

رؤية
VISION
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

Saudi Arabia 2021 Eastern Province

Vision 2030 has placed the Eastern Province at the center of international trade and industry while attracting a fresh wave of foreign investment

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VISION 2030

THE EASTERN PROVINCE IS BECOMING THE LOGISTICS HUB OF THE PERSIAN GULF

Saudi Arabia is back, emerging from several crises which included a dramatic fall in oil prices on which the economy still largely depends and the more recent pandemic.

But now, with reforms carried out under the ambitious Vision 2030 plan by Crown Prince Mohammed Bin Salman beginning to bear fruit and with Covid-19 seemingly in retreat, the country with the region's biggest economy by far is rebounding.

Vision 2030 is aimed at weaning the Kingdom's economy off its reliance on petroleum, helping the private sector reach its full potential, boosting local industries and services while cutting down on imports, creating a viable export sector and providing gainful employment for the country's large youthful demographic, among many other goals.

One of the key programs is a multi-billion-dollar overhaul of the country's transport and logistics sector which has been a valuable component of Saudi Arabia's economy thousands of years before it became a nation.

Blessed by their geographic location at a point straddling the great trade routes linking Europe, Asia and Africa, the region's inhabitants used this hub to develop skills in trade and the infrastructure to move goods on land and sea.

Thanks to its oil wealth, the Kingdom built on these basics and today boasts world-class air, land and sea transport infrastructure which, coupled with its vibrant economy, has made it a global trading powerhouse.

And in a bid to ensure that the country will continue to advance as a trade and logistics hub for the world, the crown prince recently announced the National Transport and Logistics Strategy, saying it will "strengthen human and technical capabilities" to serve the sector.

"It will enhance the connection with the global economy and enable our country to invest its geographical position, in the middle of three continents, in diversifying our economy by establishing an



PRINCE
MOHAMMED
BIN SALMAN

CROWN PRINCE
SAUDI ARABIA



"THE NATIONAL TRANSPORT AND LOGISTICS STRATEGY WILL ENHANCE OUR CONNECTION TO THE GLOBAL ECONOMY"

advanced logistics services industry, building high-quality systems of services and applying competitive business models to enhance productivity and sustainability in the logistics sector," the crown prince said.

While these plans are to be carried out across the Kingdom, they will have a special impact on the Eastern Province, the largest and most important region in Saudi Arabia which accounts for most of the country's oil production and related industries.

Those economic activities ensure that the province is perhaps the most advanced in trade and logistics, whether it's shipping out oil, gas and petrochemicals to the world, or bringing in the equipment, supplies and other goods needed by those vital industries and the people who run them.

At the same time, the Eastern Province also hosts major companies active in steel, cement, aluminum, plastics, services and other industries the country needs to prosper.

Located on one of the world's most important sea routes through the Arabian Gulf and beyond, the Eastern Province also borders Kuwait, Qatar, Bahrain, the United Arab Emirates and Oman, all wealthy in their own right and, along with the Kingdom, members of the Gulf Cooperation Council, or GCC.

Back to Growth

It's easy to see that companies based in the Eastern Province have a wealth of opportunities to take advantage of the country's new economic turn and one that is doing so is Sedres Maritime Co. Ltd., a veteran operator with almost 30 years of experience.

"My father Zael F. Al Daihani started this business in 1993 after working for the state-owned petrochemical giant, Sabic, on the marine side," recalls CEO Fahad Al Daihani. "So he left and using his knowledge of the sector and seeing that there were gaps to fill in the market, he set up Sedres."

"We began operations in Jubail Industrial Port working as a ships' agent and also supplying food to ships. And from these two services, the company has grown so much."

Along with these original operations, Sedres now provides complete maritime logistics services including crew change, freight forwarding, land transport, customs clearance, engineering and contracting, and others through its joint-venture partners.

Like many Saudi companies, Sedres flourished between 2012 to 2014 when oil prices were high at a time the executive calls "the golden age". But with the later fall in prices, it hit a rough patch.

"When I joined the company in 2017 we were already into a year of decline but we were prospering thanks to my father's management style and the people around him who had been with Sedres for a long time.



**ZAEL F.
AL-DAIHANI**

**CHAIRMAN OF
SEDRES
MARITIME**

“AS WE MOVE ALONG WE WANT TO RIDE THE VISION OVER THE NEXT FIVE YEARS”

“But I felt the company needed a new vision and as vice president I parted ways with some people, brought in new talented individuals hired from leading companies,” he says.

“My father always taught me that as a service provider your biggest assets are your people so I took on people who I respected for their ethics and business practices.

In 2020, the CEO’s father took a step back to work on other projects and Al Daihani was named CEO, just in time to deal with the effects of the pandemic.

With the lockdown, business became very difficult with no one knowing what the situation would be a month, three months or six months in the future, compounded by the problems presented by the curfew.

But as other companies have done, Sedres moved to virtual meetings and around a year ago, Al Daihani begun to notice a turnaround in business as restrictions eased and life looked like it might return to normal.

Since the CEO took over, some 100 employees have been added to the payroll and the turnover has risen to between around \$53 million to \$67 million. Al Daihani argues that this return to a healthy economy is clearly aided by Vision 2030 programs.

“The Saudi government is being super generous on spending in the private sector through a program which translates

as “Partnership,” he explains. “It knows it cannot keep relying on oil and also that it needs to get more people out of the public sector and into working for the private sector.

“There is a lot of investment in entertainment, culture, tourism and so forth and that benefits us because we are bidding on catering contracts and are already working with two big European food suppliers.”

Sedres cooperates with a number of foreign companies through joint ventures and Al Daihani says he is keen on growing not only vertically through expanding its current markets but also by entering new sectors.

One such effort is investing in farmland in Ethiopia which the CEO says has a wealth of potential.

“Ethiopia, like Saudi Arabia, is really trying to attract global business people. We started there just a year ago and already you can see how we’re changing the lives of the people”, he says.

Closer to home, Sedres offers temporary employment opportunities of 28 weeks to selected deserving Saudi students as part of its corporate responsibility program. “These efforts are heartwarming because it’s a business but at the same time there is a human element to it and I want to enhance these projects as we go forward over the next five years and ride the wave of Vision 2030!”

Successful Partnership

Working with foreign partners is part of the DNA of Katoen Natie Khonaini Co., a division of the Khonaini International Co. which along with logistics has interests in housing construction, concrete and transport.

“We’ve had a joint partnership with the Belgian logistics platform engineering company, Katoen Natie, since 2007. It’s one of the largest in the world in that sector and we make sure we share one strategy here in the Kingdom,” says General Manager Hamad, A. Al-Raqtan.

Based in Antwerp, Katoen Natie builds logistics platforms of all sizes for single customer or multiple customer use often linked to a deep-sea terminal managed by the company’s port operations division. It is active in around two dozen countries, from Canada to Singapore.

The company’s platforms can handle consumer and industrial goods, general cargo and commodities, food and feed, and



“WITH THE HELP OF SDIF WE ARE VERY OPTIMISTIC ABOUT THE FUTURE IN LOGISTICS”

even valuable artwork, as well as petrochemicals which is its main business with Khonaini International in Jubail.

With improving logistics as one of the pillars of Vision 2030, the executive says the government plan has opened a lot of doors.

“Vision 2030 has allowed us to explore more opportunities in different sectors. Right now we’ve been focusing on petrochemicals but our partners have expertise in commodities and also storage facilities for medical goods,” he explains.

“So Vision 2030 could help us expand all over Saudi Arabia. We just set up operations in the Eastern Province three years ago so we have our footprint here and we planned to increase our presence but the pandemic forced us to rethink our strategy.”

Al-Raqtan says he sees signs of recovery in the market but no one knows what could happen and that demand has fluctuated. The last quarter of 2020 was very good for the company but not so good in the first quarter of this year.

Annual turnover is around \$27 million and the general manager says that should increase, along with the company’s 1,000-strong staff, as it seeks to expand.

“We’re building a team that can focus on the other sectors because there is a lot of opportunity out there,” he says. “We are trying to hire both overseas and here in





Saudi taking on fresh graduates and this is welcomed by our Belgian partner which is something we really appreciate.”

“There are a lot of Saudis working for us who started at the company from scratch and are now managers. So we can use their knowhow and the enthusiasm of the new graduates to work together, exchange knowledge and build a great team.”

As it carries out these plans, Katoen Natie Khonaini is also hoping for the support of the Saudi Industrial Development Fund (SIDF), a government-backed organization which provides mid-term and long-term loans to the Kingdom’s private industrial sector.

Since its founding in 1974, the fund has allocated billions of dollars and under Vision 2030 is targeting local companies in the industrial, mining, energy and logistics sectors.

“We’re very, very optimistic about the huge opportunities which will present themselves here in the Kingdom and that’s why we believe we can count on the help of the SIDF,” Al Raqtan says.

“It’s clear Saudi Arabia is once again on its way to becoming a world economic and industrial power!”

Experience is King

As the Kingdom races to meet the lofty goals of Vision 2030, companies taking part are in dire need of reliable industrial suppliers to ensure guaranteed and rapid delivery of a wide range of goods vital to their business.



OULA AL-AWWAD

DIRECTOR OF JALIB ADVANCED

“AT JALIB ADVANCED WE’RE OPEN TO FOREIGN PARTNERS THAT CAN PROVIDE VALUE”



This is where Jalib Advanced comes to the rescue, providing high-quality pipes, tubes, fittings, flanges, valves, plates, coils, fasteners, plates and much more, all of top grade carbon steel, stainless steel and alloys.

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Jalib Advanced’s third product is iron ore, the primary source for the world’s iron and steel industries, including mills in the Kingdom.

The procurement company’s clients include major industrial sectors such as oil and gas, petrochemicals, chemicals, mining, fertilizer, metals, energy and water. Jalib Advanced prides itself on its critical services dealing with emergency shutdowns, turnarounds and other project needs.

The brainchild of Abdulrahman S. Alawwad, the company was recently created in Jubail to take advantage of the new opportunities, as its Executive Manager and founder explains, “with the importance of local content and programs like IKTVA from Saudi Aramco and NUSANED from SABIC, it is the right time to invest in local industry.”

With over 30 years experience from Aramco and Sabic, Mr Alawwad saw the opportunity to create the company banking on his experience on spare parts and the client’s real demands, back in 2015.

And as the oil industry recovers, thanks to higher international prices, opportunities for partnership are perhaps better than ever. “We are open for international partners that can bring value to a partnership, and with our knowledge of the market and our experience possibilities are indeed very good”, the experienced manager explains.

