

# JEDDAH

AS SAUDI ARABIA'S ECONOMY TURNS TO THE PRIVATE SECTOR, THE ANCIENT TRADING CITY OF JEDDAH SHINES AGAIN

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# MAKKAH RISES

THE ANCIENT HOLY CITY OF MAKKAH IS EXPERIENCING A CONSTRUCTION AND INFRASTRUCTURE BOOM

Hundreds of billions of dollars and years of continuous development have transformed the Saudi Arabian city of Makkah, the Muslim world's holiest site, into a metropolis which honours the glories of its Islamic past while embracing the most modern architecture, urban planning, real estate projects and transport infrastructure.

As the birthplace of the Prophet Mohammed -peace be upon him-, this city has for hundreds of years attracted tens of millions of Muslims from around the world during the obligatory great annual Hajj and the lesser Umrah pilgrimages.

With the vast improvements in international transportation and rising income among much of the Muslim faithful in recent years, the Kingdom of Saudi Arabia's rulers saw the need to upgrade the city, its environs and especially its services to better accommodate visitors and at the same time enrich the urban experience for Makkah's more than two million permanent residents.

## Political Will

At the top of the list for improvement was the Grand Mosque which contains the Kabah, Islam's holiest shrine which tradition says was given to Abraham by the Archangel Gabriel. The Grande Mosque has been expanded and refurbished extensively, says Makkah Mayor Osama Al-Bar in an exclusive interview with your correspondent.

"King Abdullah Bin Abdulaziz ordered the expansion in 2008 and two years later we began to remove 6,000 buildings around the



OSAMA AL-BAR  
MAYOR OF MAKKAH

**"THE MODERNIZATION OF THE CITY OF MAKKAH WILL NOT AFFECT ITS SPIRITUAL NATURE"**

Grand Mosque so that we could modernize the central area," he recalls.

"We expect the Grand Mosque project to be finished very soon."

There has been criticism by some Muslims of all the changes Makkah is undergoing, but the Mayor dismisses the griping.

"Some of our Muslim brothers from Western countries claim that Makkah has become

like New York City with all the skyscrapers and new buildings," he explains.

"But the modernization of the city will not affect the spiritual nature of the city and the other shrines which pilgrims visit during their stays here such as Mount Arafat or Mount Hera where the Quran was revealed to the Prophet Mohammed -peace be upon him-, will remain the same."

Saudi officials also deemed as important the upgrading of Makkah's real estate offer and its transport facilities so that the millions of pilgrims as well as residents could travel safely, comfortably and quickly – not only within Makkah but also to the holy city of Madinah and to Jeddah with its massive Hajj terminal serving as the main pilgrimage gateway.

"The government is concentrating on the infrastructure of the city while the private sector is dealing with the real estate," says Mr Al-Bar. "Our top priority is the new mass transport system and the modernization of the city."

"By the time all the projects are finished before the year 2020, we hope Makkah will provide the finest transportation system, housing and other services to make the city a wonderful experience for our residents and the pilgrims."

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Makkah's economy is, of course, benefiting from all the multi-billion-dollar projects, the mayor notes, including many more job opportunities for young Saudis and a major boost in spending in local businesses by the increased number of both Hajj and Umrah pilgrims.

"We're predicting 30 million pilgrim visitors a year from outside the country by the year 2020."

Those visitors will witness a holy city that has been transformed, not only its public transport but also brand new neighbourhoods being built for Makkah's residents and visitors.

### Long Term Planning

One of Saudi Arabia's most ambitious real estate developments is Bawabat Makkah Company, a colossal project covering 110 million square metres west of the city and which is scheduled to be completed in 25 years.

"Our task is to create an extension of the city which will be able to accommodate more than 750,000 people planned over five development phases with all the required infrastructure and services for that number of residents," explains Essam Khaltoom, the Managing Director of the Bawabat Makkah company.

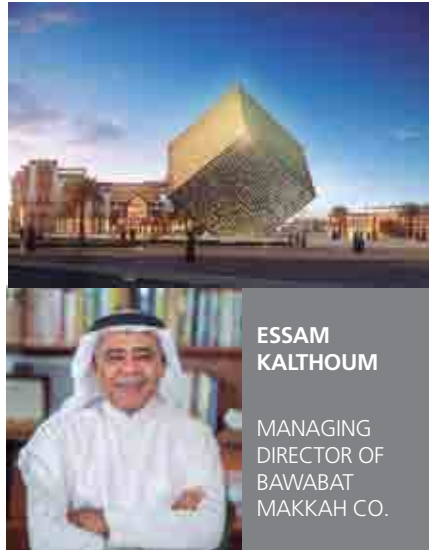
A limited liability company, Bawabat Makkah Company is wholly owned by the Al-Balad Al-Ameen Company, Makkah Municipality's urban development arm.

"Our project is ideally placed as it is 14.5 kilometres from the Grand Mosque in Makkah itself and 42 kilometres from Jeddah, the second and third largest cities in the Kingdom.

"Also, the land is very valuable, the government gave it to us at a value next to zero and we are going to be able to sell it in multiples of its book value and that means that the project is self-financing," Mr. Khaltoom says.

Being zero-dependent on the authorities financially is an advantage, especially now with money becoming scarce due to the fall in petroleum prices and with the government concentrating on paying its debt.

The Managing Director points out that Bawabat Makkah Co. is not a profit-making en-



ESSAM KALTHOUM

MANAGING DIRECTOR OF BAWABAT MAKKAH CO.

**"WE WILL CREATE A BRAND NEW CITY FOR 750,000 PEOPLE BETWEEN MAKKAH & JEDDAH"**

terprise but rather a company established to create, manage and facilitate the new suburb's development in an environmentally, economically and socially sustainable way.

"And as for the future owners of the land, they won't be able to make any money just sitting on it so they will see the advantage of developing it and creating a viable project."

"What we are doing here is developing a small city from scratch and you can imagine the level of infrastructure all of this is going to require: electricity networks, water supply and sewage treatment systems, etc., and all of these projects are going to be open to international bidders," he says.

Bawabat Makkah Co. has used international engineering and consultancy firms in the planning stages from the United Kingdom, the United States, Germany and the rest of the Middle East, along with local companies.

In the construction phase, the Managing Director explains that the company welcomes the participation of those foreign operators which can penetrate the Saudi market, even though there is the issue of non-Muslims not being allowed to work in the holy regions.

"When it comes to consultancy and advisory, that is why we have an office in Jeddah and one in Makkah," he says.

One of the challenges Bawabat Makkah Co. has faced is the Saudi bureaucracy, particularly regarding requirements that must be met for large development projects.

"But we've been trying really hard to make that all easier and now we have a system where municipal government approvals that used to take 18 months are going to be issued within 50 days," according to the executive.

"A lot of things keep me awake at night yet to be honest this project has all the components and elements for being a vibrant, successful, progressive and self-financed mega-development."

In five years, Mr Khaltoom predicts that 15 percent of the project will be completed as planned for Phase I, accommodating between 100,000 and 125,000 residents in what he calls a "successful model of integrated development."

"Saudi Arabia is becoming a better destination for investors as well as foreign service providers and I urge investors to find a way to enter the market," he says.

### Centered Development

Bawabat Makkah's parent company, Al-Balad Al-Ameen, was created four years ago to manage all the urban regeneration and new development projects in the city, from the centre of the metropolis to the rapidly expanding suburbs, explains CEO Dr Abdullah M. Yar Sirajuddin.

"The idea came from the municipal authorities as there was a lot of government-owned land that needed to be developed based on private sector involvement," he recalls.

Some project examples include building housing for residents and pilgrims, creating public spaces such as parks and pedestrian walkways and linking roads and highways for easier access to the Holy Sites.

High-quality, low-income housing is to be provided by the Wahat Makkah development for up to 25,000 people and will include parks,

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service buildings, and other facilities, along with the residential units. Total cost is estimated at around \$300 million.

Some residents have already moved in even though the project is only half way to being finished, says Wahat Makkah CEO Mandour Al Harbi.

“I think we have completed more than 55 per cent of the development, but we are still waiting for some of the utilities to be installed such as electricity and water,” he explains. “We expect to have the entire project finished by around the middle of next year as there were some slight delays.”

One of the issues affecting the timetable were new government regulations to correct the labour situation on the site and the status of work permits for foreign employees.

“But now things are moving ahead and it will make me very happy to see those families receive the keys to their homes,” Mr Al Harbi explains.

Unplanned and chaotic development in the city’s Al-Sharashif area near the Grand Mosque has long been an eyesore and here again AL-Balad Al-Ameen is stepping in with its major renewal project.

Plans call for a multi-use urban area with housing, shops and other commercial establishments, hotels, educational and public health facilities, parks and green areas, mosques, cultural centres and other services. Some 30% of the development will be for Makkah residents, with the rest earmarked for pilgrims, according to Saudi officials.

“We’re getting a lot of positive response from the financial sector but not so much in the contracting arena, because the competition from Saudi contractors is very high as they know the local market and they have the know-how. Along with real estate development, public transport will also trans-



WAHEED AL JALALY

CEO OF HAFIL & HAFIL-NATIONAL EXPRESS J.V.

**“HAFIL’S J.V. WITH NATIONAL EXPRESS WILL TRANSFER KNOWLEDGE TO SAUDIS”**

form the city and one of the most ambitious projects in the world is the Makkah Metro budgeted at \$16.5 billion.

City planners say the first phase will cost \$6.8 billion and is expected to be inaugurated in 2019 with two metro lines totalling 45 kilometres with 22 stations. The second phase, which will take five years to build, is budgeted at \$5 billion with the third and final stage, costing \$4.6 billion will take two years.

Residents and pilgrims are also looking forward to the opening of the 460-kilometre Haramain High-Speed railway which will whisk passengers between Makkah, Madinah, King Abdullah Economic City, Rabigh and Jeddah at 300 kilometres per hour.

