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REAL ESTATE BOOMS AS VISION TAKES OFF IN RIYADH AND ACROSS THE KINGDOM, CONSTRUCTION AND REAL ESTATE ENTER A GOLDEN ERA OF GROWTH

Almost every day, Saudi Arabia is generating news stories around the globe about the deep and sweeping economic, social and governance changes the country is undergoing thanks to the reforms and mammoth projects embedded in Crown Prince Mohammed Bin Salman's Vision 2030.

With the largest economy in the Middle East and as one of the world's major oil and gas producers, the Kingdom is the richest in the region and now the government is spending billions and billions of dollars to ensure it reaches its ambitious goals.

A visit to the capital, Riyadh, provides clear evidence of the exciting transitions taking place.

Construction cranes punctuate views of the skyline as the city stretches out beyond its traditional borders, foreign business people crowd the newly-opened luxury hotels for meetings with local partners and a new shopping mall seems to pop up every other week.

And in the coming years, the capital will experience the Expo 2030 world's fair and be a host city for the World Cup four years later.

Announced exactly eight years ago, Vision 2030 has three main goals: cut the country's heavy economic dependence on petroleum by diversifying its economy; fully develop sectors such as financial services, infrastructure, education, recreation, entertainment and tourism to world standards; and get more women and young people into the labor market.

A glance at just some of Vision 2030's economic targets gives an idea of how ambitious the plan is: increase the GDP share of non-oil exports from 9 per cent to 50 per cent; boost private sector contribution to the GDP from 40 per cent to 65 per cent; and raise foreign direct investment contribution to the GDP from 4 per cent to 6 per cent.

On the labor front, the government is



KAHEEL PROJECT BY MOHAMMAD AL HABIB R.E.

working hard to increase women's participation in the workforce from 22 per cent to 30 per cent, and lower the jobless rate from more than 12 per cent to 7 per cent.

In a further bid to modernize the nation of 38 million, the government has taken giant strides in digitizing all its operations so citizens and foreign residents alike can more easily negotiate the wave of new rules and regulations aimed at smoothing the transition towards 2030.

But it's not only about the economy and streamlining officialdom. There is also a fun element to Vision 2030 with the Kingdom hosting regional and global artists at brand new entertainment venues, organizing prestigious art festivals, and staging major athletic events in football, motor racing, tennis, golf and other sports.

And locals and international travelers alike are delighting in Saudi Arabia's largely unknown tourist attractions now being ambitiously promoted such as glittering Red Sea resorts, the ancient city of AlUla and Riyadh's bustling 21st century malls and refurbished Old Town.

In addition, Saudis, foreign residents and visitors are all buzzing about the magnificent, so-called "giga projects" like NEOM, a purpose-built, 10,000-square-mile urban area budgeted at \$500 billion.

Planners say it will encompass a floating industrial complex, global trade hub, tourism infrastructure and a linear city, The Line, stretching 110 miles near the Red Sea, and all of it powered by renewable energy.

It is certainly the Kingdom's, and probably the world's, premier real estate undertaking. But lesser projects are also attracting notice and there is surging investment with the overall real estate sector among the leading industries with a bright future.

Under Vision 2030, officials hope to increase local home ownership by 70 per cent



ABDULLAH AL HABIB

CEO OF MOHAMMAD AL HABIB REAL ESTATE CO.

"IT'S THE RIGHT TIME, WE HAVE DEMAND, SUPPORT FROM THE GOVERNMENT AND THE VISION"

over the next decade through an affordable housing program and regulatory initiatives to expand the mortgage market.

And the sector is benefitting as young people buy their first homes and demand for high-end office space increases as companies and businesses are created thanks to government support and as foreign companies set up shop in Saudi Arabia's capital and other large cities.

First Mover Advantage

One of the major contributors to the housing boom is the Mohammad Al Habib Real Estate company which has been active in the Kingdom for more than 50 years with a very impressive track record.