Export Potential

As a global center for petroleum production and with one of the richest populations per capita in the world, it comes as no surprise that the Kingdom is a major automobile market in which Saudis take great care of their vehicles.

Benefitting from that practice is O2Proformance, a Saudi company of humble beginnings as a car detailing shop and which now provides professionals and vehicle owners alike with a line of top-grade auto care products.

“My partner, Faisal, and I started this business back in 2004 after graduating with industrial engineering degrees. We asked ourselves ‘Now what should we do?’ the answer was right away there, we like cars, why don’t we start from our passion, so we decided to start a car detailing center,” Managing Director Ahmed A. Al Hussaini recalls.

“There was no one doing such kind of business at the time so we opened our business and named it Shinyland. But it was tough going as we couldn’t get financing and we had to come up with our own.”

The hands-on experience learning about which car care products were the best and for which vehicle models, how much pH of each product affects interior materials and dozens of other lessons were invaluable to the budding businessmen.

“These are the things you can only

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AHMED A. AL HUSSAINI

MANAGING DIRECTOR OF O2PRO-FORMANCE

“IT IS NOW THE TIME TO BRING PARTNERS TO SAUDI ARABIA FOR OUR INDUSTRY”



learn by doing it yourself, by working with your own hands,” the executive says. “It takes time to understand these things so it was a very long journey.”

Three years after opening, the company expanded into Egypt as a base for further inroads into the North African market and in 2013 O2Proformance launched new products for the industrial, marine, military and domestic sectors.

O2Proformance currently owns eight brands and serves more than 3 million customers in Germany, the GCC countries, Libya, Jordan, Sudan and Palestine. And it is moving into Africa.

Surprisingly, Covid-19 turned out to be positive for the company, as its professional customers such as car detailing centers had to shut down. But at the same time its online business took off.

“People couldn’t go out and had nothing to do so we began a heavy promotion of



our car care line on our new e-store so they could use these products at home,” he explains. “These direct to consumer sales more than compensated for the loss from the professional outfits.”

Over the past three years, O2Proformance has tripled its annual turnover to approximately \$4 million, an increase spurred by the reforms brought in under Vision 2030.

“It has helped in so many things,” the managing director explains. “We now have an idea of where the market is going and what the government’s vision is for the economy, which sectors it will support. So we began to work to comply with the Vision to our benefit.”

A big step was taken last year when the company began manufacturing special oils and grease which reduce metal-on-metal friction by up to 71 per cent using an innovative additive.

“We make it here in the Kingdom under our Saudi brand and are now exporting it to Ghana. We’re looking to add it to our product portfolio throughout the Middle East and North Africa”, Al Hussaini says.

“I think we’ll be growing very, very quickly over the next few years, perhaps even tripling our business by 2024. It’s the time to do this and I would urge potential foreign investors to seize the moment and bring technology to Saudi Arabia to set up manufacturing operations with a local partner.”

Investors Welcome

A consumer product with a definite local connection is the business of Al Sedr Al Arabi which manufactures and markets tobacco for shisha, the popular flavored Middle Eastern hookah, or water pipe now smoked around the world.

“We’ve been in this business for more than 40 years,” says Farhan Mohsen Al Ghamdi, the CEO and son of the founder. “We have our factory in Jordan where four of the company’s 120 employees process the tobacco by using the latest automated machinery.”

“Our supplies come from Indonesia, China and Egypt and we sell the finished product in Saudi Arabia, Germany, China and Russia, with an annual turnover of around \$25 million. Our exports amount to around 80 tons per month.”

Originally a trading and restaurant operation, Al Sedr Al Arabi once imported



“SAUDI ARABIA HAS THE LARGEST POPULATION IN THE GCC AND MONEY TO SPEND”

chicken and red meat from Europe and owned and managed three restaurants in the Kingdom.

But the pandemic put paid to the restaurants which were sold and Al Ghamdi got out of food importing.

“At the moment we’re focused on the tobacco business with Saudi Arabia as our biggest customer and it makes sense as it’s the largest market for everything in the Middle East at the moment,” he explains.

“This makes it very interesting for foreign investors. When I travel to Germany, Turkey or Jordan, for example, and tell people I’m from Saudi Arabia they all ask if they can do business with us.”

Despite the pro-business reforms launched under Vision 2030, the executive says there are still problems for companies like his with high taxes which, he argues, make the Kingdom the most expensive country in the Gulf.

“But it’s worth doing business here as we have the highest population in the region and people have money to spend. So I would recommend interested investors to come to the Kingdom,” Al Ghamdi says.

“Saudi Arabia could be more important economically than Europe or America in the future with the unlimited opportunities and the high cash flow of the Saudi people.”



REAL ESTATE & CONSTRUCTION

VISION 2030 AND ITS HOUSING PROGRAM MEANS BIG BUSINESS IN DAMMAM AND KHOBAR

One of the key pillars of Vision 2030 is the government effort to get more Saudi citizens to become home owners with the goal to increase local home ownership to 70 per cent by 2030, triggering a boom in the real estate and construction sectors.

And this is clearly happening in the Eastern Province where the number of residential transactions have increased by around 70 per cent over the past several years helped by the expansion of the mortgage market, huge housing projects and improved consumer confidence.

Speaking of the government-led mortgage scheme, Housing Minister Majed Al Hogail termed it "a very generous program. It's enabling the private sector by reducing its risk to a certain level."

At the same time, the Kingdom's recovering economy is fueling office and commercial building in the region which has long been the most important province economically. New government projects are bringing in more businesses and retail operations all looking for property to rent or buy.

As in the rest of the Kingdom, new leisure mega-projects are planned and one of the most exciting in the region is the Al Khobar waterfront public-private partnership development project combining venues for high-end shopping, entertainment and fine dining, as well as a luxury hotel complex.

Unique Lifestyle

One of the oldest Saudi companies active in the real estate sector is Rashed AlRashed & Sons Group based in Al Khobar and whose General Manager, Tariq Ahmed Baswaid, says real estate is showing signs of renewed growth.



TARIQ AHMED BASWAID

GENERAL MANAGER OF AL RASHED REAL ESTATE

"WE ARE OFFERING GATED RESIDENTIAL COMPOUNDS WITH A UNIQUE LIFESTYLE"

"I see the recovery already in real estate and especially in housing. You also see a lot of projects in entertainment which the government wants to expand as part of Vision 2030," he says.

"But housing is particularly important for us as we were the first developers in Saudi Arabia to come up with the concept of gated residential compounds designed to provide a unique lifestyle."

"And we continue in this business and compounds are now the most important part of the real estate division. We're finishing the biggest compound project in the Eastern Province with two international schools, one British and the other American," he says.

The division also works with others in the group on developing malls and other projects.

The group got its start in 1950 when the founder, Rashed AlRashed, saw that the Kingdom would need large-scale infrastructure development and set up a building

materials division.

Real estate was the next sector attracting the founder and over the years the group has expanded its portfolio to be a major player in investment, cement, finished materials, contracting, industrial products, automotive products and food.

"Real estate is still the most important sector in the group after investment," Baswaid says. "We're diversified as we are not only developers but also landowners and property managers through wholly-owned projects and joint ventures."

And he argues that Vision 2030 is sure to benefit Rashed AlRashed & Sons Group by boosting the Kingdom's economy through modernizing business practices, cutting bureaucracy and backing the opening up of new sectors.

"Working with the government has become so much easier and if we face a problem it is solved much more rapidly than before," he says.

"Vision 2030 impacts the quality of the projects and that should boost demand in the market over the next ten years. And there is this new focus on many areas which were unknown in Saudi Arabia before, like tourism," he explains.

"You're seeing new investment, not only in the Eastern Province but also in Riyadh, the Red Sea and the government is aiming to host 30 million people a year in Makkah."

But until the government's plans for the future mega-projects mainly located on the Red Sea become clearer, the real estate



te division of the group is concentrating on planning developments in the Saudi capital and Makkah.

The general manager sees entertainment venues as another exciting sector, predicting leisure will be “big business” for both locals and foreigners alike.

“Plus, as the economy rebounds more foreigners will be coming here as the visa process has been streamlined. That’s good for us as they will need housing compounds,” he says.

“This country right now is truly the land of opportunity. It is definitely the right time to enter the Saudi market and Vision 2030 clearly supports foreign investment. That will be good for everyone”.

Aiming at Mega-Projects

Investing in leisure, tourism and sports is also the advice of Hazem Habashi, the newly appointed general manager at Alascon Co.Ltd, one of the Eastern Province’s best known companies involved in construction and related fields.

“This goes hand-in-hand with Vision 2030 which is putting so much emphasis on recreation, sports facilities, entertainment, etc. So that’s what we will be focusing on, along with medical projects which is also part of the Vision,” he says.

“And you see these projects going up everywhere. Cinemas, outdoor arenas, athletic installations and in the healthcare sector lots of large medical centers and hospitals.”

Habashi joined Alascon recently after a 30-year career in another company involved in engineering, consultancy and project management during which he worked with Alascon on several projects.

“But I wanted to have an impact in the construction field. Joining the company benefitted both of us and if you feel someone is really interested in both developing and expanding with the same passion and mentality as your own it encourages you to take up this new challenge,” he explains.

Based in Al Khobar where it was founded in 2002, Alascon today operates in civil and mechanical engineering, electrical installation and instrumentation, HVAC, oil and gas



HAZEM HABASHI

GENERAL MANAGER OF ALASCON

“WITH VISION 2030, WE WILL FOCUS ON ENTERTAINMENT, RECREATION AND MEDICAL”

plant works and services, building trade services, human resources deployment, equipment rental and cathode protection services.

Among its many clients, both in the public and private sectors, are the Big Three of government companies: Aramco, Sabic and the Saudi Electricity Company.

“At the moment we’re doing a lot of work for Aramco, not in oil and gas but in construction, electromechanics and maintenance. Our own vision right now is to expand and deliver our experience and capabilities in the construction field,” the general manager says.

“The basis of our strategy is the three p’s: Profit, People and Planet. So we have to focus on these three main targets and in fact I am developing a strategic plan to do just that.”

Although Covid-19 affected Alascon by halting face-to-face meetings with clients and prevented around 10 per cent of its 1,000 employees to return to Saudi Arabia to work, the company weathered the pandemic well and used the downtime to restructure.

