonnenenergie (German section of the International Solar Energy Society) in order to increase their awareness of special topics to do with regenerative energy and support them – with the latest technologies and pilot projects – in coping with these global challenges. Altogether, more than 80 organisations and companies were involved in the implementation of the Programme. ■



Martlies Riemer-Lange is a project manager at WAK SH GmbH where she is responsible for international projects. She holds a degree in commerce (Dipl.-Kauf-frau) and manages and is responsible for hosting the MP at WAK.



*Impressed by the enormous rotors*

## Wind Energy for Central Asia



Training for executives and energy managers from Uzbekistan and Kazakhstan took place in November 2013 within the framework of the MP and with support from the Export Initiative Renewable Energies of the BMWi. Accompanied by Exportakademie Baden-Württemberg GmbH (EABW), the MP participants tackled site selection and planning, the production particularly of wind power plants and the German Renewable Energy Act.

**Tübingen.** Pure technology transfer is often not sufficient, and adjustment to the respective society is necessary; this was the insight gained by the executives from Central Asia who visited Southern Germany within the framework of the BMWi Manager Training Programme with a focus on Renewable Energy. Two interest areas of prime importance characterised the training: the

technology on the one hand and the framework conditions and parameters for actual operation on the other hand. The various technologies were discussed intensively during all of the visits to companies and associations and their use examined, always taking into consideration the relevant legal and societal framework conditions in Germany and the home countries.

The company Deutsche Windguard in Varel near Bremen deals with site analysis and wind measurement, acceptance and operation of wind power plants, and related occupational health and safety issues. It tests aerodynamic wind measurement in the wind tunnel at its own test centre. Here the MP participants dealt with the subjects of wind measurement, energy yield assessment, noise propagation, ice shedding and remote wind-sensing methods. The professionalism with which site identification and planning is carried out and the high expenditure for the continuous accompanying research and development of wind measuring equipment and site analysis technology were very impressive. Especially the more difficult climatic conditions – with regard to both site identification and plant operation – were discussed, which are characterised by more extreme temperatures and higher dust concentrations. In the test centre, the focus was on the topics of quality assurance.



► ance, measured value tolerance and reliability during plant operation.

The company REpower (Senvion) in Hamburg manufactures generators and rotor blades for offshore and onshore plants and has a worldwide installed capacity of ten gigawatts to show for itself. Depending on the site, high-quality wind turbines with nominal capacities ranging from 1.8 to 6.15 megawatts and rotor diameters between 82 and 152 metres are erected. The plant concept consists of a spur and planetary gear and a double-fed asynchronous generator with a partial converter. The Central Asian entrepreneurs were shown the impressive production plant for rotor blades (single-piece production, production hall length 600 m) and generators (nacelle weight of up to 340 t) and learned about quality management methods in generator engineering.

In contrast to Repower, the company Nordex only produces onshore plants with capacities from 2.4 to 3.3 megawatts and rotor diameters of up to 130 m; furthermore, it specialises in inland wind power plants for low-wind locations. The total installed capacity worldwide is currently approximately nine gigawatts. The rotary blades are manufactured in semi-automatic serial production. The participants were shown the production and assembly areas for the nacelles. A video conference in the context of international cooperation was held with Nordex employees in the Asian region. This gave the executives from Central Asia the opportunity for an intensive exchange on diverse international locations or planned locations and on obstacles connected

## Repowering in Germany

2008

40 TWh  
6.5 per cent of electricity consumption

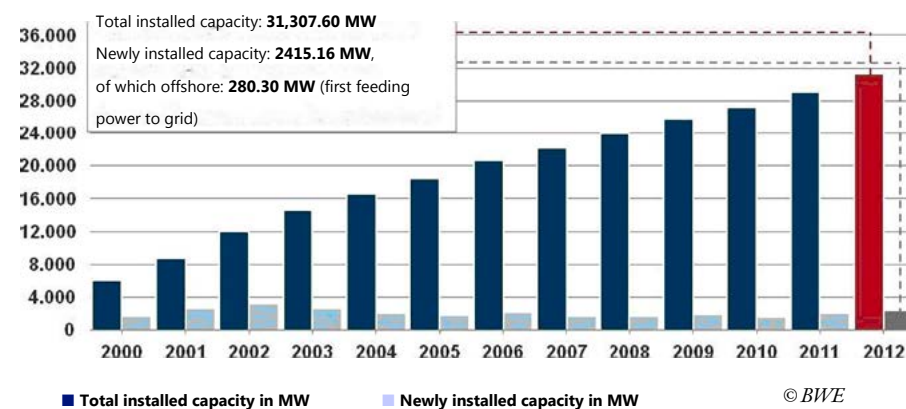
20,000  
units on land - with  
1.2 MW  
average capacity per unit

© BWE



## Wind Power in Germany

Status as of 31st of Dec. 2012



with utilising wind power – but also to discuss possible cooperation.

The visit to the German Wind Energy Association (Bundesverband Windenergie - BWE) in Berlin, where they received information, among other things, on experience made with wind energy in the federal state

of Brandenburg, was also an important experience for the MP participants. A further point of discussion was how to drive the utilisation of renewable energy forward and make it available on a broad scale. The German Renewable Energy Act (Erneuerbare-Energie-Gesetz, EEG) on the priority of renewable energy was presented as the



On a company visit

key for achieving this; the Act regulates the prioritised feeding-in of electricity from renewable sources into the grid and guarantees the producers fixed feed-in tariffs. Of particular interest to the participants were the current approach of repowering to expand the installed capacity at existing sites and

the problems involved in energy transport from generation sites to consumers. During the journey from Hamburg to Berlin, the guests from Central Asia were able to gain an impression of the distribution of wind power plants and solar parks, which are lined up along the motorway, and hence of the progress made in Germany with the expansion of renewable energy. ■



Peter Rienhardt is a project manager at Exportakademie Baden-Württemberg (EABW). With a degree in geography, he offers seminars on project management, e-learning and business simulations, and also manages national and international funding programmes.

# Contacts with Azerbaijanian Company



The Manager Training Programme (MP) definitely opened new doors for wind-power service provider Stefan Simon, though he was active internationally even before a manager from Azerbaijan contacted him in 2009.



Stefan Simon - Chief Executive Officer of Alpha NTS

**Berlin / Baku.** Under a stucco ceiling and a chandelier, Stefan Simon and his team are concerned with tomorrow's technologies. Alpha New Technologies (Alpha NTS) has its office in a refurbished period building in Berlin-Mitte. The company belongs to the Corporate Energies group of companies founded in 2008, which offers comprehensive services all around renewable energies worldwide. 'We not only plan and accompany the construction of wind power plants, but also ensure that things run smoothly after completion,' Alpha NTS Managing Director Simon explains. This includes the search for suitable sites in different countries, for investors and other financing possibilities as well as local project partners. Once a wind park has been put into operation, the company also takes care of its maintenance and organises the import and export of goods, e.g. customs formalities when technology for wind power plants is imported or exported. 'For example, we procure spare parts for wind parks already in operation,' Simon says,

**'We would have gone to Azerbaijan anyway. Through the MP, we have gained a lot of helpful knowledge about the country and the people, and this has brought us a long way.'**

Stefan Simon, Managing Director Alpha New Technologies.

adding that the technical inspection and evaluation of the plants is one of Corporate Energies' areas of focus.