**Integrating Transport**

Also contributing to that goal is Hafil Transportation Company, part of the Mohamed Yousuf Naghi & Brothers group, which operates major bus and coach services across the country.

“Our business was established in 1998 providing transportation for the Hajj and Umrah pilgrims and later we branched into

school transport for hundreds of thousands of students,” recalls Hafil CEO Waheed Al Jalaly.

“Over the years we added a number of vehicle types to our services and we now operate luxury coaches and buses, minivans and even 4X4 vehicles for our more remote and challenging routes.”

Hafil boasts the largest unified bus and coach fleet in the Middle East and one of the biggest outside of North America. But the superlatives do not end there: it also operates the largest bus depot in the world which can easily accommodate up to 12,000 vehicles with repair and maintenance facilities.

The company employs 6,000 staff and is proud of the fact that it has fully embraced the government’s push for the so-called “Saudiazation” or employing as many locals as possible.

“Around 90 per cent of Hafil’s staff are Saudis and we give them the proper training under a programme which stresses not just quantity but also quality and after that we deploy them in the field,” Mr Al Jalaly explains.

Assisting in that training is the UK’s National Express which formed a joint venture with Hafil in 2012.

“National Express are world leaders in the bus and coach sector with more than 100 years of experience and we have a growing relationship with them involving education and training,” the executive says.

“They have 49 per cent and we have 51, so it’s a Saudi majority deal but they bring their experience in the sector and we bring our local knowledge so part of the strategy is for National Express to transfer their knowledge to us.”

Mr Al Jalaly sees this arrangement as a template for other foreign companies looking to operate in the Kingdom and for local firms to benefit.

“This fits perfectly with our king’s efforts to open up the market here so when we create a joint venture with a multinational company to transfer knowledge to the Saudis, it will help Saudiazation and we can take the leadership role into the future.”



## INTERVIEW WITH MOHAMMED I. SHAMS

### GENERAL MANAGER OF ALKAMAL IMPORT OFFICE COMPANY

The opportunities in the Saudi health care sector are boundless, and the best time to invest may be now, as general director of one of the leading companies in the sector explains in an exclusive interview. His secret recipe for its success and growth for the last sixty years involves partnerships to international companies as well as the readiness to distribute kingdomwide from its Jeddah headquarters

#### What is Alkamal Import Office?

**M.I.S.-** Alkamal Import Office Company was founded almost fifty-nine years ago by three founders. They set up a pharmacy called Alkamal so they went from a pharmacy to an establishment here in Jeddah. We work as a distributor, we started with a German company which now has been bought by Bayer. We represent Abbot Laboratories, Abbott Nutritional, we used to represent HPD which was spun off from Abbot to a company called Hospira, which we are managing, we also have Abbvie, Alcon and other companies.

#### Give me an idea on the number of people and the total turnover for the company.

**M.I.S.-** We have around nine hundred employees in our two companies, Alkamal and the Principle. I would say that we are the market leaders in most of our products, for example infusion pumps, nutritional baby formula, medical nutrition, hormones, hematology, etc. We are ranked number six in the Saudi market; our turnover is at 2 billion Saudi riyals.

#### Is the healthcare sector a growing market?

**M.I.S.-** Of course the health care sector is a growing business because of the medical insurance legislation that is helping a lot of people looking for better healthcare. Many people also come to Jeddah in summer and they come into the hospitals for medicines and for medical checkups, and we have more than 5,000 pharmacies in the Kingdom.

I think that the health care sector is growing because of the increase in population, which is now at 31.5 million, the ratio of growth being 2.0, and 65% of the population is twenty years old and below. We have around six million students between elementary and college, this means that we have to give more attention to the health sector. So yes, it is growing, and the government is giving more support to health care and education initiatives.

**"WE PLAN TO ENTER INTO MANUFACTURING ON A 35,000 SQM PLOT IN THE INDUSTRIAL CITY OF JEDDAH"**



#### Is there still room for more hospitals?

**M.I.S.-** Even if the number doubles or triples we would still need more hospitals here in Saudi Arabia, if you now look into any hospital you will find that there is a waiting list for patients awaiting treatments, specially operations.

#### Where is the bottleneck then?

**M.I.S.-** The bottleneck is that we need more rooms in the hospitals, and that is why the hospitals are trying to make a one-day operation and then patients can stay at home and continue with their care after the operation by having home-based healthcare.

#### How important have partnerships been to your growth in the last 60 years?

**M.I.S.-** In the past we were an agent, then we changed into being a distributor but in order for us to succeed, we had to work in partnership. The job of our partners is to serve the patients, so we ensure that whenever a patient requires any medicine it is available there. We have six branches in the Kingdom in full operation and we deliver our products on the day they are ordered, or on the day after, as we have a very good team of distributors that I am very proud of.

Right now we are investing in a mega-warehouse near the industrial city of Jeddah, on a 48,000 sqm plot. We also have a plan to do local manufacturing, we are finished with the drawing on a 35,000 sqm industrial land that we have already bought here in Jeddah, to

have this plant and to offer services to all our principles and other companies to manufacture syrups, IV sets, tablets and such.

#### Are you open then for more partnerships?

**M.I.S.-** We are open to more partnerships or joint-ventures in manufacturing involving know-how. We have had the opportunity to manage two international companies, as we have Hospira when it spun off from Abbott, they requested us to manage Hospira, and we are also managing the Siemens Diagnostics company. This has given us a very good experience on distribution and in managing international companies.

#### Where would you like to see the Company in five years' time?

**M.I.S.-** Our goal is to be ranked number one in the Saudi market, to be number one in serving the patients and to be everywhere in the Kingdom. We are investing a lot because we see the growth and the huge opportunity and we are ready to do joint-ventures with other companies. I can say that the future is here.

The health market needs more companies, more investments, and the ones who invest now will gain because it will cost more to do it later. I would tell them to feel free to venture into any opportunity they see in the health care sector. Do not miss out because Saudi Arabia has a great business opportunity in the health care sector, as well as in schools, cosmetics, foods and office products which are really great areas to invest into.

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## INTERVIEW WITH MAJED SULAIMAN AL NAFIE

### CHAIRMAN OF NECE & AL-NAFIE STEEL

Power generation and transmission are set to be some of the largest business opportunities that foreign investors can tap into, as NECE's general manager Majed Sulaiman Al Nafie explains. All the fundamental are in place to meet the growing needs of the industrial sector, and the Western Region with its strategic location and good transport links is positioned to take advantage of this boom

#### How was NECE created and how has it developed until today?

**M.S.N.-** NECE was established in 2013, in order to attend the huge demand in the market for the construction and energy sectors, in only two years we have moved to the first line of approved and qualified companies from the SEC. Our strategy is to concentrate on having a highly qualified personnel, prepared to manage the required equipments and tools. We are directed towards non-conventional energy projects, specifically we aim to concentrate in renewable sources such as solar energy, as we believe that is the trend currently in the KSA.

NECE is therefore specialized in complicated modern power projects which depend on high technology, aimed at providing electric power to the national grid. Our main activity is the construction of extra-high-voltage (EHV) power generation and transmission substations up to 380 KV, as well as testing and commissioning the service maintenance, operation and training for electrical mega-projects.

#### How Important has quality been in your success?

**M.S.N.-** NECE is depending on more than twenty years of experience of its expert engineers and technicians; they have a long and deep experience in construction of electrical power projects. Also, NECE is ISO 9001 certified and follows a strong quality policy to maintain customer satisfaction.

#### Has it been difficult to overcome the lack of qualified personnel in the Saudi market?

**M.S.N.-** We have our own training centre, which is mobile and hence our instructors can provide onsite training to our engineers; we also provide training in neighbouring countries. We are always updated to the newer technologies in our equipment and tools. NECE is using

**"WE BELIEVE THE TREND IN KSA IS TOWARDS MORE RENEWABLE SOURCES OF ENERGY SUCH AS SOLAR ENERGY"**



recently graduated Saudi engineers, and we train them for a whole year onsite through different practical activities.

#### How will the future economic fundamentals affect your business?

**M.S.N.-** Power generation has jumped to 62,260 mega watts in 2015, a growth of 10,2% over 2014; this is one of the largest growth rates in the world, and the budget for electrical projects is over 14 billion ryals for 2016, while the forecast for the 2013-2018 plan is 100 billion ryals.

NECE has put in place a vertical and horizontal diversification plan; vertically we are increasing our market share by adding more qualified manpower, as well as more equipment and tools, we are increasing our sales network and improving the quality by having more training programs. Horizontally NECE is diversifying into a new field, we will manufacture all types of electrical panel boards.

#### Are Jeddah's industry and service sectors competitive in a Middle Eastern context?

**M.S.N.-** Jeddah currently has four industrial areas, worth over 100 billion ryals of investment; The first one, Modon 1 was established in 1973 with 12 million sqm, and recently the newest Modon Oasis 5 has been set up specifically for nanotechnology, medical and other sophisticated industries, while Modon 3 is destined to hold heavier industries with an



expected investment of over 300 billion ryals. In addition, Jeddah has a very large sea port, close to the new King Abdul-Aziz airport that will boast 80 gates, and will soon be in service; The metro line for the interconnection of the industrial cities is under study; Furthermore, Jeddah is located geographically at the crossroad between Europe and Asia, so it has all the necessary requirements to be a major player leading the Middle East economy in the future.

#### Are you optimistic on the prospects of the Saudi construction industry?

**M.S.N.-** The Saudi construction industry has a positive outlook over the long term because the boom in the power sector will continue its course, as the following data clearly illustrates: Currently we have 32 industrial areas, the plan is to reach 40 by the end of 2018; Only the current expansion in the industrial areas will demand 5,900 mega watts of additional power. New projects for heavy industries such as steel, phosphate and chemical industries are coming online, and the project Tabuke 380 KV will interconnect the Saudi network to the Egyptian one.