“It’s a transition period,” Habashi explains. “and I believe it will all be behind us

by the end of the year, so we’ve been working to correct any unsatisfactory practices.

“That will set us up to start 2022 on the right track, as we’re beginning to register our company in several big fields for new qualifications and accreditations here in the Saudi market and we want to get involved with the mega-projects associated with Vision 2030.

These include NEOM – The Line, a \$500 billion city of the future located in the extreme northwest of the Kingdom, and the nature-oriented Red Sea luxury tourism project which will incorporate 125 miles of pristine coastline.

“All of these future projects will hopefully help us reach the goal of tripling our current turnover of around \$27 million over the next four years,” he says.

New Business Era

Growth is also in the plans of Bamarouf Decoration Company (BAMA) as the country’s housing market expands exponentially with Vision 2030 providing new openings, according to General Manager Mohammad F. Al Amoudi.

“There is a saying. ‘for every change there is an opportunity’ and these circumstances provide opportunity for us as before sales were all based on people wanting cheaper prices.

“But now under Vision 2030 certain governmental projects are demanding quality and that’s where we stand out so we’re seeing a wealth of potential in all this new business.

Founded by the executive’s grandfather in Al Khobar back in 1969, BAMA offers flooring, ceilings and wall décor along with its own line of accessories such as screws, nails, tape and adhesives, its ceiling line includes mineral fiber, aluminum and gypsum tile and boards, while the wall products offered are high-pressure laminate and phenolic, cement and gypsum boards. The flooring line includes vinyl rolls and tiles.

The company does business in retail operations through its showrooms in major cities in all four geographic regions of the Kingdom and through project teams that





MOHAMMED F. AL AMOUDI

GENERAL
MANAGER
OF BAMA

“OUR MAIN STRENGTH HERE AT BAMA IS THE TRAINING OF ALL OF OUR EMPLOYEES”

work with engineers on building sites.

“Our main strength is the fine training of our employees,” the executive explains. “This gives them the extra knowledge of the products so they can either engage with retail customers or go out to the construction sites and get the deal done.”

BAMA works hard to employ young Saudis, both men and women, who Al Amoudi praises for their intelligence and work ethic, and whom the company puts first.

“During the pandemic, for example, we had to close all of our branches for two to three weeks and it was a challenge but the health of our employees is the priority so we did it.”

The closure coincided with Ramadan when business is traditionally slow and it



was decided to announce the extension of the shutdown beyond the end of the holiday.

“But then we got all these phone calls and emails from clients. We have commitments to the banks and our suppliers and we needed income to cover expenses and salaries so I decided to reopen safely, deals were done remotely and we were back in business,” he recalls.

“We’re very optimistic as the country reopens fully and my plan is to grow online as we are developing our own apps to for remote shopping and hopefully this will all be in place by the end of the year.”

“It feels,” he says, “that we’re at the beginning of a whole new era of doing business in Saudi Arabia!”

Investment Destination

Companies serving Saudi Arabia’s vast oil and gas industry are scattered across the Eastern Province and one of those that offers specialized services is Global Construction Contracting (GCC), founded in 2008 in Al Khobar.

“What we do is provide waterproofing services, industrial insulation and scaffolding works for the big players here, namely Saudi Electricity Company, Petrofac, King Khalid Medical City, various ministries and others,” explains founder, owner and Managing Director Mishaal Alsaeed.

“And Aramco and Sabic are two of our main clients with whom we work on their shutdown and maintenance jobs,” he adds. “Over the years we’ve honed our management skills to emerge as a major insulation contractor in the Kingdom.”

“Many of our almost 200 employees are very experienced engineers and with demand coming back, we plan to hire more,”

As a medium company, in order to survive GCC has to pay extra attention to its clients.

It does this by providing a complete service package through every step of the building process, from design to material discussion and from budgeting to site arrangement, plus round-the-clock customer support and services.

The managing director is bullish on Vision 2030, arguing that the program has revolutionized the economic and business landscape of Saudi Arabia, making it much easier for companies to function.

“Over the past 20 years, nothing was very well organized and before Vision 2030, business was a very gray area, it was never certain where we were going both as a country and as a company. Now it is all very



MISHAAL ALSAEED

MANAGING
DIRECTOR OF
GCC - GLOBAL
CONSTRUCTION
CONTRACTING

“WITH THE VISION IT IS VERY CLEAR WHERE THE PUBLIC INVESTMENT IS HEADED”

clear and you can see where public investment is headed,” he says.

“The new government websites publish everything we need to know as a business operator, permits and other regulatory requirements can be done online and it is all moving very smoothly.

“Things are happening and that’s a good thing. We see that manufacturing has a lot of government support, followed by contracting. Maybe trading not so much as with the emphasis on local content, importers could suffer.”

With sector demand on the rebound, the managing director says growth is firmly on the horizon and already he predicts turnover in 2022 to increase by 30 per cent.

“For growth,” he says, “you need two things: manpower and cash flow. Regarding the latter, now banks are being very supportive, especially for the SME’s, because of government pressure and guarantees.”



Potential foreign investors are also noting the new optimism in Saudi Arabia, he says.

“Ten years ago I was trying to talk some 20 companies into coming to the Kingdom, But now it’s turned around and they want to come here to work with me. I’m holding back because I can’t do all these projects at once and I want to pick only the best!”

Safe Growth

Possible partnerships with foreign investors is also on the agenda for John S. Bou Samra, the general manager of Al Khobar-based construction, engineering and contracting firm Rawaf Global Co. Ltd.

“We would be looking for someone from Europe or beyond who has a real interest in investing in our business which is primarily focused on steel structures,” he explains.

Rawaf Global also operates a small facility where it manufactures steel structures for its own use as well as for other operators in the sector for factories, stores and other commercial buildings, warehouses, exhibitions, workshops and for shading outside areas.

Established in 1978, the company employs around 70 people and posts an annual turnover of around \$13 million, according to the general manager.

“We were doing very well before the pandemic which made doing business very hard for everyone,” Bou Samra says. “At the same time there was a big hike in taxes with some people wanting to build a project having to pay 15 per cent.

“For one project worth 1 million riyals (\$270,000) I had to pay 150,000 riyals (\$40,000). It was difficult.”

But the general manager says he feels the business environment is looking up and the company is hoping to get involved in the government-supported housing schemes, an important element in Vision 2030, with work concentrated in the Eastern Province.

“We’ve also secured some subcontracting work with Aramco,” he adds. “So it’s all good and I believe that within the next three years we’ll be safely growing, a goal I am constantly working towards.”



“I BELIEVE THAT IN THE NEXT THREE YEARS THERE WILL BE CONDITIONS FOR GROWTH”

Workers Needed

Another company seeing new opportunities opening is Construction & Building Contracting Co. (CBC), with General Manager Raied Mohammed Rashid Al Dhaher saying, “this year is better than last year and things are just getting better.

“The market is absolutely recovering and the proof is that our company just signed new contracts for a chemical plant and a big, government housing complex with hundreds of villas.”

Since its establishment in 2014 building villas, CBC has expanded and now offers a range of services in the sector for residential, commercial and government and public sector projects.

It’s civil construction division handles building while its electrical-mechanical division carries out design, procurement, installation, testing and commissioning of electrical, air conditioning, plumbing, sanitary, instrumentation, telecommunication and fire-fighting systems.

CBC also offers building maintenance, along with project and risk management services, the latter in cooperation

“ONCE NEGLECTED SECTORS LIKE ENTERTAINMENT ARE CURRENTLY OPENING UP”

with Australia-based ERSG.

“Whether it’s a retail store, restaurant, or shopping mall, internal or external office renovation, mosque or school addition, hotel or hospital construction or remodeling, we can do it,” the executive says.

As with most other companies, CBC saw a fall-off in business due to Covid-19 but the main problem for the firm was maintaining staff levels and that hurdle still remains.

“I can’t get the people I need in the first place and I now have 12 visas approved for bringing in expat workers as I could not find anyone locally,” Al Dhaher explains.

“We still have this problem of these people traveling here from other countries and hopefully after the pandemic issue is over things will be better.”

“And that’s how it is going throughout the Kingdom,” he adds. “There are all these huge projects everywhere and we’re now opening up entertainment and other once-neglected sectors. It’s amazing!”

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HEAVY INDUSTRY & VISION 2030

DEMAND COMES BACK AND EXPORT SOARS AS VISION 2030 HELPS HEAVY INDUSTRY GROW

Giving a big boost to industry in Saudi Arabia to move the economy off its heavy reliance on oil and gas is a major platform of Crown Prince Mohammed Bin Salman's Vision 2030 and the goals are certainly ambitious.

Beside diversifying the economy, further "Made in Saudi Arabia" industrial development will help wean the Kingdom off imports, provide meaningful employment for the country's huge youth demographic, develop human capital, increase productivity and lure foreign investment.

In a bid to jumpstart industrialization, the government has created the new Ministry of Industry and Mineral Resources which is now playing a major role in the effort.

"We will strengthen cooperation and integration between the industry and mineral resources system in order to attract more domestic and foreign investment," Minister of Industry and Mineral Resources Bandar Al-Khorayef said at the new ministry's inauguration.

"And we will support export operations so that Saudi products become an important part of the international economic system," he added.

Along with its wealth to fund the transformation Saudi Arabia already has a distinct advantage as it produces the largest industrial output in the Middle East and enjoys an extensive manufacturing sector turning out everything from food and beverages to construction materials and from plastics to medical supplies, and much more.

Indeed, from 1974 to 2018 the number of Saudi factories increased from just a few hundred to almost 8,000, while invested capital, non-oil exports and the number of industrial workers also rose.



BANDAR AL-KHORAYEF

MINISTER OF INDUSTRY & MINERAL RESOURCES



"WE WILL SUPPORT EXPORT OPERATIONS OF THE SAUDI PRODUCTS INTERNATIONALLY"

"SAUDI ARABIA IS OPEN FOR BUSINESS AND IT IS NOW A GREAT PLACE TO INVEST"



Local Content

The Eastern Province already boasts an industrial base with many firms supplying or working with the giant government petroleum, petrochemical and energy companies located there and the sector will certainly grow with Vision 2030's emphasis on industry.

Counting on that is Sami A. Al Gannas, the general manager of AL-Ittefaq in the central region and sales general manager for Al Faisal Steel, both part of the ISPC group, which is the country's largest private sector steel manufacturer.

"The industry has benefitted from Vision 2030 with its making local content a priority by requiring companies to buy Saudi and this support is very important for us," he explains.