Altogether, 65 employees work for the company in different countries. Corporate Energies is present

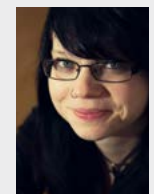
in Italy, Romania, Bulgaria, North America and the Philippines (among other countries) and takes care of wind power plants with a total capacity of 500 megawatts. 'In each country, we work with partner companies,' says Simon. His firm was therefore already active abroad

before Faig Mamedov from Azerbaijan visited it in 2009 within the framework of the MP. Managing Director Simon was already informed about the project at the time and had visited Azerbaijan once. 'But through the cooperation with Faig and later visits to Azerbaijan with him, I have learned a lot more about the country and the interrelations in business life there.' He has been to Azerbaijan about 20 times since 2009; Corporate Energies now also has its own office with two employees in Baku, Azerbaijan. 'For

us, having our own representation in the country is a symbol of our long-term approach to projects abroad,' Simon continues.

Simon's relationship to the former MP participant from Azerbaijan is also of a long-term nature; they have become friends in the meantime. 'So I have also benefited personally from the BMWi project,' he says, adding that personal relations to business partners certainly do play a role in Azerbaijan. He considered the MP as an opportunity right from the start: 'Actually, the Programme was a kind of catalyst for our activities in emerging markets.' Before, Corporate Energies was only active in Europe. Now there are concrete plans for projects in Cuba and Brazil, which are to be carried out this year.

Alpha NTS is currently also carrying out a large-scale project in Azerbaijan for a new wind park with a capacity of 48 megawatts. 'The planning stage has already been finalised, the foundations for the plant have been cast, and the infrastructure on site has been prepared,' Simon explains. There are some hitches concerning the financing, but he expects that the wind power plants for this huge project will be ordered before the end of this year. He believes that the new plant is definitely a result of the Manager Training Programme. That is not the only reason why, in retrospect, he considers this training project to make absolute sense. 'It opened the doors to Azerbaijan for us – and we are open to new international activities.' ■



Annika Janßen is a business journalist and editor at wortwert - Die Wirtschaftsredaktion in Cologne.



# German Know-How for Renewable Energies in Azerbaijan



Rasim Melikov, marketing manager at the Azerbaijani solar factory Azgüntex, took part in the Manager Training Programme (MP) at the end of 2012. He came to Germany with the intention of learning about the latest developments in the renewable energies sector, particularly the production of solar power installations, and he also planned to establish contacts with solar power installation manufacturers.

**Baku.** Although Azerbaijan, which is rich in both oil and gas, can supply its own energy, the government has launched several initiatives for the use of renewable energies (RE). Climate protection and the finite supply of fossil resources play as big a role here as the plan to supply remote regions with local energy. The sunny country on the Caspian Sea has very favourable natural conditions for both solar and wind energy. As part of its National Strategy for the Development of Alternative and Renewable Energy Resources for the Period from 2012 to 2020, the State Agency for Alternative and Renewable Energies (ABEMDA) and its subsidiary Azalternativenerji LLC were established. ABEMDA coordinates, regulates and promotes the use of RE. Azalternativenerji LLC is in charge of project development and the construction and operation of buildings. In doing so, Azalternativenerji LLC also relies on technology and know-how from abroad.

German RE technologies and know-how were also of interest to MP participant Rasim Melikov, who visited several companies in Germany, including the firm TBS Technische Beratung und Service in Grevesmühlen. The owner, Bernd Daniels, has already provided complete electrical planning and installation for an Azerbaijani juice factory. The German specialist then helped the manager from Baku to evaluate different solutions avail-

able in the RE sector. Melikov got the chance to see what is important in the field of solar panels at the firm's own solar centre. While there, the manager became aware of panels by Hanwha Q Cells GmbH, a leading supplier of photovoltaic solutions from Bitterfeld-Wolfen in Saxony-Anhalt. 4,000 units of the Q Cells panels are expected to subsequently increase the experimental station in Gobustan's capacity from four to five MW. With this station, Azerbaijan is putting the concept of hybrid power stations – made of wind power and solar power installations – to the test. In 2012, TBS

**'Germany remains our reliable point of contact for many of our projects.'**

were commissioned to test the electricity generation concept. Daniels and Melikov worked successfully together on the ground. The station went into operation at the beginning of 2013 after the main supply line had been converted.

There is a long tradition of cooperation between Azerbaijan and Germany in the field of RE. One of the largest projects, which gave the 'Made in Germany' technology a chance to shine, is the fully automated Azgüntex solar plant in Sumgayit. It is expected to supply Azerbaijan with solar panels and LED lamps. The establishment of Azgüntex dates back to the government initiative '1,000 houses – 1,000 power plants'. The Southern German firms Teamtechnik Maschinen und Anlagen GmbH from Freiburg am Neckar and Buerkle GmbH from Freudenstadt supplied the most important components for the first solar panel production line, which came into operation in 2012. 120,000 panels, currently produced by the factory every year, are intended for municipal buildings and regions that are not connected to an electricity grid. It is expected that private houses will subsequently be able to get their own power plants, like in Germany.

'Our international group visited many companies that work in the RE sector. We received a great welcome and the firm's own training courses were very interesting. Germany remains our reliable point of contact for many of our projects', says Melikov. ■



Neithart Höfer-Wissing (center) - German Embassy in Kazakhstan and Dr. Alisher Shaikbov (right) - Chamber of Commerce and Industry of Uzbekistan

## We're Building the Future Together

Unusually, 'sunny' Tashkent was unable to shine with sunny weather when the graduates of the Manager Training Programme, hailing from a total of seven countries, arrived for the fourth alumni conference in Uzbekistan this April. Disappointment amongst the 120 alumni from Central Asia, Azerbaijan, Russia and Germany was minimal though, thanks to the prevailing sunny and cheerful mood. The wide range of topics was reflected in six workshops: renewable energy, energy efficiency in business, environmental protection technology/water management, waste processing/recycling, food certification and tourism.



**Tashkent.** There was a broad consensus that that collaboration between the MP graduates offers enormous potential for their further professional qualification as well as being a great opportunity for a spot of international networking. After all, there are plenty of examples of successful economic partnerships, successful restructuring measures in posting companies or, for example, greater market presence at home and abroad. Commercial success for the MP graduates doesn't

always materialise immediately after leaving Germany, it needs a little further support. In MP terminology, this is referred to as follow-up contact work.