"This company was founded by my father in 1972 as a real estate firm, land company and mall developer and the first of those was in 1975 which in fact was the first indoor mall in the city. Since then we've built malls across the center of Riyadh and may other places," says CEO Abdullah Al Habib.

"At that time most people in the real estate sector were doing land deals and selling plots. We also did this but we built the superstructure as well, not only the infrastructure."

In its construction operations, the company brings in smaller contractors for the many different tasks involved in creating

a high-quality project, whether its retail or housing, the company's other principal focus.

The executive explains that it is important that his firm has complete control to ensure that quality, that everything is done to the highest possible standards and every step is completed on time.

"We only work with the best subcontractors, even the most expensive ones. This is because if the quality of the work deteriorates over time, it will impact us negatively. So if a subcontractor proves not to be qualified, out they go," he explains.

Some of the residential complexes Mohammad Al Habib Real Estate has completed in the capital Riyadh include the 134-unit LaPalma Villas, the 481-unit LaPalma Riyadh, AlReem Residences with 488 residential units, plus others both in the capital and in Jeddah.

However, these were small endeavors in comparison with the company's latest project, the 1,500-unit Kaheel complex covering almost 100,000 square meters with a range of residences on offer from one bedroom on up.

The project is in cooperation with Roshn, the master land developer funded by PIF, the Saudi sovereign wealth fund, and is expected to enter the Guinness Book of World Records.

"We are planning to take the world record because it will be the largest pouring of concrete ever done in the world with the entire 100,000 square meters at Kaheel, covered by 20 to 30 centimeters of concrete," Al Habib says.

"Roshn came up with a very nice and detailed master plan with extensive outside walkable areas which matches our goal to build welcoming communities and lifestyles for whoever buys or rents from us.

"With this development we provide a

real sense of community where people want to live because of the safe environment, amenities like our school bus service and play areas for the children. Sometimes I have to ask myself 'Why don't I live here?'"

The CEO is adamant that projects like Kaheel and other major housing developments it is planning with Roshn would have been impossible without the inspiration from Vision 2030.

"I think that Vision 2030 is carrying out so many good things that are needed which we couldn't initiate before. It gives the private sector the opportunity to develop some of these things and our company especially," he explains.

"It's the right time meaning there is demand, there is support from the government which is initiating all of these projects and activities, and it has the vision, the land, the funding for the best projects ever."

"I would tell all people from outside Saudi Arabia who are thinking about investing here to come and see what is going on. Sure, they can read or hear all about it but they need to see with their own eyes. I'm sure they'll be impressed and will want to be part of it."

Housing Boost

In at the start of Vision 2030's focus on providing new housing for Saudi citizens was Mohamed Naser Asiri who moved from the Ministry of Housing and for the past two years has been the CEO of Built Industrial construction and manufacturing company, which now has its hands in several iconic projects.

"King Salman himself and the crown prince considered the housing issue here as one of the most important concerns for the leadership, so that became our focal point at the ministry," he recalls.



MOHAMED NASER ASIRI

CEO OF BUILT INDUSTRIAL

"VERTICAL INTEGRATION HAS HELPED US TO REALIZE MANY OPPORTUNITIES IN THE MARKET"

"I joined the ministry shortly after Vision 2030 was announced and being involved with one of the principal pillars of it all was a great experience so I am very appreciative of that opportunity."

Ministry of Housing authorities came up with the initial idea to supply loans to potential homeowners through the government's Real Estate Fund and have them build their houses,

But, Asiri points out, it was important to change the mindset and get private sector real estate developers on board to help the government and the program was fast tracked because of the focus and the concern.

In 2022, Asiri joined Built Industrial which is fully owned by Ladun Investment

Built Industrial was established to provide services in the field of contracting, construction, electrical and mechanical works, electronic business, information centers, and management and maintenance of facilities under the umbrella of the Ladun Company for Investment

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ABDULLAH
ALOTHMAN

CEO OF
AF GROUP
LANDSCAPE

“DEVELOPERS REALIZED THAT GREEN SPACE IN THEIR HOUSING COMPLEX IS A SELLING POINT”

Company as he preferred to work for a mid-sized company which was just starting out in this exciting new endeavor.