## INTERVIEW WITH RAED A. KAYAL

### PRESIDENT OF KGROUPE & THE VENUE EXECUTIVE CLUB

Technology and hospitality are the two pillars of Kgroup, founded and led by entrepreneur Raed A. Kayal. As Jeddah retains its edge as the most business-friendly destination in Saudi Arabia, new projects are mushrooming and foreign investors look for the local business acumen and ways to navigate the local intricacies of this still mostly underexploited country, explains Mr. Kayal

#### How did Kgroup come to be?

**R.A.K.-** Kgroup is basically built on two pillars, the first pillar is technology, that comes automatically because of my education in electrical engineering, so at one point in time I just decided to go into the technology business and actually I was among the first to deploy Wi-Fi networks in Saudi Arabia, back in 2001. So I started with wireless and later I went into the hospitality area and this is where you see The Venue in Jeddah, which is more of a hospitality concept. So Kgroup is overall a technology/hospitality group. At the moment in Kgroup we are deploying one of the largest Kingdom-wide RFID implementation for the Saudi Post. We are doing the project for ninety-four sites in forty-four cities around the Kingdom, in only two years.

#### So the backbone of your business is technology but what you really like is hospitality

**R.A.K.-** Yes, exactly, hospitality is more a hobby and technology is more my profession. So the concept of The Venue was created because we wanted to give the business community some services that are dependent on technology, like the latest in conference facilities and the latest in projection concepts. The concept of The Venue is basically a lounge, a business centre with serviced offices, we brought the three together and we have been operating since we launched in 2008.

#### Do you intend to extend your services in Jeddah or do you want to expand nationwide?

**R.A.K.-** Definitely other places in the Kingdom. For The Venue itself, in 2009 we signed a partnership with a Turkish company, we wanted to take it all the way to Istanbul, but the problem we had was the financial crisis which hit business in Turkey. Now we decided to get back to the concept and we are looking forward to re-launching it again in Jeddah and then go to Riyadh and Dammam.

**"THE WATER INDUSTRY WILL BE THE NEW OIL, BECAUSE WATER IS LIFE AND HAS NO SUBSTITUTE"**



#### So are you planning on expanding first in the Kingdom and then go abroad?

**R.A.K.-** Yes, we might go to Dubai, Istanbul, and other places because we want to create a brand for business people, so that whenever they come to the city, they can conduct their meetings whereby they will have a membership and just call The Venue for bookings their meetings and other services, that's the whole idea behind it.

#### Will you be looking for partners or this is something you want to do alone?

**R.A.K.-** Yes, I am looking for partners, but the whole concept is first establishing a strong base so that we can eventually get a partner who has got the network and the whole concept can become successful from the start.

#### Give me an idea of the investment in The Venue, how much can it be?

**R.A.K.-** It depends on the location, but in general a The Venue will cost from three million to five million dollars, but it all that depends on where you place it, you have to be around the business area.

#### On the technology side how do you currently work?

**R.A.K.-** Basically, I have a partner on the technology side, the know-how would come from my partner. We are the local entrepreneurs, right now we have a company from Denmark which is our technology backbone, we do the customer re-



lating management, the customer interface and basically how local companies should embrace technology. It's better to bring home a partner who does what he does best, because what we do best here in the market is knowing the people, and we conduct business in the local market.

#### Jeddah as a business centre, do you believe that it is retaining its business shine?

**R.A.K.-** I think that the people here are more open to the international cultures because of the Hajj and the pilgrimage to Makkah, as to whether it's the best place to start up a business, I can say that Riyadh is first when it comes to major projects, but for smaller projects Jeddah is perfect.

#### Where would you like the Kgroup to be by 2020?

**R.A.K.-** I would really like to get into the water industry because I believe that it is the next oil, right now only a few countries are realizing this and I think that people will definitely go crazy for water in the future, because water is life and unlike oil it has no substitute. Yes, water is the new thing. That is my strategy, as the hospitality is more like a cash cow, and the technology takes a longer cycle to secure and get the tangible benefits. Water is the future!



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## INTERVIEW WITH NASHWA ABDULHADI TAHER

### PRESIDENT & CEO OF ALSIRAJ UNITED HOLDING

Empowerment of women in the Kingdom starts by training and education, and that's a lesson that Nashwa A. Taher has been promoting for a long time. This dynamic entrepreneur holds the driving seat in her family's diversified holding, with interests in food, real estate and education, and was the first woman to be elected a member of the Chamber of Commerce in her native Jeddah

#### How was the Alsiraj United Holding created?

**N.A.T.-** We started working about twenty years ago with one company, we did not have in mind the thought of owning a holding. The first company was importing foodstuffs from Italy, we did not know much about the food but we wanted to introduce to our customers food with no preservatives, colouring, healthy food. We started attending food exhibitions and trying different types of products. When we started that company we used to import very limited products but at the moment we have over 120, all from Italy.

After that we opened an Italian restaurant where we could use those products, so we had one of the biggest restaurants in the Middle East that could hold 500 people at a go which is still operational, called Villagio, now closed temporarily. We won a lot of awards in the Middle East and internationally, because we use healthy Italian products of very high standard.

#### So you started in the food business, what came after that?

**N.A.T.-** After that we started in electrical mechanical installations in buildings, in a very unique and specialized manner and of the best quality, yet not too expensive. We then started looking at small entrepreneurs, men and women, young people with potential and good ideas but lacking financial support, so we make a feasibility study and if we find it feasible for us and for them we enter with a margin or with a percentage in terms of capital. We also set up training centres for women to be trained in different fields like design, architecture, computers etc. I was trained in a centre like that about 25 years ago. We are associated with the British in the training because we want to go into corporate training according to the need of the existing and upcoming companies, for both men and women.

#### Are you optimistic about the opportunities for women in the Kingdom?

**N.A.T.-** The reason why I am an advocate of women and girls education is not farfetched, as I was the first woman to be elected for the Chamber of Commerce in Saudi Arabia in the year 2005, and since then I have been the chairwoman of the commercial committee in the Chamber of Commerce in Jeddah for ten years. I just resigned a few months ago, I have been working with all the regulations and fines, I have dealt with many ministers in the ministry of trade, transportation, sea ports, and customs.

#### What's the investment strategy of the whole Alsiraj United Holding?

**"YOUNGESTERS THAT HAVE STUDIED ABROAD BECOME VERY DYNAMIC AND BRING US NEW BUSINESS IDEAS"**



**N.A.T.-** We are open to new partnerships, we want new things and we are looking for new branches, so we are looking for innovative youngsters, for men and women. All that matters is to create new jobs. It is a matter of having revenues and at the same time trying to help and to support the youngsters who are unfortunate.

We offer consultancy services as well for youngsters. We love giving them jobs and allowing them to experience the market and take advantage of their education and their knowledge, because many are becoming more dynamic after studying abroad and they bring new business ideas.

#### I understand that the holding is also in Real Estate, right?

**N.A.T.-** Yes, we have been into real estate, I have been handling my late father's real es-

tate business for about thirty years, since I was very young. He is the one who taught me to do everything and I still do all that up to this date. Mainly what we do is buying and leasing land, and developing it at times. Our lands are small. The largest that we have is 10,000 sq meters.

#### How should investors look at Jeddah and the opportunities that are in offer?

**N.A.T.-** There are so many opportunities, there is a big appetite for new industries to be created here and once the regulations are changed, it will open new opportunities for the younger generation. 90% of the country's income comes from oil, to change this we have to look into other sectors, and one of them is to manufacture, and to do so we need foreign knowledge, easy regulations and a high foreign revenue.

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# SKY'S THE LIMIT

NEW REGULATIONS ARE POISED TO REVITALIZE THE REAL ESTATE SECTOR AS JEDDAH GROWS NORTH

Petroleum prices, and therefore Saudi Arabia's main export earner, may be at their lowest in years, but sector analysts say that the construction and real estate sectors will continue to grow despite cutbacks due to cancellations of some government contracts.

Under the government's 10th development plan, \$258 billion has been earmarked for real estate building and development and this year the Saudi building and infrastructure sectors are expected to record the highest contractor awards and with all projects completed on time.

In the western city of Jeddah alone, more than 850 projects worth an estimated \$20 billion are going ahead. At the same time, analysts say construction will have the highest average salary increase of all sectors which should boost the number of Saudi nationals willing to work in the industry.

Housing is one particular bright spot, with Saudi Arabia needing some three million new homes over the next decade to absorb the expected population increase.

## Skyline Pioneer

Now and into the future Jeddah's skyline is in constant flux and behind much of that change is the real estate development and architectural firm Zaki M.A. Farsi Engineering



Farsi 7 Towers in Jeddah

Consultant Group.

Created in 1977 by founder and current President Zaki M.A. Farsi as a small consulting firm, it moved into developing real estate several years later following the Western practice of building residential buildings and selling off the units to individual buyers.

Since then, the company has been responsible for some of the city's most iconic structures such as the Farsi Towers, the Corniche Gardens Towers and Farsi Center, one of the first commercial towers in what is now considered Jeddah's main financial district.

"Our projects, along with the group, have grown astronomically since then," says the president. "For example, our first residential building had 32 condominium apartments and the last one has 170 units. Each time we put up a building they become bigger and now we have seven such residential structures."

The Farsi Group's main division provides architectural research, study and design, engineering consultancy, interior and landscape design, project development and manage-



ZAKI M. A. FARSI

PRESIDENT OF ZAKI M. A. FARSI ENGINEERING CONSULTANT GROUP

"YOUNG PEOPLE ARE GOING TO FEED THE DEMAND FOR REAL ESTATE PROJECTS FOR YEARS"

ment, as well as planning and surveying.

Along with real estate development, architectural services and engineering, the group is also involved in a wide range of activities. Farsi Geo Tech produces paper, digital and e-maps of Saudi Arabia, GPS and GIS solutions, navigation systems and vehicle tracking systems.

"We were the first in the country to make, produce and sell maps. It was a challenge at the time to get permission to make maps, because government security officials argued that maps would make it easy for invaders. But I showed them that all countries had maps so we were finally able to go ahead," Mr Farsi recalls.