But how is it possible to devise the follow-up contact work in such a way that this support is actually effective and the graduates are either helped onto the road to success or stay on the right track? A question that a lot of people have already racked their brains in the search for an

answer to. GIZ's MP Central Asia team – which looks after Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan – also posed itself this same question. To arrive at an answer, the team adopted a methodical approach and made it the subject of the 2012 regional alumni conference (see article in Journal 1-2013). At the end of the conference we were able to collect a lot of suggestions for the future direction of the follow-up contact work. A few weeks after the event there was a long list of topics on GIZ's desk in Bonn. They are a mixture of what alumni in Central Asia actually need in order to be 'fit for a partnership' and what GIZ is able to offer them.

This approach turned out to be very successful. All of the follow-up contact workshops held in 2013 dealt with the list of topics determined in 2012 and they proved very popular. It wasn't just MP graduates who took part, but also selected participants in the forthcoming training sessions in Germany. A course on communicating with German business partners made a welcome change for the alumni and was an important professional and cultural warm-up for the newcomers. Thanks to the lively demand, the workshop dealing with innovation management was held in several places. The participants praised it as being mixture of information dissemination and hands-on innovation exercises.



► The fourth Central Asian alumni conference, which took place 4-6 April 2014, offered an opportunity to perfect the tried and tested concept, because in contrast to the local workshop, this event was international and interdisciplinary – a massive advantage for widespread networking and for emotional identification with the MP as well as with everyone involved in it. The specialist workshop wasn't just organised by internationally renowned subject specialists and experienced speakers from various different countries, the alumni themselves had also sent in questions for the conference in advance, enabling them to have an influence on the content of the various sections, and several alumni spoke, too.

So the alumni conference was a resounding success in several respects; both technically, by answering a lot of questions and highlighting new aspects of the work in future, as well as politically, by offering the now rare opportunity to discuss matters openly in an international setting. Neighbours who only meet rarely nowadays met once again and stated that they need to overcome their challenges together, and that they are capable of doing so. Last but not least, the days at the conference were also happy moments. The BMWi reception was an unforgettable experience, with local cuisine, international dance and singing performances by all of the participating countries: an expression of pure joie de vivre

that wowed absolutely everyone present, including the entertainers who had been invited.

The host and chairman of the Uzbek Chamber of Industry and Commerce, Dr Alisher Shaikhov, referred in his closing address to the forward-looking ethos of the MP, which brings people together, and expressed his regret at not himself being part of the MP's target group. Nevertheless, he summed up the conference as well as the MP as a whole optimistically. Buoyed up by this cheerful mood, the auditorium responded enthusiastically to his suggestion and recited the slogan 'We're building the future together!' in unison. ■

## DRMN Annual Meeting



The 2013 annual meeting of the German-Russian Management Network (Deutsch-Russisches Management Netzwerk – DRMN) took place on 26 October and focused on Russia's accession to the World Trade Organisation. The German alumni of the Manager Training Programme (MP) and a large number of guests received details on the new legislation which came into force with the entry in August 2012. A guest contribution by DRMN member Florian Hees.

**Frankfurt / Hahn.** 'The Changes in German-Russian Economic Relations through Russia's Accession to the WTO' was the theme of the event to which the DRMN invited the German MP alumni at the Central and Eastern European Centre (MOEZ) at Frankfurt Hahn Airport. Dmitry Kamenev, a doctoral candidate at Martin-Luther University in Halle, described, among other things, the laws issued by Russia to protect its domestic economy. The provisions on the share of



local production caused a stir and led to intensive discussions. The so-called 'local content' applies to companies that manufacture their products in Russia. According to the new act, 40 per cent (referring to the production value) of the parts used must be of Russian origin as otherwise punitive tariffs are likely to be imposed.

In his contribution, Vladimir Pyatin, Deputy Consul General of the Russian Federation in Bonn, also addressed the general economic development in German-Russian economic relations prior to and following the accession to the WTO. Dr Sergej Nikitin, Head of the Russian Chamber of Commerce and Industry in Berlin, gave his view on the accession. Se-

**DRMN at a glance:**  
94 members (as of May 2014), of which 71% are currently active in business with Russia.

**Contact:**  
Deutsch-Russisches Management-Netzwerk, DRMN e.V., Am Stahlwerk 1, 01705 Freital, [www.drmn.org](http://www.drmn.org)

bastian Ernst from the auditing and consultancy services company Rödl & Partner described the advantages and disadvantages of the Russian market, bureaucracy and corruption. He said that, while bureaucracy was a German invention which had been successfully developed further in Russia, today numerous bureaucratic obstacles were lower there than in Germany.

The event was organised and run by the DRMN in cooperation with the MOEZ. Up to the end of 2013, the MOEZ was an independent institution for the promotion of foreign trade; it is now once again integrated into the Ministry of Agriculture of Rhineland-Palatinate. DRMN is supported by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. ■



Florian Hees was a participant in the first German group involved in the 'Fit für das Russlandgeschäft' ('Ready to do business in Russia') programme and completed the continuing education programme in 2006 in St. Petersburg upon invitation by the Russian government. He now works as Head of Strategic Purchasing for new products at HÖRMANN Automotive Group.

Chisinau



In mid-April, a seminar on the institutional development of the Moldovan alumni association took place in the country's capital. At the seminar, members of INVENT Moldova defined their association's main goals and strategic stages of development up to 2020. MP alumni activities remain its main focus. A report by Marina Cristea.

## The Development of the Moldovan Alumni Association

**Chisinau.** At a World Café Seminar in April, the alumni analysed the association's own milestones, the Russian alumni associations' experiences of the Presidential Programme and German experience of running associations. They discussed the Moldovan alumni association's plans for 2014 and 2015 and its medium-term development strategy under the motto 'Opportunities and Risks 2020'. The participants defined the following as particularly important goals for the association up to 2020: networking with other alumni associations, cooperation with state institutions in implementing social projects and participation in other projects by deploying teams of experts.

INVENT Moldova has worked with GIZ to conduct several workshops led by German business trainers, they have signed cooperation agreements with ten alumni associations from different MP partner countries, they organised a contacts forum for Moldovan MP alumni and, recently, a multi-regional alumni forum between Moldova, Ukraine and Belarus (see article on p. 50). The association maintains contacts not only with GIZ, but also with the Federal Association for Economic Development and Foreign Trade (BWA) and it has signed an agreement to begin cooperation with Germany Trade & Invest (GTAI).



Active members of the Moldovan Alumni Association

### Cooperation with the German Economy

Cooperation with the German economy has become a permanent feature of alumni activities. All meetings are of great benefit to the alumni in terms of strategic decision-making. This is how a meeting with German experts from the Public Private Partnership (PPP) took place. Representatives of the first Moldovan PPP on medical diagnostic services were introduced to similar German projects. The meeting helped them to assess which ideas could be adopted in Moldova. Members of the alumni association work closely with the German economy in the healthcare sector – the first PPP in Moldova was given German equipment in 2013. There is also close cooperation in the field of trade and mechanical engineering – for example, the firm MM Comert from Chisinau represents the German firms Cedima Diamantwerkzeug- und Maschinenbaugesellschaft GmbH, Stark GmbH and Projahn Präzisionswerkzeuge GmbH.