"Secondly, Vision 2030 is directly supporting the industry by urging investment and the employment of our young people. And for us, incentives and reducing the cost of labor has been a huge help to ISPC."

Cutting labor costs was particularly important during the Covid-19 crisis when the steel giant, like so many other business

concerns, suffered a steep decline in sales.

"Work stopped or was postponed and that hit demand very hard which, of course, affected us negatively," the general manager recalls. "But on the other hand, some big projects continued which we were supplying through long-term contracts so we managed the pandemic fairly well."

Headquartered in Dammam, AL-Ittefaq Steel Products is one of the ISPC Group's seven companies covering practically every aspect of steel production.

AL-Ittefaq itself and its downstream arm, AL-Faisal Steel, manufacture rebar, billets, galvanized steel wire, wire mesh, cold rolled coil and deformed bar, and related products.

Since its founding in 1989, ISPC has steadily acquired or merged with existing steel companies or creating new entities. There are now around 4,000 employees.

The group uses raw materials of only the highest quality and has state-of-the-art manufacturing facilities to produce durable and high-quality steel products at competitive prices.

The companies' cutting-edge tech-



nologies help to ensure custom-built steel products for any industry, including commercial, residential and agricultural applications.

All the group's products are in compliance with the Saudi Arabia Standards Organization and the respective international standards of the United Kingdom, the United States and Germany, with all the companies possessing ISO certifications.

"We're supplying products which are used throughout industry so we can tell when the economy is improving and we have definitely noticed activity is picking up," Al Gannas says.

"Some projects have restarted and some are new. This means demand is on the upswing and the overall economic situation is improving."

However, he cautions that one issue in the local steel market which is having an adverse effect on the industry is overcapacity with supply exceeding demand.

"If you look at production of all the steel companies in Saudi Arabia it's between 9 million and 11 million tons, but local demand is only 7 million tons, so it's clear that not everyone is working at full capacity," the general manager explains.

"So yes, there is recovery but the market could be in better shape. Having said that, we're confident we can reach the goals we've set."

Beyond those immediate goals, the executive says he hopes that within several years, the group can reach full capacity as the economy improves, fueled by projects triggered by Vision 2030.

"That's our game, we need the market to recover to the point that we can reach that production level with all the support the government is providing and we're following the same line as Prince Mohammad Bin Salman and the Vision," he says.

"Saudi Arabia is open for business and it's a great place to invest with choices and opportunities throughout the economy."

Government Support

Government assistance programs to industry are one of the many benefits of Vision 2030, says Meshari Al Jabr, the general manager of Gulf Carton Factory Co., a major producer of paper and corrugated cardboard packaging products mainly for the local food and beverage sector.

"We were just visited by a government



MESHARI AL JABR

GENERAL MANAGER OF GULF CARTON

"WITH THE SURGE IN ON-LINE SHOPPING AND E-COMMERCE OUR PRODUCTION WENT UP"



team from the industrial cities program which works with manufacturers like ourselves to increase productivity and this support is free of charge," he says.

"Then there are programs for financial support, free training for our employees, reduced electricity costs, cheap land and others, all part of Vision 2030."

Based in Al Ahsa, Gulf Carton was founded in 1994 and is part of the Al Jabr Holding Company conglomerate which is also active in general contracting, building materials, laundry services, soft drinks and smart chip manufacturing, and is the sole agent in the Kingdom for KIA automobiles and Haier home appliances.

Gulf Carton's product line from its more than 40,000-square-meter fully au-

tomated factory site with a 90,000-ton annual manufacturing capacity includes die-cut trays for packing water, soft drinks, dairy products and fruit and vegetables on automatic packing lines. I

It also makes slotted container boxes, pads, partitions, corrugated sheets, specially folded and glued boxes for frozen chicken and meat, and single face rolls and sheets used for protecting goods during shipment.

In addition, the company can turn out customized high-gloss printed graphics for packaging.

The pandemic had both good and bad effects on the company, the executive explains.

"Before Covid-19 the economy was slow but growing gradually but when the pandemic hit things were not at all clear and the country closed down for several months," he recalls.

"As we are part of the food industry supply chain, Gulf Carton did not close the factory but demand was not stable. With all the surge in e-commerce and online shopping, demand for many of our products went up.

"However, demand for some food and drink items went down because of the closure of restaurants," Al Jabr says.

Challenges remained. Industrial clients were reserving cash flow, looking at cutting costs and delaying expansion plans, all of which impacted Gulf Carton. While economic activity seemed to be returning to normal, early this year there was a huge





world-wide demand for corrugated carton.

Paper supplies in China dried up, forcing producers there to import raw materials which led to higher global prices.

“Prices,” the general manager says, “increased from December by almost 80 per cent and things have still not settled down in our sector. But it’s largely stable here in Saudi Arabia regarding logistics, production and business activity.”

“And, with people now getting used to online shopping thanks to the pandemic there is an increasing demand for corrugated cardboard boxes and we are expanding into paper bags, wraps as well as cups for the growing markets like coffes and restaurants .

“This upturn in business, coupled with the programs under Vision 2030 helping local industry, means that the Saudi market is a great place right now for investing.”

Growth Year

Doing just that is the life blood of Maz Industrial Investments Co. or MazInd, one of a number of companies belonging to Mashco Holding Co., a conglomerate with interests in a range of fields from trading, contracting and finance to the oil and gas industry, transportation and real estate.

MazInd develops Saudi industry through selected projects, research and shares acquisition. The company is expanding its portfolio through participation or acquisition of factories and construction of new factories with the latest technology while obtaining licenses and the necessary expertise.

“We were established in 2011 with the aim of investing in the industrial sector as the owner saw that the government wanted to boost industry. So he started in the steel sector and I was offered a job,” recalls General Manager Anas Abu Al Hija.

“By 2013 the steel plant was ready and I set up another division which is our

cement factory with German-made machinery and what was then the biggest production line in the Kingdom.”

Business flourished over the next few years as the rest of the world still wrestled with the effects of the 2008 economic crisis with profits soaring. Vision 2030 was announced in 2016 and that initially had a negative impact on business.

“There were changing rules for investors and the investment sector and we suffered because of higher taxes on foreign employees,” the executive explains. “Some of our clients had to slow down or stop their projects and our revenue, then around \$15 million, dropped to some \$12 million.

With the Saudi market largely moribund, company officials searched for a solution and hit on exporting to Kuwait and Bahrain with great success, with the neighboring markets eventually accounting for 50 per cent of production.

“Now we’re back to concentrating more on Saudi Arabia because with Vision 2030 there are all these huge government-funded projects like NEOM-The Line and three or four more,” Al Hija says.

“We see a need for our products in the central region, Riyadh and Jeddah, so we think 2021 will be good for us. Already the first quarter results have almost reached the levels of the good years.

“We’re back to 85 per cent of capacity and that hasn’t been seen in years!” he says.

Another change the general manager stresses is that now clients are demanding higher quality products in sectors like construction which requires manu-



“WE ARE BACK AT 85% OF CAPACITY, AND THAT LEVEL HASN'T BEEN SEEN IN YEARS”

facturers to boost the level of processing and finishing.

Consequently, materials, machinery and production lines need an upgrade and that means further outlay by investors like Maz Ind. “Some investors are a bit nervous about this and what we’re doing is approaching the government about loans,” Al Hija explains.

“We’re looking at opening a new production facility in the central area soon and our long term plans call for increasing our turnover to some \$250,000,000 within the next five years, especially in steel.”

“And there is talk of opening several more manufacturing facilities in the Kingdom to reach that goal. We’re marking our tenth anniversary this year and with all these changes linked to Vision 2030 now is the time to grow!”

Focus Change

Change was in order when Hussain Bukhamseen took over the reins of the family business, Bukhamseen Aluminum Factory from his father in 2012, the general manager says.

“My father, Ali, started the business almost 45 years ago and now we have a factory measuring around 65,000 square meters in Al Ahsa where our 100-strong staff produces uPVC windows, doors, skylights and other aluminum building materials,” he explains.

“At that time we used to focus on small villa projects and the residential sector. But when I came here the growth in that sector was slowing and I saw that the government was making this big effort in the education sector.

“So I switched our emphasis and since





“THE MARKET WILL BE ROBUST FOR YEARS TO COME, SO NOW IT'S THE RIGHT TIME TO INVEST”

then we've been working on schools, colleges, universities and related projects. In three years we did 150 schools, three colleges and two universities, King Faisal and Dammam,” he says

And changes taking place thanks to Vision 2030 are also affecting the company and economic activity as a whole, according to the general manager. Previously, government projects could take two to three years but that time span has been dramatically reduced in most cases.

“Since the Vision, projects were taking one, one-and-a-half or two years and this is much better regarding cash flow and the production cycle which is a huge jump for us,” he explains.

“Much of the improvement regards the regulation and negotiation process and a lot of this can be done online.”

Covid-19 also triggered a major transformation of the company from producing aluminum to uPVC which the

government was switching to as an environmental measure. Before the pandemic, it was imported from countries like China and Turkey. But with that supply cut, the government went local.

“The first project we had was 1,000 government-sponsored villas and it was a hassle for us to import the raw materials because of the pandemic.

“But the government had no choice, our product was cheaper and with the new stress on local products we finally hammered out a deal with the contractor. It all turned out well for everyone in the end,” Bukhamseen says.

All this new business helped the company triple turnover in 2020 to around \$6 million and the general manager hopes for doubling that figure this year as business booms.

This despite two major issues affecting the company: manpower and material supply.

“Between 85 and 95 per cent of our workers come from outside Saudi Arabia and so we have visa issues with some countries,” he says. “We need those workers now to take advantage of this surge in business but they can't get back here.”

The other challenge is the cost of importing the raw material for the uPVC.

“UPVC is manufactured locally by the big government petrochemical firm, Sabic. But then its shipped abroad and we have to import in back in the country. This is a huge issue of us and we have to urge the government to do something about it.”

“But I'm confident these issues will be straightened out eventually and all I can say is the market here will be robust for years to come so now is the right time to come here and do business.”

Location Advantage

Saudi Arabia's robust housing market is also fueling growth at Hawa Electrical Panel Board Factory which has been operating since 1977 from its headquarters in Dammam.

“We're mainly focused on the housing and energy sectors and one of Vision 2030's targets is to develop tens of thousands of residential units so that is where we are promoting and selling our distribution boards,” explains Manager Oday Mohammed Ibrahim.