What makes me really proud is the fact that we were able to change the concepts about mapping in Saudi Arabia, as back in the day maybe out of 10 doors we knocked on, one or two might open "slightly" while nowadays, the same agencies that wouldn't open their doors for us back then are embracing us and purchasing our products.

But it is real estate development where Mr. Farsi sees the brightest future for the company.

"I think real estate is the second-best income generator in Saudi Arabia and is much more stable than petroleum," he argues. "Since



our business began we've seen the price of petroleum fluctuate a number of times, along with the value of Saudi stocks.

"Whenever there is instability in the Middle East we see everyone move their money out, but I've always told our friends and partners to reinvest in the country. And we can credit the unifying influence of the Saudi monarchy for the stability which the country enjoys."

"Also, this is a young country in terms of its demographics with more than half of the population being under 30 years of age and that means these people are going to feed our real estate projects for years to come," he says.

However, the executive complains that there needs to be better training for the many young Saudis entering the job market now and in the future. While the real estate division has no problem with staffing, the mapping company Farsi Geo Tech needs more new employees with adequate training in GPS and GIS.

"Why do most young Saudis either quit education after high school or find it hard to go on to university? What is missing here are junior colleges and training institutes where young people can study subjects such as IT for example," Mr Farsi says.

The country needs, he says, more training for disciplines like computer sciences, surveying, data entry and even typing.

"Even Saudi University graduates find it necessary nowadays to enhance their skills by enrolling in development programs, in the



training institutes springing up across the country, in order to keep up with fast paced evolving world of IT"

Despite these problems, the group president is bullish on Saudi Arabia, stressing that the current drop in oil prices should not deter expectations of growth nor investment.

"This problem with the petroleum market is a good sign to show that our troubles too shall pass just like in any other country in the world, and with our once-stifling bureaucracy now much improved, investing is a good bet on the future. Regardless of the situation around us and the low prices of petroleum, we are going to launch our new "FARSI 8" twin towers of 40 floors each. We are true believers in the future of our country." Mr Farsi concludes.

**Undeveloped Land**

Foreign investment in Saudi Arabia needs a boost through tax holidays which other countries in the region offer, as well as new laws easing financing, argues Mowafaq Al-Hashimi,

the Chairman of the property development and management company Saqifat Al Safa.

"Dubai, for example, has a scheme in which foreign investors pay no tax for a certain number of years and I think that if foreign companies were allowed to do the same here, business would flourish," he says.

"That would change the landscape completely with everybody developing projects in the real estate sector. We have British and American investors telling us they don't want to build and sell, but rather build and operate."

Saqifat al Safa is pretty much a one-stop shop for real estate investors. It develops, markets and manages properties and carries out market research for the sector.

"Basically, we are service providers and we've concluded many projects. Currently we are developing a huge project at the old airport in Jeddah worth many millions of dollars," the chairman explains.

With many years of experience in the Jeddah real estate market, Mr Al-Hashimi sees the city as a natural for investment thanks to its proximity to the Red Sea, its generally benign climate, its welcoming atmosphere, openness to newcomers and its role as the gateway to the holy cities of Makkah and Madinah.

"Most people stay here during the Hajj and Umra pilgrimages and would love to have a residence here. Jeddah is also popular as a place for Saudis to have second homes for the same reasons."

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The city certainly has the room for more development and that is expected to happen with the government imposing new taxes on undeveloped land.

"This is something that should have happened years ago. If land in the middle of the city is vacant and not being used, it prohibits having more housing, services and everything else.

"Jeddah is divided into two areas, zone one which is developed and has power, water and sewerage and zone two with almost nothing and covers about 65 percent of the city," he explains.

Mr Al-Hashimi says that owners of the undeveloped properties are looking into ways to lease, sell or develop them. "We already have many customers coming to us to enquire about this.

"When this land is developed, especially with residential projects, it will go a long way towards easing Jeddah's housing shortage. A boom in new homes will mean more jobs and fuel a bump in the local economy."

Along with more housing, the executive says that the city needs vastly improved infrastructure, particularly regarding road transport which he notes is much more developed in Makkah, Madinah and Riyadh.

"Roads here are very congested and it can take a long time to get to work or return home," he complains. "The government says it will look into the matter once the new metro and rail system are up and running so it looks like it will still be a while before the issue is addressed."

**Competitive Market**

Another sector player looking forward to the impact of new developments in Jeddah is Aidrous S. Al Bar, the CEO of Intimaa, which provides consulting, appraisal, real estate brokerage, construction development, property mana-



AIDROUS S. AL BAR

CEO OF INTIMAA REAL ESTATE SERVICES

**"LAST YEAR THERE WAS A WAIT-AND-SEE ATTITUDE BUT NOW THERE'S MORE ACTIVITY"**

gement and facility management services.

"Last year there were lots of rumours about the land tax on undeveloped land so there was a wait-and-see attitude in the market-place and the real estate business slowed down."

"Now that it is clear this tax is going to be implemented, there is a lot more activity and 2016 should be a good year for us," he says, predicting a boom in office buildings, which will need to be managed by firms such as Intimaa.

"Competition will be fierce. If my neighbour and I both have a 10,000-square-metre property on the market, the one who offers better services and amenities like parking, cheaper leases, etc., will be the winner over the one who doesn't work to satisfy the client," he says.

Although largely based in Jeddah where most of its more than 300 employees work, Intimaa has plans to geographically expand its business, initially to Riyadh, and eventually to the Eastern Province and the cities of Taif and Tabouk.

"Saudi Arabia is a good place to invest in as there are a lot of opportunities. The outlook is optimistic and the government under our new leader, King Salman, is on the right track."

**Jeddah Keys**

The government's revitalised effort to modernise the Kingdom also receives high marks from Rachid Said Almidani, the CEO of Elmec Contracting Company Ltd, a major player in designing and building mechanical, electrical and plumbing (MEP) elements for construction projects and setting up turnkey cooling



plants and power plants.

"With King Salman we are seeing a new thrust to modernise the country and there is a change in the order of business aimed at making the Kingdom flourish," he says.

ELMEC is certainly flourishing with four new contracts signed recently for work at the Damman Neurology College, the Damman Dental College, the National Guard military warehouse and administration facility and the KFD biotechnology building in Riyadh.

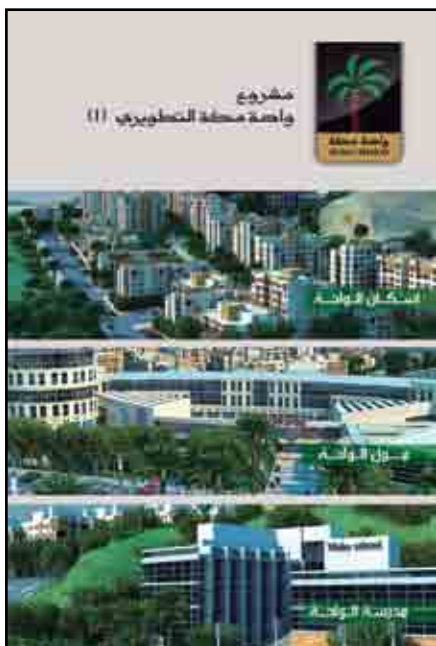
The company is also deeply involved in providing MEP solutions for a number of projects linked to the Grand Mosque expansion in Makkah such as a pedestrian tunnel, water supply and fire protection systems, and a major ring road in the Holy City.

Mr Almidani says the government now is concentrating on major infrastructure projects in the capital like the metro and other transport infrastructure, along with educational facilities from grammar schools to universities as well as affordable housing.

"But for the moment our company is going to take a rest from bidding on tenders and focus on these four new contracts in terms of staffing and budget," he says.

As for Jeddah, the CEO says he sees great promise in such sectors as hotel and residential projects. "We're going to see many hotels opening this year in the city with more than ten five-star properties. And over the past four years there has been a big increase in building activity for affordable housing, mostly for rental apartments aimed at the youth market.

"I think Jeddah will be attractive in the near future for these two sectors: religious tourism and affordable housing."



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## INTERVIEW WITH IHAB S. ELSAMANNOUDI

### CHIEF EXECUTIVE OFFICER OF SUKOON INTERNATIONAL HOLDING CO.

From its base in Jeddah, social entrepreneur Ihab S. Elsamannoudi wants to contribute to make his country a better place to live. Yet his many initiatives in health care, industry and real estate need the help of interested partners that share his vision to take advantage of the many opportunities present in the Saudi market, and his home city may just be the right place to set up shop, Mr Elsamannoudi explains

#### Would you tell us what SUKOON International does?

**I.S.E.-** Yes. I am the CEO and the founder of Sukoon international, which is a company that does health care development, we have built various hospitals, one with 200 beds and we are doing another one in Riyadh. We also designed the IMC Hospital in Jeddah, in which my family and I were co-founders and afterwards we created IEC, a hospital for old people, for car accidents victims, residents and children with physical and mental challenges that require long-term care.

#### Is this company the result of your passion?

**I.S.E.-** Yes, because it has a real health impact and hence an impact on the well-being of the people.

#### Which other businesses are you into?

**I.S.E.-** I am into real estate development, I am also in the security business, building management, access control, electronic installations. In SECUTRONIC we do business with private companies, semi-government entities and with the government, we have been here for thirteen years.

#### Is there more room for partnerships?

**I.S.E.-** Definitely, we have opened companies in Riyadh and Dubai, we go to our partners and they come to us. The world is very dynamic and there are new things to bring and many places to go, so we can be more efficient and productive.

#### Have these partnerships taken the driver's seat of the Saudi economy?

**I.S.E.-** I believe so, because when we started three years ago, I was in multiple business in different formats, some with friends, others with new partners, family, other with partners from abroad that come in to partner with me. For instance, I brought an Italian partner with whom we will manufacture solar panels in Saudi Arabia, here in

**"MY AIM IS TO REDUCE PAIN AND BUILD NEW HEALTH BRIDGES ACROSS THE WORLD TO EASE THE SUFFERING"**



Jeddah with the Saudi industrial Fund supporting us, before that we started developing the project in Jordan.