At another event, members of the German Investors' Association in Moldova reported on the methods and work processes of German firms from various sectors. Afterwards, Igor Cetulean, an MP alumnus and Director of the firm LEFRUCOM, led the participants through his company and let them taste his products for export – dried fruit in chocolate, which impressed everyone.

In the future, the alumni association wants to also provide consulting services. In doing so, the MP alumni hope to offer their expertise to university graduates and entrepreneurs by organising events. ■



Marina Cristea is an MP alumna and board member of the INVENT Moldova alumni association.



# Contacts – Ideas – Partnership

The Forum for Graduates of the Manager Training Programme (MP) from three Eastern European countries took place in Chisinau for the first time in October 2013. The alumni forum provided a platform for business contacts and exchange between executives from the upper and middle management levels who took part in the MP and promoted multi-regional cooperation between Ukraine, Moldova and Belarus. An overview by Mihai Bostan.



**Chisinau.** More than 140 MP alumni took part in the fourth multi-regional Alumni Forum under the motto 'Contacts. Ideas. Partnership'. In Chisinau, 82 Moldovan alumni, 26 Ukrainian graduates and 33 participants from Belarus shared their experiences of international cooperation. They learned new things about managing small and medium-sized enterprises (SMEs) and used the opportunity to establish further business contacts. The panel discussion 'Multi-Regional Cooperation – Challenges and Prospects' gave an overview of the biggest challenges for the business community in the three countries. Matthias Meyer, the German ambassador to Moldova, acknowledged the work of

the forum in his welcoming speech. Valeriu Prohnicki, Economic Affairs Advisor to the Moldovan Prime Minister, spoke about prospects for cooperation.

In discussion forums topics included problems for SMEs and why family-run companies are so successful in Germany yet have lower chances of survival in the participants' homelands. The alumni discussed the unexpected boom in the service industry and the agricultural sector's growth prospects in Moldova, Belarus and Ukraine just as intensively.

**Contact:**  
www.invent.md  
info@invent.md

Executives from the German com-

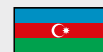
panies Südzucker, Lear Corporation and Dräxlmaier reported on their activities and discussed future prospects on small but fast growing markets.

The second day of the alumni forum involved workshops with German experts. Christina Schneider-Simon from the training centre Baden-Württemberg International (bw-i) led the business game 'UN Global Compact', which gave the alumni the chance to improve their intercultural focus on business values based on concrete examples. Winfried Bostelmann (ESC – Entrepreneurial SolidConsult, Hamlin) provided training in English which covered team building for international cooperation projects. Thomas Starke from the Cologne-based Carl Duisberg Centres (CDC) spoke on distribution channels and their optimisation. Olga Niesenboim (School of Business Communications, Chisinau) analysed how to actively sell products on passive markets. To close the event, the Belorussian and Moldovan alumni associations signed a partnership agreement. ■



Mihai Bostan is Chairman of the alumni association INVENT Moldova and participated in the MP in 2010. He holds a degree in business administration and works as CEO at the Moldavian company M&M COMERT.

## 5 Years of the MP with Azerbaijan



**Baku.** The Manager Training Programme 'Fit for Partnership with Germany' with Azerbaijan celebrated its fifth anniversary last year. On the occasion, GIZ invited 173 representatives of Azerbaijani companies, all of them MP graduates, to the First Forum of Azerbaijani Executives and Junior Executives on 1 November 2013 in Baku, which provided a solid platform for professional ex-



change and networking. Representatives of both countries' Ministries of Economy, the German Embassy, the German Chamber of Commerce in Baku and Azerbaijan's employers' association took part in the event. ■

# Active Alumni Associations in Kazakhstan



Two alumni organisations unite graduates of the BMWi Manager Training Programme (MP) from Kazakhstan: the Alumni Organisation for Kazak MP Graduates and the Association of Alumni from the International Programme Kazakhstan. At regular meetings and events, participants expand their knowledge, refresh old contacts and create new ones. Together the alumni explore opportunities for cooperation and realising synergy effects.

**Almaty / Astana.**

'Working together to find solutions to problems is much easier than fighting alone,' sums up Tatjana Batajkina. She is a GIZ expert and active member of the Alumni Association of Kazak MP graduates founded in 2011. Currently its members meet twice a month in the city of Almaty, Kazakhstan's former capital. 'The more often we meet, the more interesting it gets because we deal with the really burning questions from business life here,' says Batajkina. Contacts from different organisations with interesting skills to offer also participate in the meetings.

A representative from the DAMU Entrepreneurship Development Fund informed alumni about the programmes currently available in Kazakhstan and how they might be useful for entrepreneurs. Experts from the SES in Bonn (Senior Expert Service, see article in the Journal from 2-2013) have also visited Almaty – together the group brainstormed about how German experts from different branches could assist with corporate activities. A Q&A session is in planning with the Delegate of the German Economy for Central Asia that will deal with initiating contact with Germany. An



Alumni-meeting in Almaty

additional meeting to discuss franchising issues is also being discussed.

The Association of Alumni of the International Programme Kazakhstan was founded in May 2011 and consists of 45 members. It is open to the alumni of all international programmes. At the quarterly

meetings attendees exchange information about potential partners, including from abroad and current news about participation in international projects. Aidyn Jesmucharov, Maija Schagiparova and other alumni actively drive forward the association's

work, which aims to improve communication between companies, governmental agencies and foreign partners. They have already enjoyed success, and some large events with representatives from governmental decision-makers have taken place, such as a round table meeting to discuss 'international integration,' along with numerous regional meetings. ■



## Vietnamese Prospects



**Ha Long.** At the end of March, against the backdrop of the picturesque coastline of Ha Long, about 70 Vietnamese managers discussed business opportunities for Vietnamese companies on the German market. A large number of verbal contributions showed the high level of interest on the part of the Vietnamese, while also making the problems evident, which make importing German products difficult for many Vietnamese companies due to the high price level, for example.

From the German side there were representatives from the German Chambers of Commerce Abroad (AHK), the investment agency Germany Trade and Invest as well as the German Business Association in Vietnam, who promoted strong Vietnamese involvement in Germany and offered their services as a mediator to the German business community.

Both Wolfgang Hombrecher from the BMWi and Hans-Jörg Brunner from the German embassy in Hanoi, as well as Le Viet Anh from the Vietnamese Ministry of Planning and Investment encouraged the alumni to put the bilateral economic relations on a broader footing and take advantage of existing opportunities for cooperation. The alumni also gained additional input from four workshops on the topics of quality improvement and productivity, strategic planning, social media as a marketing instrument and international business development.

Meetings like this give Vietnamese alumni an opportunity to meet alumni from other regions and to develop ideas for local alumni activities. The Vietnamese alumni's annual meeting, which took place on 29-30 March, has a long tradition: this was the fourth time that it offered a platform for discussions and new contacts. It was organised by GIZ and the Vietnam Chamber of Commerce and Industry (VCCI). ■



# Setting Up a Subsidiary in Germany



Yu Yajun had one clear goal when she applied to participate in the Manager Training Programme (MP) of the Federal Ministry for Economic Affairs and Energy. She planned to establish a subsidiary of her firm Amate Technology in Germany. Therefore, she wanted to gather detailed information on the ground regarding the economic climate and investment conditions before taking such a step.