“We have a payroll of 2,000 so while we’re not in the same league as the really large companies in our sector, we’re at the right size to be able to take on significant projects and at the same time be agile,” he explains.

“At the time I started here the problem was that we had one client, the National Housing Company, to provide homes for needy people. So I immediately started to frame a strategy of diversifying our client base and sectors and today we have \$500 million in projects with different customers.”

One of those is Red Sea Global, the developer behind the regenerative luxury tourism destinations on the Kingdom’s northwest coast. One of Built Industrial’s projects there was a school and the aluminum work on two hotels for a total billing of \$67 million.

Along with construction, the company has a manufacturing division which supplies its clients with materials for their projects.

“We’ve transformed the mindset on how to deliver construction projects from the traditional way of building to also manufacturing the things we need. In this way we have more control over the quality,” the executive says.

“This vertical integration is helping us realize each opportunity. For example, I was in a meeting with the Red Sea Global people talking about the contract on a turnkey project. But when it was mentioned that they were focusing on aluminum, we have our own aluminum factory so that got us the contract.”

Asiri says there are two challenges for

his company and the sector as a whole. One is human resources and the other is supply chains for construction materials.

“I think the biggest challenge, and not only in Saudi Arabia, is hiring the high-caliber people to help achieve one’s targets. But I also believe that the Kingdom has become an attractive place for foreigners to come to work.

“The other is logistics bottlenecks, supplier issues and geopolitical problems around the world which are causing supply chain delays and rising prices for everyone,” he says.

“However, looking ahead I’m optimistic that all this activity brought by Vision 2030 will be very positive for Saudi Arabia over the short and long term and we’re so glad to be able to participate.”

Greening the Kingdom

In the arid, dry and extremely hot climate of Saudi Arabia, landscaping is a key element for real estate developers to pay close attention to if they want to attract and seal deals with prospective clients seeking a green and cooling environment in which to live and work.

Under Vision 2030, the government is taking the lead by mounting huge schemes like Green Riyadh to increase the per

capita share of green space in the capital. Plans call for planting 7.5 million trees across the capital irrigated by recycled water.

Officials say it will lead to reduced temperatures, improved air quality and provide a better climate for citizens to get out and enjoy the outdoors, leading to a healthier lifestyle.

One firm taking part in the initiative is AF Group Landscape which was founded in 2018 as a landscaping company and has since branched out into architecture, construction, interior design and maintenance.

“Landscaping is still our core activity with the other companies in support,” says CEO Abdullah Alothman. “It’s been a success as we started out with five employees and now have 50, with an annual average revenue of between \$4 million and \$5 million.

“Vision 2030 has certainly helped the real estate sector and opened many opportunities which the government says should use Saudi talent and labor and not only foreigners. The government also helps us with salary subsidies for Saudi staff.”

Along with Green Riyadh, AF Landscape is involved in the initial planning stages of NEOM on the Red Sea and since its beginnings has been applying its expertise to public parks, private homes and villas,





sports complexes and retail outlets.

Its designers customize the client's desires and can turn out a range of landscaping and exterior design styles from Andalusian, Japanese and Italian to modern, rustic and tropical.

Once the schematic designs are approved and materials chosen, the group's construction division takes responsibility for putting in such features as irrigations and drainage systems, swimming pools, patios, water features, lighting systems, seating areas and, to provide a truly cool outdoor experience, fog systems.

"AF Landscape then puts in the plants and trees that are so helpful in this climate and which everyone wants in their projects whether it's a housing complex, park or private villa," the executive explains.

"But it has been a challenge to have people understand how green areas are so beneficial for life, how they are good for the brain and eyes by providing relaxing views. Before, there was no real awareness of how nature is so good for us. Fortunately, that is starting to change."

"Developers realize this and they make the green spaces in a housing complex, for example, an attractive selling point," he says.