#### Is there still more potential for solar power generation in Saudi Arabia?

**I.S.E.-** Of course, there is the commitment from the government to bring on 2 gigawatts of solar energy and alternative energy, so foreign investors are needed to bring in new technology to feed up the National Grid.

#### In your opinion, is Jeddah still a good place for international partners?

**I.S.E.-** We have a tremendous amount of opportunities for international partners, we always seek to learn from each other and I think that Jeddah is the gateway to Saudi Arabia because it is open, it is a cultural and historical centre and there is great potential in tourism, hotels and housing. There's an openness to the West and it is vibrant for tourism, because people feel comfortable living and mingling together, and that is our very unique way to make foreigners feel at home here.

#### In which sectors do we have the best opportunities in the next few years?

**I.S.E.-** There are opportunities in housing, healthcare, pharmaceutical, consumables for healthcare and other consumer goods.

#### Where would you want to be as an entrepreneur by 2020?

**I.S.E.-** That is a very wide question. In my business, I am changing a lot of them into a more social-entrepreneur focus, as I want to have an impact on the society and to ensure that every business balances in a certain manner, especially when it comes to health issues. In healthcare I want to achieve 5,000 beds in 2020 from 1,500 beds now. As a member of the Board of Roads and with the safety initiative of the World Health Organization to reduce road accidents, we want to reduce the many deaths occurring on the Saudi roads. I am working with the road users and designers, road management entities and educators for that purpose. I am also looking into digital platforms and education. We have developed a software and we are teaching people 3D dimension printing.

#### What would you tell the investor and convince them to invest in Saudi Arabia?

**I.S.E.-** We believe that Saudi Arabia is a very safe place to work in, and has been for long time. We have the Holy Mosque and we are supporting the world with energy, and we therefore need to have a balance and figure out ways to communicate in a proper manner. My aim to ensure that all people live well, to reduce pain and to build bridges across the world to reduce suffering globally, and to fulfil millennium goals of creating jobs and rectify the damage done by conflict. I am focusing on electricity, water, medicine and its consumables, and building manageable homes for Saudis at a reasonable price

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## INTERVIEW WITH EMAD FAREED ABDULJAWAD

### GENERAL DIRECTOR OF SADEN ADVANCED

The high cost of housing is the preoccupation of Mr Abduljawad, founder of Saden Advanced, who sees his company as a leader in low and medium-cost real estate developments in Jeddah and throughout the Kingdom. A true believer in partnership, this experienced entrepreneur is very positive about the opportunities in industrial real estate and praises the Kingdom's stability as a true magnet for foreign investors

#### What is Saden Advanced?

**E.F.A.-** It is an investment company in different types of businesses, mostly in financial development, real estate development and also in the logistic area. The company was founded around twenty years ago and we are in the process of making it a closed company so in the future we can go for an IPO.

**"WE NEED TO HAVE FIXED REGULATIONS FOR A LONGER PERIOD, TO PLAN AND DEVELOP OUR PROJECTS"**



#### You mentioned three sectors. real estate, first of all, why the real estate?

**E.F.A.-** Real estate is a great opportunity even with new rules and regulations in Saudi Arabia, but still there are many opportunities.

#### Is your idea to buy something which is already developed or to develop a new projects?

**E.F.A.-** To develop new ones. But when we started we bought ready ones just to fill the market and to set it.

#### Are you optimistic that real estate business will give good returns here in Jeddah?

**E.F.A.-** Yes. I have a special research whereby I am trying to find out how to reduce the cost of building, especially for the residential building. New designs, materials, so that we can have low-cost houses more affordable to middle class and low-income earners. The main problem with the people in Saudi Arabia is that in the last fifteen years the cost of housing has more than doubled.

#### Do you think that the greatest opportunity is in residential, industrial or commercial?

**E.F.A.-** I think the greater opportunity is in the industrial and in the residential sector. As for commercial developments, the market is inflated with the big commercial centres.

#### How interesting is Jeddah compared to other locations in the kingdom?

**E.F.A.-** Jeddah is the main objective for me

since I am in Jeddah too, and so I will be looking after the projects more closely and have more information. The second city is Riyadh, which has a great potential mainly on the commercial side, followed by the residential side.

#### Do you want to focus more on the residential here in Jeddah and commercial in Riyadh, why these two particular cities?

**E.F.A.-** These cities need more developments because people are moving in from other areas, I may not have huge developments but the most important thing is that I am giving a helping hand here and there is an opportunity for returns too.

#### When embarking on these developments do you like doing it alone or do you like to go with partners, locals or foreigners?

**E.F.A.-** I go with partners. I already have them and I am also partner with them in their developments, so it is a two-way street because some of these projects you can start but still you will need support from other partners or financial help from banks, I cannot develop every idea alone.

#### Do you think that we are entering a new stage of development in the Kingdom?

**E.F.A.-** Yes. Actually the government is trying to push the private sector to carry out more development in the Kingdom, and to be less dependent on the government and oil, which is a good sign that the government is trying to solve all the investor's problems, to

have more investing in Saudi Arabia and any problem concerning the government procedures is being solved.

#### What are the biggest obstacles in order to make this transition possible?

**E.F.A.-** We have to have fixed regulations for a longer period of time. Usually if there is a new regulation, the investor will be really inconvenienced. So any new law should take a minimum of four years before implementation for easier planning of developments. These regulations include labour, manpower, municipality orders etc. This will allow the investor to plan, study and implement his project.

#### Where would you like to Saden Advanced be by 2020?

**E.F.A.-** I would like to have established a name in offering projects with good prices to the people. I want my name to be associated with a good price-quality ratio. I see many opportunities here in Saudi Arabia, we have a very stable government, stable ethics and we like to see new developments, but also quality developments that are long-term. Investment opportunities are very high here in different areas, like in the industrial area, real estate and the service industry. In Saudi Arabia the government has controlled the Kingdom and is peaceful, and everyone can move about any time of day and night and it doesn't have to be in a luxury area.

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Saudi Arabia

## INTERVIEW WITH ADBULLAH A. ALJOMAIH

### CEO OF ALJOMAIH EQUIPMENT & TYRE CO. LTD.

Despite the recent spike in gasoline prices to Saudi consumers, and its likely influence in lower car sales, Aljomaih's CEO continues to believe that a golden era of foreign investment is unfolding in the Kingdom. The reasons for his optimism can be found on the governments thrust to the private sector as well as the new opportunities derived from new power sources such as solar power

#### How was 2015 for the Aljomaih Holding?

**A.A.A.-** In 2015 we were not affected that much because the price of oil was reduced at the end of the year, so in 2015 we had growth and I can say that we are growing, but we expect our holding to be affected in the year 2016 and we are adjusting to this matter. Saudi Arabia is considering the encouragement of the private sector and foreign investment to come to Saudi to seize the opportunities, it is now very easy to open up a business and everything is done electronically.

#### Which is your main business right now?

**A.A.A.-** The main business is the automotive sector, we are dealers of General Motors and Yokohama, we import around 32,000 vehicles a year into the Kingdom.

#### In all your lines of business, which one do you think has a brighter future?

**A.A.A.-** I think that Saudi Arabia has put forth considerations about clean and clear power, so now it is an opportunity for foreign investors and companies to provide clean power such as solar power, which should be cheaper because the power we use here is very expensive.

#### Do you think that this is a good opportunity?

**A.A.A.-** Yes, this is a very good opportunity because Saudis are consuming a lot of power per capita, the Saudi goal to reduce the consumption can be realised by making this field open to the outside world.

#### Are you open for partnership in your holding?

**A.A.A.-** We are already in several partnerships. We started an energy company for buying generators that are driven by solar power from China. We are still negotiating with other companies from Germany and Spain who have done very well in these areas.

**"WITH REDUCED REGULATIONS, IT IS NOT AS DIFFICULT TO ENTER THE MARKET AS IT USED TO BE"**



#### In what other areas do you think that there are good opportunities?

**A.A.A.-** I think that Saudi Arabia is looking into ways of making itself a very large industrial country. There is a high demand for investors producing automobiles and we have very many companies coming up, because the market is huge and we want Saudi Arabia to be the centre for Africa and the Middle East for the automobile industry.

#### How do you evaluate your location in terms of business in the whole of the Kingdom?

**A.A.A.-** I can say that the location is good because in the near future Jeddah will be linked by a railway line, Jeddah has a port which makes it easier and cheap to import, actually there are three ports in Jeddah. The government is encouraging foreign investment because it wants the private sector to grow, for instance by making spare parts to supply the military, so there are many opportunities. The Saudi government issues to foreign partners land at a very low cost, they give out their services of electricity, and water etc. for the period of time agreed upon, so why would the investor not want come and grab that opportunity?

#### So you think that this is the start of a new golden era for foreign investment?

**A.A.A.-** Yes, it is. We need investors in the mining industries to exploit the available minerals like iron and many more. There are very many areas in need of foreign investment. They can also join with Saudi partners. And as I said the Chinese

are coming in but I do not see so much from the Western investors. Like in Europe the cost of labour is very high and all countries are looking for ways to cut the costs of production, and you find that the Europeans and Americans go to China to make their products from there where the resources labour is relatively cheaper.

#### Where would you like to be in three years' time?

**A.A.A.-** We would like to operate in more sectors, we would like to join with a lot of Western countries and to have big businesses here in Saudi Arabia, we should grow in the power industry as I told you and with proper planning we will do a fantastic business.

#### So you are optimistic that not only for the country but for your business as well?

**A.A.A.-** We are very happy that the Saudi government is doing all it can to support our businesses and that King Salman is doing his best in dealing with the young generation. The government is studying our economy very well and they are putting the strategy for the economy and I think that the future is bright, even though the oil prices are low, we as business leaders are trying to help the government in this matter.