**Wuhan.** Amate Technology is a supplier of temperature monitoring wireless sensor systems. In 2006, CEO Yu Yajun founded the company together with her partners in the Central Chinese city of Wuhan. The firm grew quickly and became the market leader for these high-tech products in China. Although her products were already on the European markets, Yu Yajun was convinced that real expansion without a local subsidiary would be extremely difficult. She was also convinced that it would be best to establish this subsidiary in Germany – Europe's most important industrial base. This is how Yu Yajun came to attend manager training at the German Management Academy of Lower Saxony (DMAN) in the Lower Saxon town of Celle.

Yu Yajun visited various companies and several trade fairs in Germany, including

the industrial fair in Hannover. By exchanging experiences with entrepreneurs from the high-tech sector, the manager had her conviction confirmed that an SME in the technology industry must concentrate on one key area. She should not try out several new areas of business without a sound strategy, as many Chinese companies do after seeing initial success.

In order to expand the business in Germany and Europe, Yu Yajun commissioned the Aachen agency TEMA Technologie Marketing AG to advise on and implement necessary measures. With TEMA's support, Amate Technology became a member of the M2M Alliance in November 2012. M2M stands for

'Machine to Machine' and represents the automated exchange of information between machines themselves or between machines and a central control centre. The M2M Alliance is the largest association in this sector. It represents the economic interests of its members and promotes cooperation and information exchange between individual industries and companies. Yu Yajun began to set up the Aachen subsidiary in April 2013. A German team was charged with establishing business relationships with German and European customers for Amate Technology. From her own experience, Yu Yajun understood the importance of knowing and understanding the differences between China and Germany. Therefore, in June 2013, she invited her German employees to attend a ten-day training programme in China. The successful businesswoman believes that this gave her colleagues in Aachen a better understanding of the parent company, Chinese corporate culture and a different management style. A relevant experience on the ground is much more effective than simply relaying information that lacks practical relevance – Yu Yajun has been convinced of this since she participated in the MP in Germany. ■

**An SME in the technology industry must concentrate on one key area.**



# 'Massive Dimensions'

pany representatives participate at such meetings in China. To listen, but also to demonstrate how important the potential business partner is.

*How did that contact turn out?*

We reached a deal that very day, and today this partner distributes our stretch benders exclusively from Peking. We have already sold several machines to large automotive suppliers. Altogether, we have in the meantime received orders for EUR 4.3 million from China. Machinery worth EUR 1.5 million has already been supplied, and the rest is still being built.

*Was the visit to China worth it in other ways?*

Definitely. I would recommend that anyone interested in the market go on a training trip like this one. We visited a lot of exciting companies and saw a great deal. It was amazing to see that you can walk through a workshop in China for an hour and it never seems to end! These are massive dimensions that we cannot even begin to imagine here. It really gives you a feel for this huge market.

*Would you like to add more foreign markets this way in future?*

For right now, we are happy to have found the right partner in China. This is more than enough for our company for the time being. ■



Metal processing facility (Günther Wensing GmbH)



In November 2012, Munsterland mechanical engineer Jens Wensing participated in a training trip organised by GIZ as part of the 'Fit for Business with China' programme. During his time in China, he concluded a contract with a Chinese partner and now ships his equipment to automobile suppliers in China. In an interview with the business journalist David Selbach, Wensing recommends the programme to any medium-sized company interested in China.

*Mr Wensing, so today even a smaller medium-sized company from Munsterland is globally active?*

**Jens Wensing:** Yes, of course. We sell our machines to Poland, Ireland and England, and now to China as well. Our export business is growing at around ten per cent a year.

*How do you secure orders from abroad?*

Customers almost always approach us, and we supply the machines to meet their individual needs. We don't advertise – and the only place we have a distribution partner is China.

*Who you found as part of the 'Fit for Business with China' programme?*

We were already in contact with a local agent, but I had the opportunity during

my time in the country to visit the potential distribution partner with him. It is very different to actually be in the country and meet the people there. Preparing for the trip helped me to better understand what I needed to consider when dealing with potential business partners. I really learned a lot during the two-day cultural training seminar before we left for China.

*Such as?*

How to correctly offer someone a business card with both hands. How important it is to respect and take the hierarchies in Chinese firms into account. Or simply the way participants at a business dinner toast one another. So when I met with the company that is my distribution partner – just me sitting across from twelve people – I knew that it was normal to have so many com-

**Günther Wensing GmbH & Co. KG  
Stadtlohn**

In the beginning, company founder Günther Wensing produced a patented bottle opener used to open all the bottles in a case of beer at the same time. Now his son Jens (Managing Director), Hans-Gerd Heming (Managing Director) and Dieter Dasbeck (Partner) manage the business, where 70 employees build 20 to 40 machines a year. These are mostly plants for processing metal used in the production of body parts for the automobile industry. The firm is growing: Wensing anticipates turnover of EUR 8.5 million in 2014, and every year the medium-sized firm adds around 20 percent.



# Growth through Improved Motivation

Anna Grigoryeva, Managing Director of the family-run 'Special System' company in Belarus, was looking to better her management skills through training. In 2011 she participated in the BMWi Manager Training Programme.



**Vitebsk.** The 'Special System' research and production centre in the Belarusian city of Vitebsk works in the development, production and implementation of measuring systems. These monitor gas, water or heat consumption for industry, electricity producers, municipalities and agriculture. The family firm was founded in 1992, is now one of the oldest private companies in Belarus and employs 35 people. In 2003 Anna Grigoryeva joined her parents' firm as Marketing Director before becoming Managing Director in February 2014.

While training in Germany, the young entrepreneur wanted to expand her knowledge of management and gather ideas to drive the future development

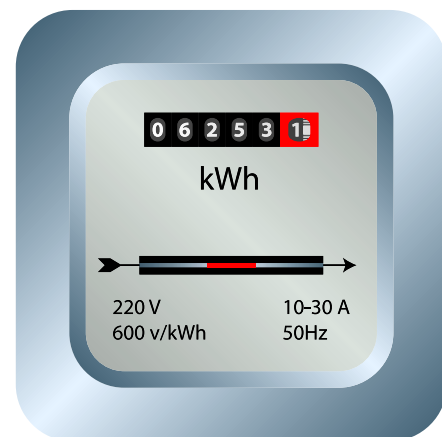
of the 'Special System'. She was particularly interested in innovative management methods, marketing instruments, budgeting and modern production processes. On company visits and during the management seminars, Grigoryeva learned how to streamline her company's cumbersome organisational structure. Today the firm is structured more logically; processes can be controlled better making them more dynamic. The entrepreneur also implemented some restructuring while introducing a quality management system in accordance with ISO 9001. She clarified duties and areas of responsibility for individual employees, simplifying traceability. The introduction of CRM software for customer relations management made the firm more transparent and efficient – and promptly doubled turnover from 2011 to mid-2013. Additional innovations: employees share the profits generated by the company's success, which can amount to an entire month's salary. This has also promoted growth and brought recognition. In 2012 the Vitebsk city government honoured 'Special System' for their good working



conditions and team spirit as 'best employer in Vitebsk' in the small company category.