“Housing is our biggest market and in



ODAY MOHAMMED IBRAHIM

MANAGER OF HAMA EPBF

“SOME PROJECTS HAD BEEN DELAYED, BUT THEY ARE NOW COMING BACK ON TRACK”



the energy sector our largest customer is the Saudi Electricity Company. Last year it issued new specifications to switch conductors from copper to aluminum.

“So we sent three panels of 200 amps, 600 amps and 1,600 amps to a third party laboratory for testing,” he says. “All of them passed the tests and so that increased the added values of our profile.”

A pioneer in the sector, Hawa EPBF boasts one of the most modern and largest electrical panel board manufacturing facilities in the Kingdom with a production area of 18,000 square meters, all fully computerized.

The company employs fully-trained wiremen and assemblers to ensure that the finished products are consistent and reliable and that customers receive a high level of service.

With a staff of 150, the firm's annual turnover is around \$3 million.

During the height of the Covid-19 crisis in Saudi Arabia, the factory closed for only one day but the pandemic did affect



costs with those of some raw materials rising by between 20 and 30 per cent and others by 100 per cent.

“Demand is still there and hasn’t been affected but maybe some projects were delayed by three to four months due to the lockdown,” the manager says. “But things are now moving again.”

“The first few months of this year were very good for us, however with Ramadan and the summer months, a lot of the decision makers among our clientele leave the country on vacation.

“But they’ll be back after August and so we’re expecting orders to pick up again,” Ibrahim says.

The executive wants Hawa EPBF to be closely associated with the mega-projects now underway across the country and plans to focus more on the capital and surrounding region.

“I want to increase our sales staff in Riyadh, especially targeting these big projects because that’s the way we can survive as there is not much business in the Eastern Province right now.

“However, it is a great location otherwise as we are close to three sea-ports, a major airport, there is the causeway to Bahrain and we’re just a few hours from Dubai. Land is also cheap to rent. These are all competitive advantages for businesses located here.”

In fact, he continues, the whole country enjoys a wealth of advantages for foreign investors due to the reforms carried out under Vision 2030.

“We ourselves are open to joint ventures with foreign firms. We now produce only low-voltage products and we’d like to partner with a company to make medium-voltage panels.

“Contractors here prefer European goods so a joint venture with a British, German or French company would allow us to penetrate new markets by offering a complete package including panels, lighting, cables, etc.,” he says.

“So if we can partner with a company supporting us, why not?”

Positive Changes

Once difficult tasks such as dealing with government bureaucracy, obtaining needed licenses and bidding on tenders have all improved thanks to the reforms taking place ushered in by Vision 2030, says Abdullah M Al-Qahtani.



ABDULLAH M. AL-QAHTANI
MANAGING DIRECTOR OF SEGIA GULF GENERAL CONTRACTING GROUP

“WITH TWO FACILITIES WE ARE PART OF THE VISION’S EFFORT TO BOOST LOCAL CONTENT”



“It is totally different from how we were doing business with the government before,” says the managing director of Segia Gulf General Contracting Group & Pre-cast, based in Dammam.

“Getting licenses and permits and all your documentation from the government can now all be done online.

“Everything is also more precise and it is all targeted now making for a major change in working solutions and well as the working environment,” he explains, important for a company with many government contracts.

Established in 1977, the group swiftly became a leading general contractor and has worked extensively in construction for the ministries of agriculture, transportation, education and several royal commissions,



as well as in maintenance, operations and general services.

“Around 15 years ago, we realized that we required a lot of pre-cast concrete products in our projects so we set up a factory to make our own,” the executive says. “Now we supply not only our own company but others as well.”

Segia Precast manufactures a wide range of pre-cast concrete including external paving tiles, barricades, external and internal wall panels and boundary walls using high-quality local materials and with numerous finishes suitable for industrial units, schools and residential and commercial buildings.

Yearly turnover for the group is around \$16 million.

“With that success, we decided to expand and discovering there was no pre-cast factory in northern Saudi Arabia we opened one in Al Jouf up by the border with Jordan.

“So with the two production facilities, we’re very much part of the government program to boost local content in state projects,” Al-Qahtani says.

It hasn’t all ways been smooth and the managing director says there have been some significant challenges such as adapting to new technology, obeying rules regarding Saudization and keeping up with all the updated rules and regulations coming from the government.

“These are just minor annoyances and with the increase in oil prices, all these giant government projects and the new business openings, I expect our business to double in the next three to four years,” he predicts.

“Everyone should be aware of the positive changes taking place in Saudi Arabia!”

INTERVIEW WITH MR. GHODRAN SAEED GHODRAN

Chairman of SAEED GHODRAN GROUP

A new era of growth and international partnerships opens for one of the oldest and most diversified groups in Saudi Arabia, as its Chairman explains how the holding is adapting to the opportunities brought in many different sectors by VISION 2030



“THERE ARE GOING TO BE A LOT OF GOOD OPPORTUNITIES COMING DOWN THE ROAD FOR ANY GROUP LIKE OURS”

the forefront of change in what can be a very conservative environment. One example of this is that for years, the founder took bold steps to employ women on the assembly line of its consumer goods factories.

Several times it had to end the experiment when the presence of women in a workspace triggered outrage, but the sheikh persisted and today the group is one of the country's leading employers of women.

Mixed Effects

As with many business groups with a diverse portfolio, the Saeed Ghodran Group was both helped and hindered by Covid-19.

“There was a drop off in certain activities because of the lockdown but healthcare, food supply and general trading did not stop because the society needed them,” the chairman explains.

“Our group saw sales decrease by 30 per cent in some areas but the government stood by the private sector and all the SME's. You could even say the government was incredible.”

“And I would argue that because of those efforts the country as a whole was minimally affected, not like some whose economies are based on tourism, for example,” he says.

However, the pandemic did delay the plans and expansion schemes of many businesses, forcing them to reevaluate their position. At the group, executives had to overhaul a five-year strategic plan which was to kick off in 2019.

“This group is big and it's a family business and for continuity I think over the next five years the best thing for some of our companies is to go publically listed, especially those the group fully owns and have many clients,” the CEO says.

“One example would be our petrochemical manufacturing business where we serve 54 countries worldwide. We're looking into doubling this number in the years to come, especially in sulfur production”

Saeed Ghodran Group has in the past participated in joint ventures with foreign partners and is willing to do so again, primarily in under-



served areas and in exporting activities.

“We're hungry to adopt all kinds of different ideas and now our aim is to export, motivated by the Vision and all this support we are receiving from the government,” he says.

Saudization is Key

One of the principle aims of Vision 2030 is expanding the leisure, entertainment and tourism sectors and the group is perfectly poised to benefit from several of its companies.

The group's Themes Events Management, which was in hiatus during the pandemic lockdown, handles charity and community service events, corporate events, exhibition organization, Ramadan activities and other social affairs.

In the tourism sector, the group owns and operates the Dhahran Palace Hotel and Godran Hotel & Resort and has wider interests in tourism, travel and accommodation.

Another target of Vision 2030 is to improve healthcare, a sector the group has long been involved in through Ghodran Medical City, its hospital operations and management division, pharmaceutical business and polyclinics.

The chairman is particularly keen on how the Vision's emphasis on Saudization will help the country's vast youth demographic enter the job market and have an unprecedented impact on the country's future.

“Most of our population is between the ages of 15 and 35. They are well educated and very eager to work to help us execute all these ambitious schemes,” he argues.

“This new generation is unlike the previous ones with their enthusiasm and I am impressed by their potential. I think anyone would be, especially those who visited Saudi Arabia ten years ago and can see the contrast now.”

And Ghodran strongly feels that foreign companies should take part as partners in this exciting era that Saudi Arabia is going through.

Saudi Arabia is home to dozens of business groups or conglomerates and many are involved in a myriad of sectors. But perhaps none is so widely diversified as the Saeed Ghodran Group based in the Eastern Province city of Dhahran.

And it is almost certainly one of the oldest groups in the Kingdom, established in 1940 and named for its founder, Sheikh Saeed Ali Khodran who is described by colleagues as a true visionary in business and a noted philanthropist.

Now, the group is eagerly embracing Vision 2030 and expects the reforms to revolutionize Saudi business practices and the entire economy of one of the wealthiest countries in the world.

“We all have to follow a plan that your country comes up with on how the future should evolve,” says Chairman Ghodran Saeed Ghodran.

“The Vision is doing so much for the private sector and to take full advantage we have to become more efficient, reach the goals being set out and grow, not only domestically but globally.”

“This is really something we can all be proud of and we're working closely with the Vision to ensure that the crown prince's plan is a solid success,” he adds.

Feminine Workforce

According to the executive, those managing Vision 2030 have made very sure that every business in the Kingdom, large or small and in every sector is fully aware of the benefits it can bring.

But, he cautions, the plan has many challenges in transforming the mindset of the business community used to the old ways and motivate those still stuck in the past to go along.

Saeed Ghodran Group is the perfect advocate for Vision 2030 as it is active in just about every sector: agriculture, manufacturing, healthcare, fast-moving consumer goods, logistics, consultancy, investment, event management, hospitality, media and marketing, and real estate.

But then the company has always been at

LIGHT INDUSTRY

DEMAND IS BACK AND SO ARE SECTORS LIKE FOOD, MEDICAL & FURNITURE

Saudi Arabia is undergoing what government officials like to describe as “another industrial revolution” or “Industry 4.0”, seeing it as an effort to put less emphasis on the heavy industries of the past such as oil and gas which provided the country with much of its wealth and instead encourage light industry.

This goes hand-in-hand with the goals of Vision 2030 such as diversifying the economy while expanding it, providing jobs, attracting technology, increasing non-petroleum exports and adhering to green principles.

“What we are trying to do through our new industrial policy is double the GDP, double the number of jobs and double exports, among other goals between now and 2030,” Minister of Industry and Mineral Resources Bandar Al-Khorayef told journalists.

“It’s not like the industries of previous times with their dark factories but rather high technology, innovation and a pleasant and safe work environment. The kinds of industries our young and bright Saudis will want to work in.”

Many of these industries are already established in the Eastern Province which is also attracting new ventures lured by the region’s good business location and growing population.

And as the country’s young demographic increases, these Saudis will have the means to enjoy more consumer goods and other products “Made in Saudi Arabia” that Vision 2030 will help provide.

Like their counterparts around the world many of those young Saudis are grabbing a coffee on the way to work from one of the hundreds of coffee shops which have sprung up around the Kingdom in recent years.