Alothman is looking forward to working on projects surrounding Expo 2030 and the 2034 World Cup while also expanding into neighboring markets like the United Arab Emirates and Qatar.

"Then maybe we'll try North Africa and perhaps Europe."

"Our main business now in our divisions is in the Kingdom because there are so many opportunities in all the sectors we work in with the government giving full support to both Saudi and international companies," he says.

Data Driven Growth

The real estate industry has many sub-sectors and one of the most demanding is property evaluation as it is vital for potential investors, whether an individual, a corporation or government entity, to know what a property is worth now and its probable value in the future.

Sindion Technology has been in the field since 2011 developing state-of-the-art software for players involved in the real estate market and is now on the cusp of great things.

"When we set up the company the market here had yet to really understand how IT could advance the real estate business," explains CEO Wessam E. Mohammed. "Software was not booming and nobody was familiar with software or mobile apps."

"Our first software was related to property management and was implemented around 2017 and then we started to build software for property evaluation which was really booming with everyone getting loans to buy land and build."

Slowly, step-by-step the company built the software but it took three years because of the wealth of detail and how it had to work for a range of potential clients like banks, real estate firms and the government.

With the pandemic, most of Sindion Technology's work stopped and the company had to slash its workforce by half to ten employees.

"But Covid-19 was a blessing in disguise for us because we figured out we could work remotely so we opened up a development center in Egypt with senior management working there. It was also cheaper to work there and we made money," Mohammed recalls.

Currently, the company's star app is the IValue evaluation system which is one of

the largest in Saudi Arabia for evaluating all types of real estate through receiving assessment requests and organizes them to reach the most accurate result possible.

Another of its products is QaemAqarak designed to help users reach an appropriate price for real estate properties, whether for rent or ownership.

"WE DISCOVERED THAT IN SAUDI REAL ESTATE VALUATION, DATA IS NOW REALLY THE NEW OIL"

The company's clients include such prestigious local real estate operators as Century 21 Saudi Arabia, Value Experts, Saudi Asset Valuation Company, Value Concept and many others.

Along with software and app development, Sindion Technology also provides web development, data and analytics solutions, software consulting and UI/UX design.

"Right now, all the IT companies are seeking out opportunities using AI. Big data is the new oil," the CEO says. "If you're thinking about investment, data is the way to go."

"For example, if you have a history of property evaluation over the past ten years for villas, apartment towers, land, buildings, etc., you can understand how the prices have fluctuated and get an idea of the future price. This is data, this is money."

Sindion Technology is working on a new app which the executive says is unique. It will enable users to evaluate any property in the world in real time in cooperation with a network of other IT companies working globally.

"We are doing what no other IT company in the world is doing. Everyone else is selling computers, hardware, performing professional services, etc., but in property evaluation we're on top of the market," Mohammed explains.



INTERVIEW WITH MR. OTHMAN ALABDULKARIM

Executive President of NASEEJ

A Pioneer in the implementation of digital transformation technology to the education and cultural sectors since 1989, Naseej has been at the forefront of the digital transformation revolution. With its strong background and long history, it's particularly well positioned to take advantage of the opportunities presented by Vision 2030 as they enhance their regional footprint



Saudi Arabia has been undergoing significant transformations on multiple fronts, initiated primarily by Vision 2030, an ambitious plan to diversify the economy and modernize various aspects of Saudi society.

"Digital transformation" is a pivotal component of Vision 2030, whereby the kingdom is heavily invested in becoming a leader in the digital world. This includes using cloud technology to streamline government services, fostering innovation and propelling Saudi Arabia on the road to a cloud-powered digital transformation.

Knowledge Management Pioneer

Founded back in 1989 by two Saudi university classmates, Naseej started as a provider of knowledge management solutions, a set of systems and tools designed to efficiently capture, preserve, organize, and distribute knowledge within an organization, catering mainly at the time to universities and research centers, with their slogan being "Towards an Arabic Knowledge Society," according to Naseej's Executive President Othman Alabdulkarim.