I would urge investors to come to Saudi Arabia because there is a healthy and protected environment, and we are open for any investors, we have reduced regulations and it is not as difficult to get into Saudi Arabia as it used to be.



Aljomaih Equipment Co. Ltd.



Aljomaih Tyre Co. Ltd.

# HEALTHCARE TO BRING FDI BOOM

BE IT HOSPITALS OR CLINICS, NEW HEALTHCARE FACILITIES ARE MUSHROOMING IN KSA

When asked which sectors of the Saudi Arabian economy are assured of growth no matter what the future price of oil, economists almost always place healthcare in the top three.

With a rapidly growing population of locals and expatriates and rising income fuelling demand for healthcare now and well into the future, the government is expanding its own facilities and services while at the same time encouraging private operators to enter the sector.

With these steps, healthcare in the Kingdom has improved dramatically in quality and no longer do many Saudi citizens feel it necessary to travel to Europe or the United States for advanced treatment, which is now available locally.

This is especially true in Jeddah and the Western Region where many pioneering physicians launched private clinics and hospitals to complement the public health system.

Over the last few years, health care companies all over the world have noticed the opportunities in the Kingdom and many have taken the lead and entered this promising market.

## Assured Growth

A major Saudi healthcare provider operating with foreign partnerships and expertise is the Nazer Group, a holding company founded in 1991 involved in health insurance, hospital supplies, kidney dialysis and outpatient clinics, as well as financial services, public relations, energy and event organizing.

"We've enjoyed fantastic growth over the past five years even with the drop in oil prices," says founder and Chairman Loay Hisham Nazer. "Today we believe we are one of the largest healthcare companies in the entire Middle East."

"Our idea is to take a very cautious approach to see how the economy goes but we've faced many ups and downs over the last 25 years and we'll continue investing."

Two decades ago, Nazer partnered with international health insurance provider Bupa to create Bupa Arabia which now has more than 1,000 healthcare professionals looking after its clients in 16 cities around the kingdom.

Nazer's medical supplies division, Nawah, markets hospital infrastructure and patient room products and services with an emphasis on specialised beds and furniture, as well as



ZIYAD  
KABLI

MANAGING  
DIRECTOR OF  
DIAVERUM  
MIDDLE  
EAST

**"THE SAUDI GOVERNMENT HAS MADE APPEALING FOR FOREIGN FIRMS TO COME AND INVEST"**

technology for renal dialysis, infection prevention, neurology and critical care.

Another division, Nazer Clinics, operates a chain of outpatient facilities focusing on family medicine, paediatrics, women's health and diabetes.

"We're predicting growth for the group from all our activities, including the medical division even though the medical supplies business has slowed down as the government is curbing hospital construction," explains the chairman.

Throughout the Nazer Group, quality is the goal as reflecting in the executive's concern for providing the very best products and care in its healthcare divisions, "One example of this is that in the dialysis clinics run by our joint venture partner Diaverum, we test every patient's blood samples each month to see if there is improvement in the quality of the blood," he says.

Multinational renal health company Diaverum initially partnered with the Nazer Group in 2011 to open its first clinic in the eastern city of Dammam.

Since then, Diaverum has rapidly established itself as a partner of choice for the government, tasked with bringing quality renal care to Saudi patients: "The Ministry of Health has given us the mandate to establish 92 clinics to serve some 5,000 patients, and today we are serving 1,600 patients at 15 clinics in 10 cities," says Diaverum Managing Director for the Middle East Ziyad Kabli.

Kabli sees the biggest challenge as improving accessibility of Diaverum's services in rural areas and upgrading and enhancing the quality of the services already available at existing clinics.

Another challenge is training the medical staff of doctors and nurses which is being

met by the "d.ACADEMY", the first of its kind in the region which provides specialised training for physicians, nurses and patients in clinical operations.

Despite these challenges the managing director is confident that Diaverum and the Saudi private healthcare sector will prosper given the government's support and the increasing demand from a growing population.

"What the Saudi government has done in terms of changing the regulations for private hospitals to operate in this market by having direct investment companies build and operate facilities and for expanding insurance services will help to accelerate growth and make it more appealing for international companies to come and invest."



DR. MAZEN S.  
FAKEEH

PRESIDENT &  
CHAIRMAN OF  
DR. SOLIMAN  
FAKEEH  
HOSPITAL

**"THE GLOBAL SHORTAGE IN THE MEDICAL PROFESSION IS MORE ACUTE IN SAUDI ARABIA"**

## Early Lead

One of the pioneers in private healthcare in the Kingdom is the Dr Soliman Fakeeh Hospital (DSFH) founded in 1978 by the father of the current President and Chairman of the Board, Dr Mazen S. Fakeeh who remembers the early years.

"Back when the hospital was inaugurated, healthcare in Jeddah and Saudi Arabia in general was quite primitive, we did not have modern hospitals and very few private ones.

"My father was a healthcare executive and physician and for several years the regional director general of health for the Makkah region. He recognized there was a healthcare gap and resigned to dedicate his time to the private sector," the executive recalls.

In launching the project, the senior Dr Fakeeh went to the United Kingdom to contract with a specialised architectural firm to design the facility and soon the DSFH was racking

up a series of healthcare firsts.

It inaugurated the first CAT scan in Jeddah along with the first MRI, and carried out the first successful in vitro fertilisation, the first kidney transplant and the first heart transplant.

“Our hospital started out with 100 beds, then the building was expanded in 1982 and we added a paediatrics department, then neurosurgery four years later and in 2003 we added the medical college, then the nursing school,” Dr Fakeeh says.

DSFH now has almost 3,000 employees at its main campus, one of the largest private hospital in Saudi Arabia with 540 beds. It is renowned for its cardiac paediatric and general adult surgery, as well as obstetrics, gynaecology and natal care, and is now focusing on prevention and lifestyle issues which Dr Fakeeh sees as vital.

“Lifestyle is one of our biggest challenges as 70 percent of the population is overweight or obese and 25 percent suffer from diabetes. Smoking is also rampant in the Kingdom among both males and females. We are trying to correct this and are building eight family medical centres to address these issues.”

Like other healthcare leaders in Saudi Arabia, Dr Fakeeh says that the dearth of qualified doctors and nurses can be an obstacle to optimum performance.

“There is a global shortage of medical professionals but it is more acute in the Kingdom because of social differences especially regar-

ding expatriates living here because it is a very conservative society and that can be limiting,” he explains.

“On the other hand, we have a larger population than other Gulf Cooperation Council countries so we have more medical students and doctors to choose from. Still, it can be a challenge considering we are expanding locally and building new medical centres.”

But Jeddah itself is a draw for foreign and Saudi medical staff, Dr Fakeeh argues, citing its status as a pioneer in the region’s healthcare sector cosmopolitan atmosphere.

“It’s a port city and has been open to the world for hundreds of years which makes it a welcoming and relaxed place to work, live and invest so it is competitive with other GCC cities for attracting expatriate talent.”

### Business Mentality

In a country which relies so heavily on private healthcare there is still ample room for charity organizations to provide medical care to those in need. One of the leading such outfits in Saudi Arabia is the Zam Zam Society for Voluntary Health Services based in Jeddah.

“Regardless of how wealthy a country is, there is always a percentage of the population whose healthcare is covered by non-profit organisations, but there were none in the Kingdom so Zam Zam Society was founded back in 2005 to fill this need,” says Chairman of the Board Prof. Adnan Ahmed Albar.



PROF. ADNAN AHMED ALBAR

CHAIRMAN OF OF ZAM ZAM SOCIETY

“ZAM ZAM SOCIETY WAS THE FIRST TO PROVIDE SPECIALIZED VOLUNTARY HEALTHCARE”

The chairman took up the post after serving as the general director of the King Fahd University Hospital in the eastern region of Al-Khobar and the chief of health services in the Makkah region.

“Zam Zam Society is the first of its kind in this country and we provide specialised charita-



ble and voluntary healthcare but with the mentality of a business organisation, he explains.

Like any modern corporation, the organisation began with a business model, a strategic plan and a 10-year vision with specific objectives and a budget. Zam Zam is managed by a full-time director general with three assistants, all highly-qualified Saudi nationals.

Zam Zam Society, in fact, is one of just a handful of organisations which have achieved the so-called "Platinum" level of Saudiasation which means at least 40 percent of its some 220 employees are Saudi nationals.

Operating on an annual budget of \$30 million, the charity has its own network of clinics for basic health care but finances other medical services carried out by private sector hospitals.

"We buy only high quality services so the hospitals must fulfil certain criteria. Zam Zam Society works with about half of the 32 hospitals in Jeddah and so our organization has become a major financial player in the local healthcare market," Prof. Albar explains.

The chairman says there are still opportunities for foreign investors in the Saudi healthcare sector but they should do their homework.



**RIANIA A. T. BAKHSH**

GROUP CEO OF  
DR BAKHSH  
HOSPITALS  
GROUP

**"WE WILL BE SOON LOOKING TO FORGE A PARTNERSHIP WITH A FOREIGN UNIVERSITY-HOSPITAL"**

"It is an excellent opportunity provided the investors know what they are coming for and at the same time they know what this country needs from them and what the community expects.

"Our government is shifting to reliance on private hospitals and these are already overwhelmed so international operators with their experience, background and abilities can partner with local firms to the benefit of all," he says.

**Jeddah Centered**

Another Jeddah medical facility keen to expand its foreign ties is the Doctor Bakhsh Hospitals Group (BHG) as it sets off on an am-

bitious plan to improve and enlarge its services to patients.

"We'll be looking in the near future to forge a partnership or joint venture with a foreign university-hospital, but first I want to upgrade our services to an even higher international standard," explains Mrs Rania A.T. Bakhsh, the CEO of the group founded by her father.

Operating 90 clinics and employing 1,000 staff, BHG is proud of the extra effort it takes regarding patient relationships.