ASHRAF S. ALDAZAZ

CHAIRMAN OF DAZAZ SUGAR

“WE HAVE EXPANDED OUR PAYROLL AND SALES WERE UP BY AT LEAST 25 % IN 2020”



Coffe Shop Bonanza

It’s a good bet that their cappuccinos or lattes will be sweetened with sugar from the Al Dazaz Factory for Packing, also known as Dazaz Sugar a concern founded 20 years ago in Al Khobar by Chairman and CEO Ashraf S. Aldazaz.

“It was not easy when I started out,” he recalls. “I had to use my own money and it was tough those first few years trying to grow without proper funding.”

But Aldazaz persisted and now his company supplies restaurants, coffee shops and such prestigious hotel chains as Intercontinental, Four Seasons, Sheraton and Ritz-Carlton with a range of sugar packets.

Dazaz Sugar can also be found on the shelves of supermarkets not only in Saudi Arabia but throughout the GCC in Dubai, Bahrain and Kuwait, and at events served by catering companies.

The company produces white and brown sugar cubes, sticks and packets, as well as icing and brown sugars for baking, and salt and black pepper products.

One specialty product is what the company describes as “VIP Sugars” in elegant presentation boxes with cubes wrapped in blue paper to present to guests at parties celebrating the birth of a son, and cubes wrapped in pink paper for the proud pa-

rents of a baby girl.

“We’ve seen an amazing change over the past five years with all these coffee shops opening on the seaside promenades, in the malls and just about everywhere else,” the executive says.

Saudis, he argues, are becoming more and more like Europeans as they have taken to heart the coffee culture they experience when they vacation in Britain, France or Italy.

“Our people now can’t go to work in the mornings without stopping off for a coffee. And when they buy a coffee they get sugar. It’s this huge cultural shift in this country and we’re benefitting,” he says.

“Previously,, we’d get three or four new clients a week. Now we’re getting five or six daily. Daily! So that’s why we’ve expanded our payroll to around 70 people and our turnover is some \$10 million, with sales up 25 per cent in 2020”

Aldazaz explains that negative effects of the pandemic, such as the shutting of restaurants, hotels and cafes, initially hurt business. But the sales drop off was more than compensated for by an increase in supermarket sales as people were staying in.

“Still,” he says, “if it wasn’t for Covid-19 we may have seen sales up by 35 percent.”

And with the expansion of the economy and with increased tourism on the horizon, the CEO says growth is definitely in the future fueled by Vision 2030 which he estimates has helped his company grow by three or four times.

“Another change we’ve seen under the Vision is that with all these new government regulations concerning the quality of local products, there is more consumer confidence in Saudi-made goods.

“There are government inspectors coming by every week or ten days to make sure we’re doing things right. People know this and so instead of purchasing a foreign brand, they buy ours,” he says.

“And that’s even true in our export markets here in the Gulf. The Saudi product always sells better than the one made in the Emirates or Bahrain. Saudi Arabia is earning a good reputation for manufacturing and foreign investors should take a good look at what we have to offer”



New Mindset

Also celebrating its 20th anniversary is Al-Rabyah Khadraa, active in the food industry turning out cheese and other dairy products for the constantly growing Saudi and Gulf Cooperation Council markets.

"When we began back in 2001, it was just two of us, one Lebanese and one Saudi," recalls CEO Mohammad Naif Haidar Ahmad. "We were concentrating on the dairy market producing cheese from our manufacturing facilities in Dammam."

As the company grew, Ahmad split with his partner, acquired full control and changed the name of the firm. It now employs 45 people and has annual sales of around \$5.5 million.

"When Vision 2030 arrived I saw my opportunity and took over the whole company, the factory and everything," the executive says. "Then I started a trading company under the same name."

"Like everyone else, we had some problems when Covid-19 hit the country. People stopped buying, or never went out of their homes or even left the country so business was very bad."

As the Saudi economy reopens and the pandemic seems to be on the wane, Ahmad says there are signs of recovery and expects further growth in the food business over the next several years as the population increases and more and more Saudis have access to disposable income.

"It doesn't matter what business you are in here in Saudi Arabia, if you work hard and do a good job you will be successful. And I have confidence that Vision 2030 will do all the government hopes it will."

Echoing the chief executive's favorable assessment of the Vision is Bushra Mohammad Haidar Ahmad, the CFO of the food firm's sister company, Al Ra-



"WE QUICKLY DEVELOPED A SYRINGE TO MEET THE NEEDS OF PFIZER AND ASTRAZENECA"



biah Khadraa Arabian Trading, and the daughter of the CEO.

"When I first heard of Vision 2030, the first thing in my mind was that it would mean an improvement in the economy and an improvement of the thinking in Saudi Arabia," she recalls.

"I knew that these were educated people and that they were set on changing this still developing country. I didn't see the changes coming as fast as they have, but people are now well educated, they have traveled a lot, learned a lot and seen a lot so it's a new mindset."

The CFO has also welcomed the changes regarding the place of women in society and the business world.

"I think society is ready and have been for a while but people didn't show it because of the culture," she argues. "But now because they know it is time to change, everyone can express their opinion."

"And society will approve because now is the time for freedom, speaking your mind, showing your thoughts, ideas and skills."

This new mindset regarding women extends to the business environment in the Kingdom where the CFO says men are more welcoming to women in the workplace and she has not experienced any difficulty as a woman in meetings and other work-related activities.

"I think now Saudi Arabia is providing the opportunities for all young people to start and run their own businesses and focus on their entrepreneurial skills with a lot of support from the government."

Saudi Syringes

Government support has been key to the country's emerging manufacturing sector and although Al Shifa medical products has been around for more than 40 years, Vision 2030 has provided a real boost, says General Manager Mohsin Al Mohsin.

"Before the Vision there was no real focus on manufacturing and this government effort for encouraging locally-made goods motivates us to develop and invest more and improve our connections," he says.

"Also, we've joined a program called Operation Excellence which aids us in reducing costs while increasing production and quality to better compete on an international level."

The emphasis on local content is especially important to this industry in Saudi Arabia where the executive estimates as much as 95 per cent of healthcare products are imported.

"The medical devices sector, in which we are involved, is a huge area for expansion. However, there needs to be an upgrade in the infrastructure for exporting so as a manufacturer you don't need to focus only on the local market but the international ones as well," Al Mohsin argues.

When Al Shifa was founded in 1980, it turned to a German partner to provide knowhow and equip its state-of-the-art facility with European equipment. The company was the first in the Middle East to switch from manufacturing reusable syringes to disposable syringes and also boasts the best sterilization process in the region.

Now, along with a range of syringes for vaccines it produces hypodermic needles, feeding syringes, blood collection kits, filled insulin syringes and related products. It also distributes medical devices for other companies.

Needless to say, the Covid-19 pandemic



had a huge effect on Al Shifa.

"During the lockdown, the first thing which impacted us was a supply problem of raw materials from China. And then when Saudi Arabia locked down, some 20 per cent of our 200 workers could not come to work," the general manager says.

"But we never stopped working, not even a day, and we ran the factory 24 hours a day to meet demand. However, with fewer people going to the hospital for routine care we cut our production.

"In our commitment to fighting the pandemic we quickly developed a syringe to meet the requirements of the Pfizer and AstraZeneca vaccines and we're turning those out around the clock," he explains.

Looking ahead, Al Mohsin says he would like to expand the company's product line and also move deeper into trading so that the company can increase by five times its current turnover of \$25 million.

"Vision 2030 has been amazing as it supports local manufacturing," he says. "But I think the government could do more to protect companies like ours from competitors from Asian countries which offer lower prices."

"Manufacturing has become much easier than before and so I think the best way for foreign investors coming here is to partner with an existing manufacturer.

"Most local producers would be open to collaborating in this way and we certainly are among that group!"

Growth Resumed

Some Saudi companies partner with foreign firms early in their existence so as to gain knowhow, access to technology or both, then the partners go their separate ways.

Such is the case with Saudi Metal Coating, or Samco, a major producer of rebar and other steel products, which started up in 1992 as a joint venture with a Canadian firm with Saudis supplying the funding and the Canadians providing technical expertise.

"After a few years the Canadian company sold their shares to the Saudi partners," recalls General Manager Khalid Adil Al-Manaseer. "And now we're a major player in the market working with Aramco, Sabic and other big government clients.

Al-Manaseer joined the company in 2017 just ahead of a slowing down in demand which lasted several years. Expectations were high that 2019 and 2020 would see a turnaround, but then the pandemic



"OUR CHALLENGES ARE THE RETURN OF FOREIGN STAFF AND COST OF RAW MATERIALS"



arrived.

"Actually, the support from the government was a great help and we reached our target of 30 per cent growth, not in terms of profit but sales. Many of our big government clients did not halt their projects and in fact we had to work overtime."

"Management largely worked from home but the factory employees came in every day as they live nearby. It was a very challenging period," he says.

"Saudi Arabia handled the crisis very well and it showed that there is harmony between the people and the government, it was a real success story."

Based in Dammam, Samco manufactures epoxy-coated rebars which can withstand high temperatures and salt-infused humidity, two climatic conditions prevalent in much of Saudi Arabia's coastal regions such as the Eastern Province.

The company also produces black steel rebars, black steel coils and several types of wire mesh for the construction industry from



its facility employing around 50 people.

"Things are so far, so good this year," the general manager says. "We are expecting even to exceed our targets by more than 20 to 25 per cent by year's end.

"There are some challenges such as not being able to get our foreign workers back here after they returned home during the Covid-19 crisis because of travel restrictions.

"Another problem is the huge increase in our main raw material because the cost of iron ore has nearly tripled since the beginning of the year from around \$90 a ton to \$220," Al-Manaseer explains.

With the apparent turnaround in the Saudi economy and the huge mega-projects, the executive sees good times ahead.

"These big government projects like NEOM - The Line around the Red Sea are going ahead so there are big opportunities in the western region and I expect that in a few years' time we'll have a second factory out there," he predicts.

"Vision 2030 can be credited with spurring this growth and we're happy to be along for the ride!"

Huge Projects

The Vision also inspired the home furnishing and design company Milano Concetto to expand by building a new manufacturing facility for its luxury products, explains founder and General Manager Hussein Alnemer.

"When the crown prince announced Vision 2030 we started to invest in our business by putting up a new factory as the first fully-automated manufacturing facility for producing kitchens in Saudi Arabia," he says.