"We began providing solutions to university libraries and information and research centers, supporting their students and researchers by enabling these institutes to manage and share their knowledge resources," he adds.

A few years later, and prior to the Internet being accessible in Saudi and most other countries in the region, the company came up with the first online information network in the Middle East in 1997 with which users could exchange emails and chats, and several web-based applications in the Arabic language.

And that wasn't the only "first" Naseej has accomplished. It also became the first licensed internet service provider (ISP) back in 1998 and later developed the first fully-integrated cloud learning platform in the region, in the UAE.

"Until 2011 our principal focus was the knowledge sector with clients like libraries, information centers and Museums, in addition to supporting the R&D departments of organizations like Saudi Aramco," the executive explains.

"That year we introduced a new business line for the education sector, with solutions covering campus management and learning management systems, and all the software and systems that a university and its students would need to manage their day-to-day

functions and operations."

Naseej was well positioned to take advantage of the opportunities presented by Vision 2030 as it was already assisting government agencies and public institutes in their digital transformation journeys prior to Vision 2030, and its emphasis on IT, was announced.

"We carefully reviewed the initiatives in Vision 2030, and we came up with an initiative to produce our own software" Alabdulkarim says.

"And by 2018 we started rolling out our cloud-based platform named "Medad". Today it's a very successful cloud platform with more than 100 clients throughout the GCC in the education and cultural sectors, in addition to a growing list of corporate customers using our cloud-based training and learning management applications."

The Medad cloud platform is designed to enable educational institutions, government organizations and corporations to align their academic, administrative and training processes.

Last year the firm created the "Naseej Innovation Lab" to work on the next generation of digital transformation solutions specializing in AI, machine learning, IoT, automation, robotics and augmented reality.

"The world is witnessing an unprecedented transformation. The integration of digital technologies into all aspects of human life has become an essential catalyst for progress. From education to healthcare to governance and commerce, the impact of digitalization is remarkable, and Naseej is at the forefront of delivering cutting digital transformation solutions to its customers," adds Mr. Alabdulkarim

Regional Presence

Since its founding Naseej has broadened its presence across the region with offices in Beirut, Dubai, Abu Dhabi, Kuwait, Rabat and Cairo. Further expansion beyond the region is in the works.

"In addition to Saudi, we have now fully



"WE HAVE NOW DEPLOYED OUR FIRST CLOUD SERVICES MEDAD IN THE UNITED ARAB EMIRATES"

deployed Medad Cloud in the UAE market and we are looking forward towards further deployments throughout the region when the opportunity presents itself" Alabdulkarim says.

"Sales in other countries outside of the Kingdom account for around a third of our revenue, making us one of a handful of Saudi Tech companies that have a significant footprint in regional markets. Last year we were awarded by the Ministry of Communications & Information Technology "the Best Tech Exporter," notes Mohammed Husamaddin, Naseej's VP for Business Development.

The executives are now contemplating going beyond the Middle East and North Africa. Abdulkarim says they are also thinking about adding other products to the Medad cloud platform and expanding its functionalities.

"Working closely with hundreds of universities, libraries and public organizations over the past three decades across more than 15 countries throughout the region has provided us with unique insights and deep understanding of the true needs and challenges of customers throughout the region, when it comes to digital transformation, and thus informs every move we make from product design to market adoption," Alabdulkarim adds.



INTERVIEW WITH MR. BASHAR HAWWARI

President of MDS FOR COMPUTER SYSTEMS

Infrastructure growth and cloud storage has taken MDS for Computer Systems to a new level. Vision 2030's drive to achieve the across-the-board transformation of Saudi Arabia's economy and society has supercharged the domestic IT sector, which was already one of the most sophisticated and fastest growing in the Middle East and North Africa



Analysts value the IT industry at more than \$40 billion and say it accounts of just over 4 percent of the Kingdom's GDP. They forecast that the sector and its increasing number of players are perfectly placed to become a tech service and cloud hub center with access to international connectivity throughout the region and could one day even serve the European and African markets.