Grigoryeva is an active member of the 'Association of Employers and Entrepreneurs' and the chairman of its 'Club of Young Entrepreneurs'. With other club members she has already organised six meetings with students from Vitebsk universities where the young chief executives talked to the students about their practical experience as entrepreneurs.

As an alumnus of the Manager Training Programme, Grigoryeva maintains many important contacts to MP graduates in other countries: 'During the programme I made some really good friends who share my ideas and interests. Informal exchange is sometimes just as fruitful as the seminars. And at the most recent alumni meeting in Alma-Ata, I even found a Kazakh business partner.' ■



The Manager Training Programme in Germany decisively changed Mikhail Boyarkin's professional life. The Managing Director of Lesnaya Niva, a company that has primarily specialised in animal husbandry and agriculture to date, discovered new business areas and found German partner companies who could offer the right know-how to support his plans. The highlights included a German-Russian joint venture for particle boards, wood pellet production, and tractor technology.



**Ulyanovsk / Staraya Mayna.** Mikhail Boyarkin has frequently travelled to Germany since 2011. 'The interactive training and many company visits have provided me with invaluable practical experience and an opportunity to find the right business partners,' the entrepreneur reflects on his training as part of the MP. The local Ulyanovsk government offered support for his biggest project – the construction of a manufacturing plant for the innovative production of MDF and OSB. With a total volume of 180 million euros, Lesnaya Niva founded a joint venture with VanBeta GmbH from Bavaria. In autumn 2013, the project received the BMWi Innovation Prize at the 15th anniversary celebration of the MP with Russia. The first sheets of derived timber product are scheduled to be delivered at the end of 2014.

During company visits in Germany, Boyarkin looked at agricultural machines made by Weidemann GmbH in Hessen and was very impressed. He immediately recognised how useful and versatile the

manoeuvrable tractors and telehandlers would be in agriculture and forestry and assumed responsibility for sales of Weidemann technology in his region. The first four vehicles are already showing off their skills on the fields of Volga. A meeting with the Weidemann Board of Directors is planned for summer 2014 in Staraya Mayna, where the construction of a manufacturing line for Weidemann tractors in Russia is on the agenda.

A wood pellet production line from Germany came online in November 2013 – two years after the supply and installation contract with Amandus Kahl GmbH from Schleswig-Holstein was signed. The plant will produce 40,000 tons of pellets annually from the waste

## An Initial Spark

left over from wood processing. The 1.6 million euro investment will quickly redeem itself – the ecologically friendly method of generating heat is popular in Russia and in Europe. 'Unlike in Russia,

generating plants in Germany also burn pellets. This opens up a whole range of new possibilities', Boyarkin notes. But it also throws up unexpected hurdles. 10,000 tons of pellets delivered to Hungary, Italy and Germany by the end of May had to take the more expensive route through Belarus due to the tense political situation. The company is working very hard to establish a less expensive transportation route by ship.

Lesnaya Niva, initially more of a small firm, created around 900 jobs through new business areas and restructuring and grew into a medium-sized model company in just two years. 'Since I completed training at the Wirtschaftsakademie Schleswig-Holstein, I have sent four employees to the Presidential Programme, one of whom went to Germany in autumn 2013. This has not only expanded



their horizons; it was also an opportunity to learn about the advantages of German corporate culture and how to work like a European. Training in Germany accounts for 80 per cent of the entire programme's success,' is Boyarkin's positive summation. ■



# Made in Viet Nam

## From Low-Wage Country to Quality Seal?

How can companies cater to the increased demand for productivity and quality? Vietnamese alumni of the Manager Training Programme (MP) of the Federal Ministry for Economic Affairs and Energy considered just this question in March 2014. The outcomes of their seminar are not only relevant to Vietnam – they can also be transferred to other MP partner countries. Guest article by Jana Ackermann.



in the long term, the country must now face new challenges. The ever-higher wage level requires enhancements in productivity to operate profitably. Quality and the adherence to standards also play an increasingly important role in global competition.

The MP alumni's case studies and experience reports were based on concepts to sustainably boost the productivity and quality of their businesses in the long run. While the outcomes of this seminar specifically apply to Viet Nam, a similar analysis could also be prepared for the other MP partner countries.

### How can productivity and quality be enhanced?

Changes to productivity and quality by no means follow a simple formula. Three fields can be identified in which an analysis can help achieve lasting improvements: structure, processes and workforce. As a rule, productivity issues are the result of deficits in all three areas, which exacerbate one another. However, for analysis purposes, these three fields can be considered individually.

#### Structure

Primarily the question of the most appropriate company structure is considered here. This depends on a number of factors, such as the company size, internationality, product and history. Notwithstanding this, Vietnamese and

locally-managed companies often follow hierarchical structures, whereby one single person is responsible for the majority of decisions, external contacts and permits. Such a structure with centralised powers is not necessarily a disadvantage. However, the potential for flexibility to adjust to changes is lacking. What's more, a feeling of a lack of control and transparency can soon arise, which is incompatible with the requirements of the global market (e.g. standards) and the demands of potential investors and the parent company. In addition, there is a risk that incorrect or slow decisions may be reached, which contradict the goal of increased productivity and quality. To remain competitive in the long term, the structures should particularly be questioned when companies grow rapidly.

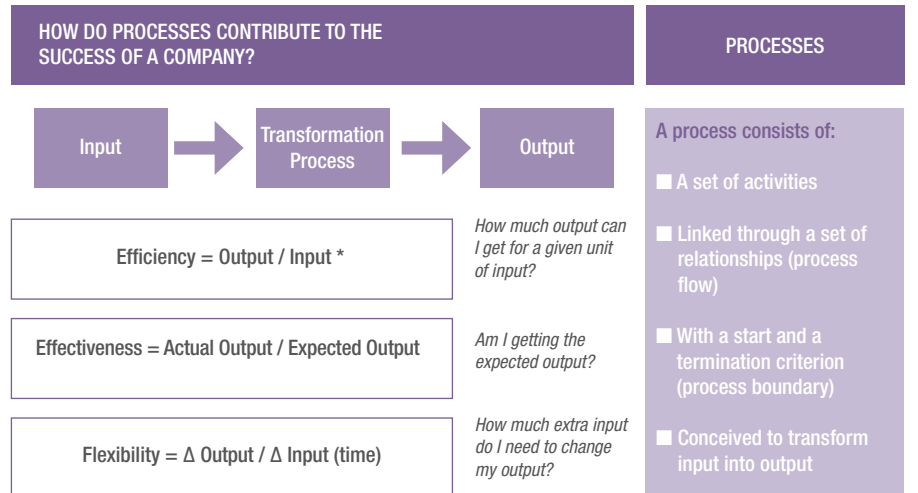
### 'Decisions are often made by one single person here. But how can this person really have all aspects in check?'