"It's already operational although we haven't finished everything. "We'll produce kitchens, sinks and cabinets there for the Saudi Market."

Milano Concetto opened in Dammam in 2008 as a kitchen manufacturer with a small, 500-square-meter factory and a showroom of 200 square meters. It quickly expanded into furniture, appliances and other products and now has five showrooms totaling 6,000 square meters.

As its name suggests, the company is inspired by Italian design in its kitchens, sofas, beds, cabinets, armchairs and accessories, all aimed at what the general manager describes as "high-end clientele."

Along with retail customers, the company supplies hotels and big companies such as Aramco which has Milano Concetto



**HUSSEIN
ALNEMER**

GENERAL
MANAGER OF
MILANO
CONCETTO

“OUR OWN SAUDI DESIGNERS ARE COMPETITIVE WITH ANY INTERNATIONAL COMPETITION”



furnishings at its headquarters.

“Our designs are competitive with international designs and we have 11 Saudi designers, women and men, with a lot of experience and a luxury vision,” Alnemer says.

“When these designers are new, we train them intensely for three or four months, giving them the equivalent of five years’ experience.”

The furnishings firm posts revenue of around \$13 million, a figure certain to increase as the new factory reaches full capacity and Alnemer seeks out fresh opportunities.

“Our real growth will be in 2022. We’ve finished 75 per cent of the new factory as not all of the Italian-made machines are working yet because the Italian technicians couldn’t come here to train the staff due to pandemic restrictions,” he explains.

“And we want a piece of these huge projects opening up – NEOM, Riyadh and Red Sea – so we have to get our factory fully operational as soon as possible.”



“Saudi is a big market and in a way it’s a new market as well,” he says. “For foreign business people coming here, I would suggest they open their own manufacturing sites to be near their customers and avoid the hassle and time of importing their products.”

Local Manufacturing

Manufacturing furnishings of a more utilitarian nature is the business of Global Architectural Industrial Company, or Gaico, which produces fit-out offices and counts among its clientele ministries, various branches of the Saudi military and some of the country’s largest companies.

“We design, manufacture and install different types of partitions like dismountable, moveable and folding partitions, work stations, toilet partitions, urinal barriers and many others in with a wide choice of finishes,” explains CEO Yusif M. Al Hamoudi.

Other products include ceilings, wall and ceiling cladding, counters, flooring and related wooden furniture, all designed and produced by the company’s 100-strong staff at its factory in Dammam.

All products are internationally certified for fire safety and sound transmission control.

Along with serving the Saudi market, Gaico has experience in Kuwait, Bahrain, the U.A.E., Jordan, Iraq and Egypt.

“Our turnover is in the neighborhood of around \$11 million,” the executive says. “We’ve been positively affected by Vision 2030, as have many other businesses, especially as we work a lot with government entities.”

“Let me give you an example: before any tenders for projects, including governmental projects, specified items and materials had to come from Europe. But nowadays these things must be manufactured in Saudi Arabia and that has been very good for us.”

Another aspect of Vision 2030 which Al Hamoudi predicts will benefit Gaico is the stipulation that most international companies which want to do business in the Kingdom will have to relocate their offices there.

“These companies coming from outside will need to work with local firms, specifically the smaller ones like ours, so I see a lot of opportunity in this,” he says.

Like many Saudi executives, the CEO says he sees a recovery in the economy and the market, and Gaico is working on a consultancy basis on some of the mega-



**YOUSIF M.
AL AMOUDI**

CEO OF
GAICO

“FOREIGN COMPANIES COMING TO SET UP HEADQUARTERS HERE WILL NEED FIRMS LIKE OURS”



projects concentrated in the central and western regions of the country.

Al Hamoudi also welcomes the changes in the Saudi labor market as more and more young people finish their studies and are eager to join the private sector.

“For so many years, Saudi graduates wanted to only work for the government or in the consultant sector, not in a factory” he recalls. “But now things are improving and we ourselves have hired many highly-qualified Saudi graduates and this will be a good thing over the long term.”

According to the CEO, Saudi companies have been vastly improved by facing the challenges over the past several years with the plunge in oil prices, the wrenching changes related to Vision 2030 and the pandemic.

“We are so much more experienced now and Gaico is expecting great things in the future,” he says. “It’s plain to see that 2021 and beyond will be amazing for all Saudi companies.”



2030 START UPS

THE VISION SEEDS A FERTILE GROUND FOR NEW FIRMS IN MANY ECONOMIC SECTORS

Saudi Arabia is perhaps the perfect place for startups, those nascent companies with innovators and their financial backers betting on a bright future. With its wealth, a government keen to foster homegrown entrepreneurship and a young and well-educated work force, the Kingdom is ideal for such ventures.

Indeed, Saudi startups regularly dominate the Middle Eastern and North African startup investment market.

According to Wassim Basrawi, the managing director of Wa'ed, the entrepreneurship arm of Saudi Aramco, "It's no surprise that venture capital deal making is picking up. We've been observing that now for months as the Kingdom emerges from COVID-19 pandemic."

High Ambitions

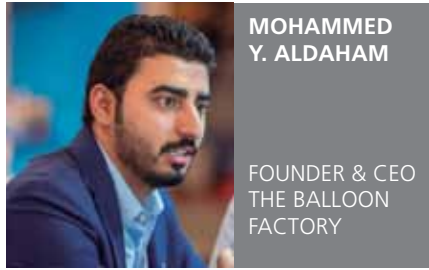
Frequently, startups target a niche market and one such enterprise is The Balloon Factory whose founder and general manager, Mohammed Y. Aldaham, had a dream and worked hard to make it real.

"I founded this company because there was no balloon factory in all of the Middle East, so I saw the potential and started the company in 2016. Two years later we began production," the 29-year-old entrepreneur recalls.

But it was not an easy task. Aldaham had first approached an American balloon manufacturer and offered to be its agent in the Kingdom but was turned down.

"I went to them and said, 'I want to grow your business' and I was ignored as if I were nothing," he says. 'So then, jokingly, I said. 'Sir, if you do not give me the distribution I will start my own factory and compete with you'.

"But they didn't take me seriously and then I thought, 'What does it take to make balloons?' and I went to YouTube, watched



MOHAMMED Y. ALDAHAM

FOUNDER & CEO
THE BALLOON
FACTORY



"VISION 2030 HAS HELPED US WITH LOANS, CHEAP RENT AND THE TRAINING OF WORKERS"

some videos and found one factory in China which helped me a lot and I bought a balloon making machine."

Eventually, Aldaham began turning out balloons but faced the difficulty of interesting retail shops in handling his product. Meanwhile, he got a job as a logistics supervisor while running the factory after work.

It all paid off in the end and The Balloon Factory recently landed a fat, one-year contract with the Saudi entertainment authority which will cover all his production.

"Orders from two other government agencies are pending and we'll have to build a second factory to expand production here in Jubail. So this year I expect our revenue will increase tenfold to some \$10 million," he predicts.

"Vision 2030 has certainly helped us with loans, cheap rent and the government will find and train our new workers. I specifically requested women as they are better than men at paying attention to detail."

At the moment, The Balloon Factory is selling only in the Kingdom, but the CEO says soon it will be exporting to the GCC countries and eventually to Europe, the United States and Australia.

"I've told the Vision 2030 people that by 2025 I want to control 15 per cent of

the world balloon market. Most balloons are made in China but I think we can do it at the same price and with what I call 'Saudi Quality' so we can overtake the Chinese," he explains.

"Getting our business to this point wouldn't have been impossible without Vision 2030, but it would have been a much longer journey!"

Hard Work

The crown prince's announcement of the overhaul of the Saudi economy was shocking at first for Khalid S. Almodhayan, the founder and CEO of I Wish Holding but he soon came to embrace and benefit from the changes.

"When this happened, to be honest, it was a shock for everyone. We were all thinking that something big was cooking but not to this extent," recalls the head of the company with interests in the restaurant, food delivery and IT sectors.

"The Vision has certainly helped small and medium-sized businesses especially in taking on Saudi workers," he explains. "Before, I had to bring in Asian employees but now the government provides salary support for Saudis we hire.

"During the pandemic, for example, the government stopped collecting fees for bank loans and paid up to 60 per cent of our Saudi workers' salaries. We couldn't have survived the crisis without that help."

I Wish Holding operates branded restaurant chains serving up everything from high-end bistro fare to burgers and from healthy Asian-inspired bowls to fancy pastries. It also has a catering company, a food delivery service, a restaurant equipment sales company and other related businesses.

"Our biggest challenge during the Covid-19 situation was, of course, that all our outlets were closed and we had financial commitments on rent, salaries for our 165 employees, electricity, etc. But we survived and I'd say we're 85 per cent recovered," the CEO says.

"With the Vision opening up new opportunities, we've decided to diversify into IT apps and services and have set up seven-



KHALID S. ALMODHAYAN
FOUNDER & CEO OF
I WISH HOLDING



Now, women are doing the same and becoming our customers," he explains.

For the immediate future of his group, the CEO says he'd like to see it listed on the Saudi stock market in the next few years and is willing to work towards that goal no matter how long it takes.

"I love my work and I don't mind spending 12 or 14 hours a day at the office. I don't stop when I'm tired, I stop when I'm done!"

Foreign Investment

With the construction sector in almost constant growth in Saudi Arabia, many fledgling business people take the opportunity to leave their jobs in the industry and strike out on their own such as Egyptian entrepreneur Hassam Said Al Nasser.

"I worked for ten years for other companies and when I understood how good the market for construction companies was, I set up my own operations, Arabsim Gulf General Contracting Ltd., in 2012 as owner and general manager."

The firm flourished over the next several years until the drop in demand triggered by the crisis in world petroleum prices with very little building activity between 2016 and 2019.

Last year with Covid-19, the company had no new projects but was able to get through the pandemic by completing existing commitments, primarily government projects like villa complexes, schools and other state buildings in the Eastern Province.

"One problem for us remaining from the pandemic is that we rely heavily on foreign workers mainly from India, Pakistan, Nepal and Egypt and many have not been able to return here to their jobs as flights from some

of those countries have been suspended," Al Nasser explains.

"The market is now growing again thanks in part to Vision 2030 and my company could do the same if I had the workers but we still expect to hit a revenue target this year of some \$40 million."

"So, yes, I expect further growth in the company through expanded investment. This is a great market because the government is doing everything it can to help the economy and both Saudi and foreign investors can now really benefit if they make their move now!"