"We have a long history here in Jeddah and people know us," the CEO says. "And they know they are going to be treated with integrity, they won't be overcharged and they won't be submitted to unnecessary tests."

BHG is currently boosting its offerings, including a new cardiovascular lab, an improved radiology department and more modern operating theatres. There are also plans for a new oncology centre.

"Quality of care is our most important asset and many large companies send us their employees because of our sterling reputation," Mrs Bakhsh says. "And this is something which will only get better."

**INTERVIEW WITH AHMED A. ZUGAIL**

**Director General of Yanbu Cement**

Demand for concrete and cement in the Western Region and the rest of the Kingdom has propelled the local champion, Yanbu Cement, to new heights in its quest for size. While self sufficient in funds, this industry can still benefit from partnerships in environmental issues, as its Director General explains, while other parts of the economy can benefit from the current influx of foreign direct investment coming its way

**A new climate agreement was signed in Paris recently, how do you think that is going to affect cement industry in the Kingdom and in particular Yanbu Cement?**

**A.A.Z.-** Regarding this issue the Saudi cement Industry is one of the most modern industries in the world, they have all the international standards for fuel burning, power consumption and so on, all Saudi cement companies use the latest technology. Our company for instance has signed with Sonoma Energy the building the largest waste heat recovery system in the cement industry in the world, producing 35 megawatts, as we believe that it is our obligation towards our society and our environment. The cost of this initiative is about 65 million dollars, it will be operational by 2017.

**Has 2015 been a good year for Yanbu Cement?**

**A.A.Z.-** Last year has been better than what we had expected, we were hoping to sell 6.5 millions tonnes and we have finished with 7 million tonnes at the end of last year, that's a growth of 12% over the year 2014. In the whole country demand has grown by 8%, our market share was 11% and now we are at 12%. Our market share in the Western Region is about

**"MADINAH, MAKKAH & JEDDAH MAKE A GOLDEN TRIANGLE WITH OVER TEN MILLION SAUDI CONSUMERS"**



35%, we are the leading producer in Jeddah, Makkah and Madinah.

The Western Region has had the highest growth in demand for the last 3 or 4 years in the Kingdom of Saudi Arabia. In Jeddah, Makkah and Madinah, they are all called the golden triangle; it has a population of about 10 million people so it is one the most populated regions in Saudi Arabia.

**Is there an opportunity for your company to start exporting to the neighbouring countries?**

**A.A.Z.-** Hopefully yes, yet there is a ban of exports of concrete and cement, but we hope this will be lifted because and we have positive signals from high officials that it is under study.

**What are your main goals for this Yanbu Cement in the long-term?**

**A.A.Z.-** If you ask about my goals, of course we would like this company to be merged with other companies and to be forming alliances, and so we can expand further and further. I do feel that we have great opportunities on the other side of the Red Sea, in countries like Eritrea, Somalia, Kenya and Sudan. These areas need development and its people are eager to be living in the 21st century as others do.

**Are there opportunities for fDi in the Saudi Cement Industry?**

**A.A.Z.-** The Saudi cement industry does not need for any foreign investment since it is mostly self-sufficient in financial resources, but foreign investment in Jeddah yes, I believe that we need investments in the hi-tech industries, human capital development, education and the services sector.

# A SHOPPING & EATING HEAVEN

## SHOPPING AND EATING OUT IN JEDDAH CREATES PLENTY OF BUSINESS OPPORTUNITIES

In the old quarter of Jeddah, known as Al-Balad, or "The City", magnificent mansions of several storeys fronted with intricately carved wooden balconies that once belonged to prosperous merchants remind the visitor that this city has been a major business hub for many, many centuries.

Indeed, long before Jeddah became the main gateway for Muslim pilgrims on their way to Makkah, the city on the Red Sea was already an important regional entrepôt and historians say it was a vital hub for the trade in frankincense carried out by the ancient Nabataeans some 2,000 years ago.

Over the centuries, Jeddah attracted travellers and traders to become the Arabian Peninsula's major seaport, famous for its hodgepodge of nationalities, amazing merchandise on offer from half the known world and the acumen of its businessmen.

Today, that entrepreneurial spirit still thrives and Jeddah, recognized as the most "open" of Saudi cities, is the headquarters for many domestic companies which are pillars of the country's economy.

### Open City

Until recently, retail trade in this part of the world was mainly carried out at the city bazaar but now these fascinating, bustling and dusty hives of commerce have been largely supplanted by modern, air conditioned shopping centres and one of the most famous is Jeddah's Red Sea Mall.

"We opened the mall in 2008 and today we have 113,000 square metres. This year we are expanding to around 135,000 square metres including parking space," says Mohammad

I.B. Alawi, the CEO of Red Sea Markets Company Ltd. which operates the facility.

Any westerner would feel almost quite at home at the Red Sea Mall. Many shops one could find at a similar facility in London, Los Angeles or Tokyo such as Adidas, Benetton, Cartier or H&M, along with a healthy sprinkling of locally-owned and operated stores.

The mall also offers restaurants and cafés of many international brands as well as family entertainment facilities. There is even a five-star hotel, the Elaf, popular with Saudi and foreign visitors who like the convenience of having world-class shopping right next door.

"We not only get people coming through Jeddah on their way to Makkah for the Hajj and Umrah pilgrimages, but also local Saudi tourists throughout the year," the CEO explains. "Jeddah is a modern city and very popular because it has this atmosphere of freedom."

When Mr Alawi took over the reins at Red Sea Markets Company Ltd. he carried out feasibility studies and research on consumer spending patterns and disposable incomes in the mall's so-called "catchment area", helping the company target and adapt to the shoppers it wanted to attract.

"I think it worked because not only have we expanded, but we received an ISO quality certificate for operations as well as winning ten international awards. Our mall is now one of the best in the region," he boasts.

But there have been challenges. Mr Alawi complains that there is no fixed and reasonable zoning strategy in the city so that strategies are changing from time to time which he says is "a big problem in this area, especially for commercial dealings."

"Also," he adds, "there are no commercial courts in Saudi Arabia."

However, he is optimistic concerning his company's future and the economic stability of Saudi Arabia in general and Jeddah in particular.

"Now we are through with our bank loans and enjoying a profit. Our shareholders are getting their dividends and we're thinking of a bigger project, not necessarily in Jeddah but elsewhere in the country.

"We will be calling other investors to join



**MOHAMMAD I.B. ALAWI**

CEO OF RED SEA MARKETS COMPANY LTD.

**"OUR MALL IS ONE OF THE BEST IN JEDDAH, SO WE GET MANY TOURISTS AND HAJJ PILGRIMS"**

in as a portfolio for financing. It is going to be a huge investment, totally independent of the shareholders and will have a different management structure and objectives."

And there is certainly room for further growth in the sector. According to the CEO, the company wants additional commercial space as there is a waiting list of potential renters who wish to set up shop in the mall.

"In order to satisfy this demand, we would have to double the size of Red Sea Mall. And we want foreign investors in the retail sector to bring in international standards and practices in the market," he explains.

Jeddah itself, he argues, will continue as one of the kingdom's chief economic powerhouses and the country should weather the current oil price shock as long as the government can successfully trim spending.

"With our country's new and young leadership, I am optimistic that our sector, our city and our nation will prosper."

### Investment Friendly

Building and operating malls in Jeddah is the job of firms like Abnia Consulting Engineering which is responsible for the city's Serafi Mega Mall, one of the principal shopping cen-

**Yanbu Cement**  
Cementing our place as industry leader

Since 1998, Yanbu Cement has been committed to the training and development of its people, ensuring quality and working with best practices to minimize the impact on the environment. With Yanbu Cement shortly set to become the owners company with the largest heat recovery system in the world, the company is today one of industry leaders in the Kingdom.

Manufacturer of Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC) and Sulphate Resisting Cement conforming to ASTM and SASO standards.

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tres in the region, notes general manager Anas Saleh Serafi.

"My first project after my graduation from architectural school here in Jeddah was the Serafi Mega Mall, a \$1 billion project covering 100,000 square metres," he says.

When it was inaugurated in 2005, the L-shaped, four-storey complex was one of the wonders of Jeddah, boasting 200 stores, family entertainment and health and fitness centres, a rock-climbing facility, a 25-restaurant food court, a prayer hall and parking for 1,200 automobiles.

Now the firm is building the family entertainment-focused Serafi Park which is to be five times larger than the mega mall and is budgeted at \$750 million.



**ANAS SALEH SERAFI**

GENERAL MANAGER OF ABNIA CONSULTING ENGINEERS

**"THE WESTERN REGION IS THE BEST FOR INVESTING, WE HAVE PEOPLE, INCOME AND RETURNS"**

"Jeddah is the fastest-growing city in the Kingdom with a population of almost four million and around half of that figure are young people who need recreational activities like those Serafi Park will provide," the general manager says.

"During their leisure time most people tend to visit shopping centres since we don't have parks. The weather is not favourable year-round so people need air-conditioned and secure places for a family gathering which Serafi Park will provide."

Scheduled to open in 2017, the complex will include restaurants and outdoor seating sections, water features, stages for live events, a museum highlighting the city's role in the hajj and another displaying Saudi handicrafts.

"And this is not only for Jeddah residents as we also expect the park to be very popular with the tens of thousands of pilgrims who pass through the city," Mr Serafi says.

Along with malls and entertainment centres, Abnia Consulting Engineers has worked on a wide range of projects including office towers, university buildings and hotels. One of its biggest current projects is the Jabal Omar development in Makkah.

"The western region of Saudi Arabia is the best in the country for investing," the general manager argues. "We have a fast-growing population, people with good incomes and for investors, good returns. All are welcome to invest in Jeddah."

**Global Ambitions**

Another sector which is prospering briskly in Saudi Arabia is women's clothing as there is now a more relaxed attitude concerning female roles outside the home and more women are joining the workforce and have their own incomes.