Participant in the MP alumni seminar, Viet Nam 2014

#### Processes

To review a company's process landscape, the term 'process' should first be understood correctly. A 'process' is commonly understood to be activities linked through a set of relationships. Processes have start and termination criteria, and lead to a result. This definition already makes clear that processes exist within every company – regardless of the industry, structure or size. Put simply: processes describe how things are made. An understanding of the process landscape is essential to analyse whether things can be done better or differently to ultimately enhance productivity.

In a first step, the core processes within the company are identified to determine how responsibilities and activities are assigned. The core processes should be derived from the company purpose, i.e. a bank has different core processes to a logistics company or architecture firm. What are the core activities? Where is value created? What does the company stand for? In a second step, weaknesses in the existing processes are identified. Are responsibilities correctly allocated? Are activities duplicated? Do sufficient controls exist? In a third step, changes



\* Input might include a fraction of resources consumed in the delivery cycle.

are implemented and responsibilities defined. The establishment of measurable indicators and definition of binding target values is advisable to enable lasting and continuous improvements.

#### Workforce

Training and the advancement of employees is particularly necessary in labour-intensive companies to improve productivity and quality. Among others, this includes the reward and bonus systems, which contribute significantly to employee motivation. Those who train primarily the management executives can influence the work climate accordingly. Within this, it should be made clear to the employees that constructive criticism and suggestions for improvement are always welcome. Not only product and process training is necessary here, but also a cultural understanding to accompany a rethink. Formalised rules and requirements can also help.

### 'Management executives should learn to negotiate on the basis of rules and principles rather than emotions.'

Participant in the MP alumni seminar, Viet Nam 2014

#### What does this mean in the long term?

The above graphic is undoubtedly an extremely simplified outline of the current challenges, which can differ greatly from company to company. The understanding

that only significant growth in productivity can secure lasting profitability and growth is essential though. For companies, the focus is primarily on profitability goals. To boost the appeal of Viet Nam as a location, the government must also resort to regulatory measures, which are omitted in this article.

### 'I understand the necessity, but implementation is difficult, particularly within public companies.'

Participant in the MP alumni seminar, Viet Nam 2014

The factor of cheap labour will naturally continue to influence the choice of location as it has in the past. However, in the long term, systematic and continuous improvement processes should become an integral component of every company to meet the challenges of the global market regardless of the location. Only in this way can the 'Made in Viet Nam' seal become a quality seal. ■



According to a study by the management consultants at the McKinsey Global Institute, Viet Nam's future growth will no longer primarily be achieved through cheap labour or the structural shift from an agricultural to an industrial state. Rather, significant productivity increases in production and services must ensure lasting growth. According to the study, growth rates of around 50 per cent must be achieved to meet the government's growth aims for 2020. But what does this mean in concrete terms for Vietnamese businesses?

#### Why are changes necessary?

Since the reform campaign of the 1980s ('Doi Moi,' Vietnamese for 'renewal'), Viet Nam has been characterised by continuous modernisation and liberalisation. Particularly the shift from agricultural to industrial state and the young workforce have had a considerable impact on growth. Motivation and ambition have earned Viet Nam a reputation as 'Asia's Prussia.' However, the 'Made in Viet Nam' label is also often associated with low-wage sectors. To ensure growth



Jana Marlen Ackermann has lived and worked in Viet Nam since January 2013. Previously she worked in corporate audit and regional coordination at Bayer AG in Germany.





# Hermes Cover for Mongolia

Growth rates of 11 per cent and more have been recorded in Mongolia in the past three years – and all indicators point to a continuation of this trend. Yet this rapid pace of development also comes with a growing need for financing. How to meet these financing needs with the assistance of the export guarantees offered by the German government was the main topic explored by MP alumni at a seminar held in Ulan Bator on 19 and 20 May 2014. An article by guest contributor Andreas Steinborn.

**Ulan Bator.** Around 40 members of the MonGerAlumni association gathered on the morning of 19 May in the heart of the Mongolian capital to learn about financing opportunities in connection with the export credit guarantees provided by the government of the Federal Republic of Germany. Dunkhu Bekh-Ochir, president of this especially active alumni association, noted the great interest among association members in this financing instrument; although it has remained relatively obscure to date, it can be used to finance a diverse range of projects in Mongolia. Owners and managing directors of Mongolian companies, some market leaders among them, along with representatives from government ministries and administrative bodies, as well as representatives from higher education, set aside two entire days to explore this highly relevant topic.

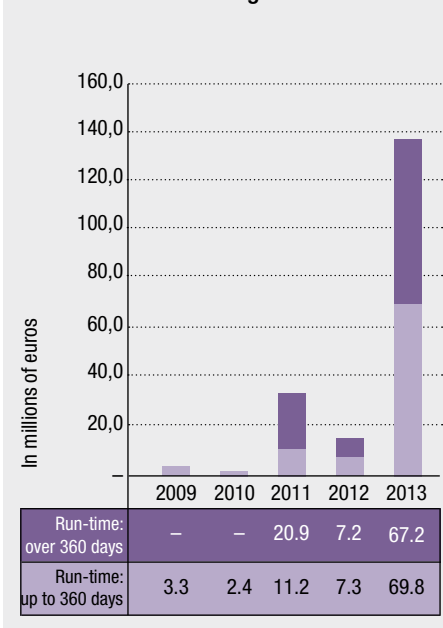
Participants learned about a broad range of topics: from an introduction to potential financing options for companies in general to the principal collateral instruments for all types of financing, the presenters discussed the methodological foundations and their practical experience with credit evaluation of companies. This is a crucial aspect, since those responsible for granting credit require companies to have assessed credit that is sufficient to enter into a loan relationship, approve credit terms and grant lines of credit – whether they be credit managers at companies or credit assessors at financial institutions or credit insurers.

Mongolian companies face a special set of challenges. Despite the impressive growth of recent years, Mongolia's country risk is still categorized as problematic – the country is still in Category 5 of the 7-point

OECD country risk scale. This categorisation is the reason many private credit providers are not yet providing protective cover for deliveries to Mongolian companies. Similarly, those responsible for credit matters at German companies generally require that applications for granting credit terms be backed up by valuable collateral.

Yet 88 years ago, an instrument intended for precisely such circumstances was devised in Germany: a government export financing instrument in which the state assumes the majority of the payment default risk in connection with exports to countries with a high risk rating. This financing instrument is known as Hermes cover, after Hermes (since 2002, Euler Hermes) Kreditversicherungs-AG, a provider of services on behalf of the government, which has been involved in the scheme since the outset alongside the management consultancy PwC.