World-Class Quality

Another innovator in fit out, turnkey construction projects and related fields is SABQ Design and Build whose founder and general manager, Abdulaziz Al Barrak, says a key element in Vision 2030's ability to boost the economy is its relation with the business community.

"Now with the Vision there is a real feeling of trust between business people and the government as we have a transparent view of all the procedures related to the economy and that gives us the ability to take the appropriate steps to focus on the future," he explains.

Established in 2012, SABQ DB is active in large-scale infrastructure projects, civil and concrete works, architecture, external and internal decoration, electrical and power backup solutions, mechanicals, IT solutions and installation, and furniture supply.

For its fit out projects, the company has two workshops for steel and work manufacturing in Al Khobar. Clients include a wide range of both Saudi and foreign firms such as Aramco, STC, BUPA Insurance, Huawei and many others.

"We work both for the public and private sector, largely high-end clients and we try hard to provide exactly what the customer asks for," the general manager says.

"For example, for furniture we offer models from something like 100 brands so we can get just about anything they want and fill their exact requirements."

The group's dozens of engineers and



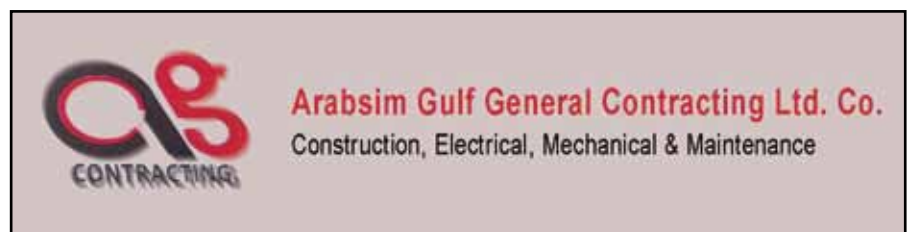
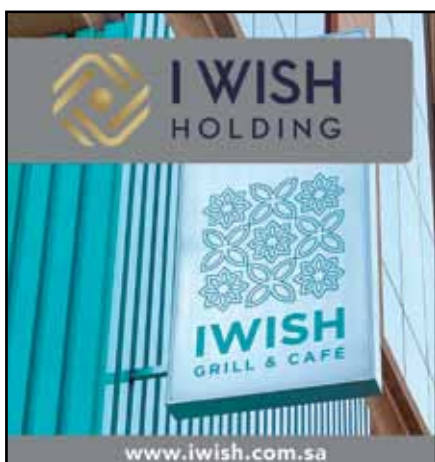
"THE VISION HAS PROVIDED SALARY SUPPORT FOR OUR ENTIRE SAUDI WORK FORCE"

ral educational platforms: Future Masters International and Candles."

Almodhayan says despite the foray into IT, the restaurant division will remain at the core of I Wish Holding as Saudi Arabia's population, its citizens' disposable income and the leisure sector continue to grow.

According to the executive, annual total expenditure on food and beverage outside the home in Saudi Arabia has averaged around \$20 billion, a figure sure to increase as more women join the workforce under recent government reforms.

"We expect it to rise by 20 per cent a year and one of the factors it that before women stayed home while men went to work and out to lunch with their colleagues.





“SAUDI ARABIA IS EXPECTED TO JOIN THE GROUP OF THE TOP TEN WORLD ECONOMIES”

experts guarantee world-class quality assurance and control every step of the way in each of the projects SABQ BD takes on whether large or small.

Over the next several years the executive says he hopes to see the group expand to Jeddah and most of the GCC nations with branches in Dubai, Bahrain and Oman, and perhaps eventually further afield.

Al Barrak predicts that the mega-projects the government is planning in the center and the west of the country under the auspices of Vision 2030 will provide an unprecedented stimulus to the entire economy as hundreds of companies will have a piece of the action.

“Red Sea, NEOM - The Line and the Riyadh project will bring unbelievable opportunities for all companies in every sector,” he argues.

“Whether its construction, energy, manufacturing, retail or whatever, this will all have an incredible impact on all Saudi businesses and we’re beginning to see this effect already.”

“And foreign companies can also benefit from all of this. It seems that around the



world people used to think of Saudi Arabia as rich but at the same time somehow backward, Al Barrak says.

“Thankfully, that idea is changing and the world sees us now as educated and hard working with the prospect of the country being among the top ten global economies. And I think they’re right.”

Doubling Business

Three years ago, executives at one of the Kingdom’s major contracting and engineering groups split off to create Gulf Development Trading & Contracting and today the Al Khobar startup has diversified to become a leading player in the sector.

“We do just about everything,” says Executing Manager Waleed Al-Hamrawy. “Electromechanical work, civil work, finishing work, you name it, and 60 per cent of what we do is with the government.”

The company’s project management department carries out full site surveys, job execution, costing and quality control, planning, safety and risk assessments and environmental studies.

Its engineering services include drafting, architecture, interior design and electrical, mechanical and civil engineering, all carried out by highly-qualified and experienced employees.

“We operate in all fields: commercial, residential and industrial,” the executive explains. “Our commercial clients have included showrooms, business centers and restaurants, while our residential projects in the past have been stand-alone villas and apartment and villa complexes”

Gulf Development’s industrial work has included installing fire-fighting systems in factories and other work.

“Our permanent staff is around 50 people but we also usually have some 150 temporary workers and right now we have another 200 alone just for a project we have in Jizan in the southwest of the country,” he says.

“We are known around the Kingdom for carrying out earthworks such as excavation,



“THE COUNTRY IS IMPROVING AS A PLACE TO DO BUSINESS, THIS IS WHERE THE MONEY IS”

backfilling and soil improvement and we also do shoring, dewatering and reinforced concrete work.”

“And our electrical engineers are masters at all types of installations from wires, cables, transformers and street lights to fire alarm, CCTV, and paging, telephone and data systems,” he adds.

And with most construction companies, much of its work was halted at the height of the pandemic but Al-Hamrawy says it is coming back. This year he expects turnover will double from 2020’s figure of \$4 million as more contracts are signed.

Just in one recent month the company signed up a total of six private and government projects worth \$1.6 million.

“And the government projects are particularly welcome as the state is now paying on time and the sector is getting more organized with companies having to fully register with the government whereas before that wasn’t necessary,” the executive says.

In the next few years, Al-Hamrawy says he would like to branch out to Dubai and expand its existing presence in Bahrain. But nowhere else compares to the Kingdom.

“Saudi Arabia is improving very quickly as a place to do business. I’ve worked before in places like Libya, Yemen and Egypt but Saudi Arabia is where the money is!”



Eastern Allure

Setting up a business just as a world-wide pandemic strikes is bad luck but some companies did reasonably well because of it such as Eastern Road General Construction Establishment which was founded last year in the midst of the Covid-19 crisis.

“For us the pandemic was a difficult time but there are two sides to it,” explains General Manager Ali Aldaoud. “On the one hand, everything closed so working was tough.”

“But the good thing was that most of the middle and large-sized companies got into trouble so we picked up a lot of the small projects they weren’t interested in.”

Eastern Road focuses mainly on housing, restaurants and small projects in the Eastern Province and Aldaoud says the reforms enacted under Vision 2030 have made a significant and positive impact on doing business.

“It was very easy starting our company, now we have e-government and everything can be online so you don’t have to go from office to office. You go on the Internet for an hour and all your paperwork is done,” he says.

“My only complaint is that it is hard and expensive to get visas for foreign workers.”

Aldaoud is a perfect example of the new generation of a young, go getter Saudi national who wants to succeed in the private sector. After graduating from college in the United States with an engineering degree, he saw that jobs were then scarce and so opened his own business.

“A lot of young Saudis are doing what I did because they saw that the jobs were few and far between as the Kingdom’s economy was slow due to the fall in oil prices and that salaries weren’t that great,” he explains.

“So I’m glad I took the step I did and 2021 looks to be way better than last year as everything is open and in our sector, demand is up because the government is providing generous housing loans through the banks.



“Foreign investors should come have a look and especially in the Eastern Province which has so much to offer and where the people are used to working with foreigners and so are very welcoming!”

Online Success

The archetype startup is, perhaps, an app created by a young, tech-savvy entrepreneur that quickly becomes a roaring success. Which is pretty much how it happened for Bader AlZamil, the founder and managing director of Remal Ventures.

And although it has been around since 2002 and enjoyed success, the software solutions firm really took off when the pandemic struck. Confined to their homes, many turned to Renal Ventures’ online games.

“We had new records regarding terms of traffic and duration of play for our most popular games like Kammelna Baloot which we had launched in 2009 and is based on a old French game and is played across the Arab world,” he explains.

“Some users of our app averaged around five hours a game, and traffic was up 300 per cent. When Covid-19 arrived, they wanted to keep playing and turned to our web or mobile app.

“And we’re not only attracting teenagers,” the executive says. “The average age of those playing is 37 and some players are 65 or 70 years old. Covid-19 gave a huge boost to our business and we tripled our revenue!”

Along with games, Remal Ventures has also created Areeb World, an interactive, multiplayer, educational game that integrates the sciences and mathematics straight from students’ curricula into a virtual gaming experience of tasks and tactics.

Another division, Silah Company, is aimed at Saudi women seeking to work from home and connects women with available job opportunities, enabling them to have an equal chance to develop their technical skills and further contribute to society.

Remal Ventures’ subsidiary ScreenTV specializes in providing recreational, educational, and cultural cinematic content aimed at the young through its YouTube channel, enriching Arabic digital content.

Even though the pandemic is waning in Saudi Arabia, AlZamil sees the high traffic to the company’s websites and mobile apps continuing and expects an increase this year in Remal Ventures’ annual revenue.

“Gaming is maintaining the same momentum, maybe not in the average dura-



BADER ALZAMIL
CEO OF REMAL VENTURES



“RECENTLY APPLE HAS CHOSEN KAMMELNA BALOOT AS SAUDI ARABIA’S FAVOURITE APP”

tion of playing but in terms of subscriptions paying, it has stayed the same,” he says.

In order to keep up with demand, Remal Ventures has added 35 new employees to its staff which now numbers 75.

“Another result of the pandemic was that it opened up new channels for us with the Ministry of Sports which approached us to create online tournaments of our games. So they’ve become official sports with big prizes and we’re trying to set up clubs for players.”

“In another bit of good news, recently Apple has chosen Kammelna Baloot as the favorite app in Saudi Arabia so everything is going great for Remal Ventures and it seems for the rest of the Kingdom’s business sector.”





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