Fad International, a home-grown women's fashion company, is riding this trend with its two brands – femi9 and Vivid Flair London, says CEO Eyad A. Mashat who recounts how the firm began.

My great-grandfather started the textile journey from our hometown, Makkah; and when I completed my studies in Switzerland and returned, I was interested in clothing while my father decided to focus more on real estate.

"I saw then that the company needed a new direction and so we created a brand to cater to our local customers. We then began to target the regional markets and later other countries," he says.

Opening their first store in Riyadh in 1999, the company's executives responsively explored their customers' wants, the most popular colours, sizes and styles, along with continually conducting market research to update the customer insights.

With the success of the first outlet, Fad International set its sights on expansion both at



**EYAD A. MASHAT**

CEO OF FAD INTERNATIONAL

**"FAD INT. WILL BE IN AFRICA BY 2020, IN PLACES LIKE ETHIOPIA, NIGERIA, AND SOUTH AFRICA"**

home and abroad; today the company has 62 stores, including six franchise operations, on three continents.

"When we decided to expand outside Saudi Arabia our first market was Egypt and it was very challenging for various reasons," Mr Mashat recalls. "But luckily we have an experienced cooperative franchisee, who has been working with us in achieving the great results we see today".

"Our experience in the local Saudi market has been very good as Saudis really love to shop, it's like therapy for them. Also, general expenses are lower here, and although we are currently witnessing an increase, the affordability of the products we offer is in our favour."

The company has an annual turnover of around fifty million Euros and employs more than five hundred people.

Fad International concentrates its domestic operations in smaller cities as market research has shown that Saudis don't like to drive over large distances to purchase clothing. "They'll go to the big cities on weekends or school holidays, but they want their shopping options nearby," the CEO says.



The company's first brand was femi9 and is aimed at providing culturally relevant fashion garments to Middle Eastern women; the brand is designed and marketed by an international team who base their strategies on customers' fashion and lifestyle preferences.

Launched in 2009, Vivid Flair London is an exclusive ready-to-wear evening line targeting women between the ages of 20-45 and presents two collections each year. Based in the British capital, the brand currently has outlets in Saudi Arabia and the United Arab Emirates and with sales brisk there are plans to open in Europe and beyond.

Growth for both brands has been steady over the past two years at home and abroad and now Mr. Mashat says that Africa is in the company's sights.

"We will be in Africa by 2020. Not necessarily Muslim countries but Ethiopia, Nigeria and South Africa with logistics handled from someplace, perhaps like Ghana," he explains. "In North Africa we are already in Morocco and are looking at Tunisia and Algeria where there is strong demand on the wholesale side."

"We want to be global by 2020 with an international system, well placed for further growth and opportunities. By heritage, locals of Jeddah have been known for being real traders; and we have evolved to become ambitious entrepreneurs who are ready to go anywhere to do business."

### Fresh Ideas

Another business group heavily involved in the food sector is Thamer M. Al Aboud Establishment, which operates dozens of outlets in Jeddah and beyond, catering to the local passion for enjoying tasty snacks, juices, coffee and meals outside the home.

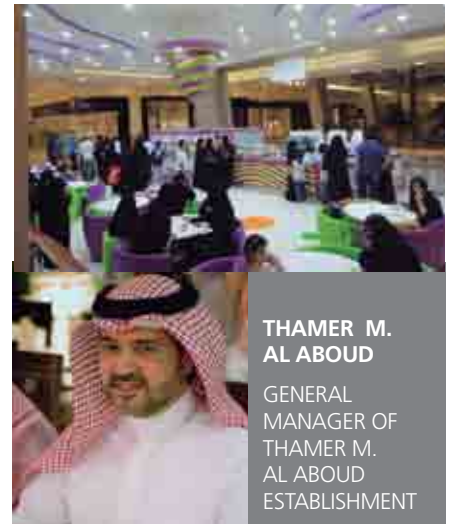
"I got into this business when I was 16 and used to help my brother at the small café he opened here in Jeddah," recalls general manager Thamer M. Al Aboud. "From the very beginning I fell in love with the food business and began seeing business opportunities everywhere."

The brothers' next step was to open an amusement park with a lake and a restaurant, the first of its kind in the city and which quickly became an attraction for locals and visitors alike.

Spotting another opportunity, Mr Al Aboud opened a fresh fruit juice outlet, then set up a business selling sweet corn from trolleys along Jeddah's popular seaside promenade, the Corniche.

"I then became involved in franchises, bringing foreign food outlets here and the first was Edible Arrangements, an American company which sells fresh fruit arrangements, chocolate-dipped strawberries and other delights," he says.

Now, the company also operates franchise shops selling donuts, Italian ice cream, gourmet coffee and frozen yoghurt as well as several restaurants.



**THAMER M. AL ABOUD**  
GENERAL  
MANAGER OF  
THAMER M.  
AL ABOUD  
ESTABLISHMENT

**"IN JEDDAH NEW RESTAURANTS & HOTELS CAN BE OPENED WITH GREAT POTENTIAL & LOW RISK"**

"At the present we have 45 points of sale and employ some 600 people with an annual turnover of \$25 million, with 80 percent of our businesses in Jeddah," the general manager explains.

"I certainly expect our group's business to grow, either through fresh and new ideas or more franchise deals," he says, confidently. "And my message to the business people all over the world is: come to Jeddah, where we need new hotels, new restaurants and many other businesses with great potential and minimal risk."

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Tel: (+96611) 4977730 Ext. 400  
Fax: (+96611) 4459014

Eng. Waheed Al Jalaly  
Email: Waheed.AJalaly@mynaghi.com

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## INTERVIEW WITH ABDULLAH AL-SAYED

### GROUP PRESIDENT & CEO OF NEXUS FLIGHT OPERATIONS

In only five years Jeddah-based NEXUS Flight Services has taken the Saudi aviation market by storm, by offering a unique mix of services that the sector was craving for. As his founder and CEO Addullah Al-Sayed explains, this is only the beginning, as the young company keeps its momentum and opens new operational centres in Africa, Asia, Europe and America to become a truly Saudi Multinational

**Nexus Flight Operations has grown tremendously since 2010. How was it created?**

**A.S.-** When I became the Director of Royal Jets, I asked: is there any company globally to subcontract my entire flights operations? That is, a company that could arrange my catering, my handling, my hotels, etc. I wanted to focus on our core competence as an operator, seeing my aircraft and making sure I have the best crew and making sure I have airworthy aircraft, top notch and excellent appearance and to focus on my services, so I didn't have to worry about all the logistics!

I couldn't find it, I only found companies that did logistics but they didn't do other operations like crew scheduling, crew planning, trip planning. So the idea to create NEXUS really came back to me in 2008 when I was named CEO of Netjets Middle East, between 2008-2009, I started to think, why can't I create a company that will do this business? Everybody said you are crazy, no-one will give you their operations. To that I said: unless you do it just right!

**So by 2010 the NEXUS Flight services was finally launched**

**A.S.-** We established the company in 2010 and I went to the Civil Aviation Authority to open a flight operational centre. It was very challenging, it took me more than six months for the whole process. Finally we started the company operations as the concept was okay in the year 2010, and then we decided that we wanted to go global, so we started to set up two operational centres, one in Bahrain and another one here in Jeddah. The reason behind it is that I wanted to give my customers the comfort, when someone comes and says, what is the back up if something wrong happens in this office?; I have a backup operation in minutes. All our data, servers, all of it is in Miami, Florida with Verizon company so the data is well secure, controlled and well managed.

**"WE WANT TO GO GLOBAL, TO NEW EMERGING MARKETS LIKE INDIA, AFRICA, PHILIPPINES AND SOON CHINA"**



**The fact that you are based in Jeddah, does it give you a competitive advantage?**

**A.S.-** The executive team in 2010-11 was based in Bahrain and the backup was in Jeddah. Arab Spring starts and Bahrain had some disturbance, with demonstration and our staff could not go to office, it was really a nightmare. So we made the decision, which was a very fortunate one, to move over to Jeddah. KSA is like India, like China, the power of these countries is that they have their own internal purchasing power, like Europe as a unit, like the United States as a whole. Saudi Arabia is the fourth largest country in the world in terms of purchasing aviation products and services, and I believe we must be close to the largest market in aviation in the whole Middle East.

**What are your main plans for expansion?**

**A.S.-** We want to go global. How? We want to go to the emerging markets, and the first market we thought of was India, but it is a very hard market to get into. So we looked for a partner that was not an aviation, a local partner that had political access, someone with financial resources and who had the ambition of investing in the aviation industry, because we wanted to control the operations and the standards of the operations.

We went to India and partnered with someone in the chemical and hospitality industry, we partnered with them although we are the majority shareholders, and we established our operations in Bombay. Today I can proudly say that we have a 30% market share all over India, for a company that started in early 2013. Today if you go to any airport in India you will find someone carrying NEXUS Badge or meeting you at the aircraft, that is how strong we are in India.

After that we have established our operation in Kigali, Rwanda. A lot of people say Kigali, why you go to Kigali? Well, It is the one African country in which there is less corruption, the United Nation uses them as a hub. Then we are in the process of expanding to the US and now we are in also in Vienna supporting our operations in Europe. Now we are shutting down our Bahrain Operations Centre, as we are establishing another in Manila, finally we hope to be established in Shanghai soon.

**Where do you want to be in five years time?**

**A.S.-** Today we have seven hundred employees around the globe, out of Saudi Arabia that will be around four hundred. We just recently started ground handling services, we signed a contract with Saudi Aramco to serve them in all their 14 airports in the Kingdom, just for this contract we are hiring two hundred people. I would like to tell that in 2020 that today we are global public listed Company. We are so successful because we are passionate about our business, secondly we were loyal to our clients, to our people and also loyal to our suppliers who stood with us especially at the beginning so we are still working together with them.



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A woman with her hair in a bun, wearing a black, backless, floor-length dress, is posing in a desert landscape. She is looking back over her shoulder towards the camera. The background shows rolling sand dunes under a clear sky.

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