Hermes cover for Mongolia



Hermes cover is also available for exports to Mongolia. According to a recent country resolution, there are no formal financing restrictions for short-term credit terms up to one year. In this context, the creditworthiness of the Mongolian company purchasing supplies is reviewed and a decision is made whether to grant the credit. If the company's creditworthiness is rated as insufficient, bank guarantees can nevertheless result in positive credit decisions in the company's favour. In the past two years the Development Bank of Mongolia, Golomt Bank and the Trade and Development Bank of Mongolia have been accepted as issuers of bank guarantees.

There are also financing options for medium to long credit terms of one year or more – but only following assessment of the specific situation. Project financing and other forms of structured financing can also be provided, in some cases on an offset transaction basis. Even investment guarantees for German investors with long-term commitments are conceivable for projects in Mongolia.

This German government instrument was, for a long time, rather symbolic in relation to Mongolia. From 1999 to 2010 approved financing lay in the range of EUR 0.4 million to 3.3 million. Then in 2011 the volume increased significantly, to EUR 32 million and an impressive EUR 137 million in 2013 – with an increasing number of applications.

The later seminar sessions dealt with how Hermes cover could be exploited to ensure that this growth does not diminish. The great interest among participants was reflected in the numerous applications, some for extremely concrete project proposals. The impression of Khatantuul Enkhbold, a representative of the Mongolian Agriculture Ministry, likely reflects the experience of most

participants: 'The two-day seminar was very interesting. Although a lot of information was presented, it was presented effectively.' Baasantseren Semjid of the Nanometal company underscored how important such seminars are for the development of the medium-sized business community in Mongolia: 'First of all I would like to express my thanks to the organizers for this seminar, which is so important to us. Although we have a wealth of ideas on how to develop new business opportunities, it is often extremely difficult to realise them. This is why it is crucial for us, the investors, to know whom we can contact for information on how to properly fill out the numerous documents, prepare for negotiations and get answers to any remaining questions.'

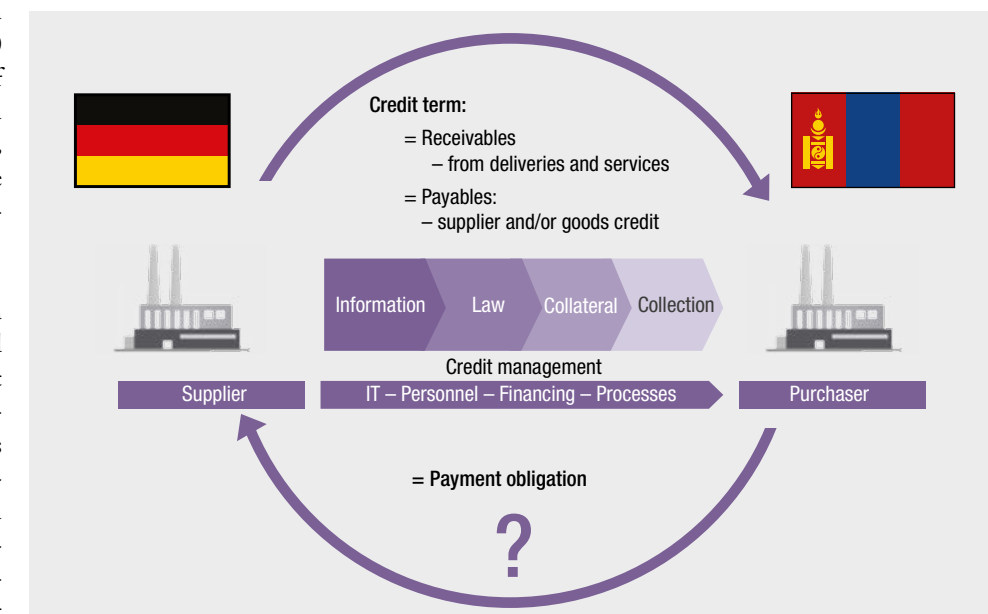
During the final ceremony at which the certificates of participation were conferred, Dambadarjaa Damdinjav, Managing Director of the MonGerAlumni Association, praised the involvement of GIZ within the framework of the MP; he emphasized how it is contributing to the very positive growth of Mongolian companies in close cooperation with German medium-sized companies – specifically

DELCREDA – founded by experts with many years of experience at the credit insurers Coface and Euler Hermes, the consultancy Creditreform, as well as the management consultancy AKS Consulting – offers companies consultation and solutions in the area of credit management. The company, currently with offices in Mainz and Moscow, specializes in drafting reports on companies, primarily those located in Russia and the CIS, brokering credit insurance and factoring solutions in Russia, as well as collection, financing consultation and process analysis in the area of credit management, as well as more general management consulting. Suppliers primarily from Germany and Western Europe, who provide loans to their customers in Russia, CIS and – likely soon – Mongolia, guaranteed by governmental or private loan insurers, are DELCREDA's customers – and potentially, the future partners of Mongolian companies.

through continuing education opportunities, practical observational opportunities in Germany as well as the referral of experts on Mongolia. At the closing group dinner, everyone expressed their personal impressions and expectations for the future, especially with regard to cooperation with German companies. ■



Andreas Steinborn worked for 20 years at Euler Hermes Kreditversicherungs-AG where from 2005 to 2010 he was responsible for establishing the Euler-Hermes unit in Russia. Afterwards he decided not to return to Germany and left this market leading company that operates under contract to the German government in this area to found DELCREDA, a group of companies that focuses on credit management, primarily in relation to Russia and the CIS.

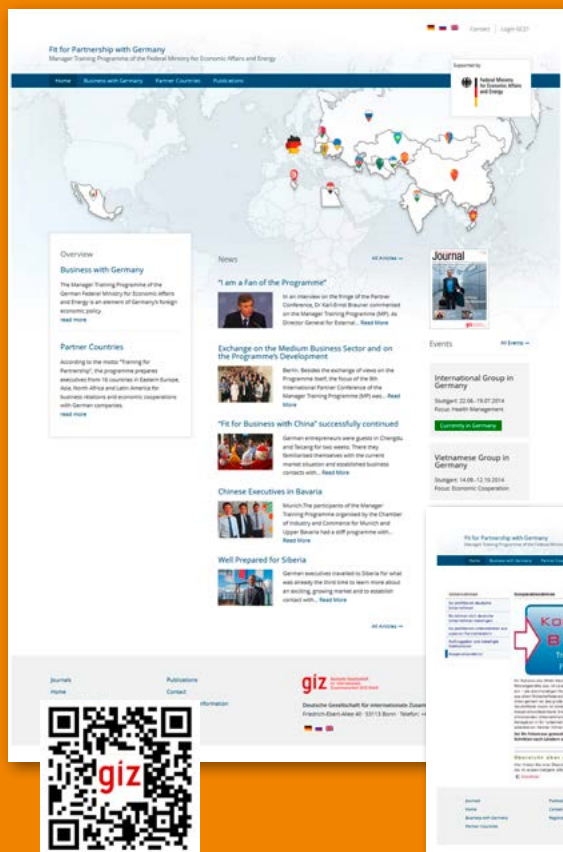




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