Directing all this activity is the Ministry of Communications and Information Technology, or MCIT, that is working towards a full high-tech future that supports Vision 2030's objective of digital transformation through e-commerce, digital education, digital health, smart cities, national data, and e-government.

According to ministry officials, this total overhaul of technology will result in the creation of tens of thousands of jobs, boost the size of the local IT market by 50 per cent and increase the industry's contribution to the GDP by more than \$13 billion.

And there is the added benefits of luring top-end foreign investors and getting more tech savvy men and women which the universities are producing in droves into the Saudi Arabian workforce.

Infrastructure is Key

All of these exciting changes and the new opportunities they create have long been clear to Bashar Hawwari, the president of MDS Arabia for Computer Systems, integral part of the MIDIS Group which is active across the Middle East, Europe and Africa.

"Most of Vision 2030's projects are aimed at deeply changing the economy of the Kingdom and free us from the heavy reliance on oil.

"Crown Prince Mohammed Bin Salman's Vision 2030 is designed to overhaul this dependence and usher in a whole range of new economic sectors and industries," he explains.

"To achieve this we need significant improvements in areas like transportation, tourism facilities, internet speed and communications networks. Everything relies on IT these days.

"When Vision 2030 was announced, we knew that a massive number of projects would come up and that is exactly what we have seen over the past three years and we're getting deeply involved," Hawwari says.

"Even during the Covid-19 crisis and all



its negative effects on businesses across the board, we only saw a slowdown in pace towards achieving the visions's goals."

Providing the infrastructure for IT in the country is MDS Arabia's prime focus. Its offerings cover comprehensive end user computing, software, cloud and security services, enterprise server, storage and network communications systems, and strategic, technical and infrastructure consulting.

A roster of its technology partners reads like a list of the world's top high-tech innovators span across various industries in banking and public and private sectors serving the kingdom.

Challenges Ahead

Founded back in 1992, headquartered in Riyadh and with a staff of 600, the company also has branches in Jordan, Bahrain and Turkey.

According to Hawwari, MDS Saudi Arabia is perfectly situated and experienced to be a major player in the next phase of IT: Artificial Intelligence (AI) and the Internet of Things (IoT).

"My belief is that we need to concentrate on achieving the introduction of these new technologies to the Saudi market. Since the end of 2023 the amount of AI and IoT projects launched by the government is staggering.

"We will have some challenges with that as even the West is struggling to deploy these technologies in real life applications. This is what the government is trying to do as they want the center of AI in the Arabic language to be in Saudi Arabia," he explains.

The company president is confident the company can overcome these challenges as it has a reliable source of financing thanks to it being owned by the MIDIS Group which is predicting annual revenue of \$10 billion by 2025.

"There will also be challenges regarding technical resources but we are fortunate again because the education system in the Kingdom is turning out a lot of IT graduates," he says.



"THE NUMBER OF PROJECTS IN AI AND IOT LAUNCHED BY THE GOVERNMENT IS STAGGERING"

Perfect Location

The company president recalls that he himself was hired by MDS Arabia right after he graduated from the computer science program at King Saud University.

"At the time there was constant communication between our then CEO and the university and so my hiring was recommended by the school and these contacts continue today so we have a good supply of candidates," he says.

"And while we follow our duty of offering opportunities to local talents through the Saudization program, the government is also allowing us to bring in needed talent from outside the country and cut through the red tape," Hawwari says.

"All of this has helped a lot in accelerating the delivery of projects and getting them up and running."

The executive believes Saudi Arabia's IT sector is adapting fast enough to aid Vision 2030's in reaching its goals with MDS Arabia playing a crucial part and he says that its mother company's subsidiaries in the UAE, Qatar and Oman are looking to the Kingdom as a major opportunity for the industry.

"When these subsidiaries introduce new services, their focus is on the Saudi market because they know it's the biggest and most important in the region."

This opportunity is also clear to major foreign IT players. At the same time, companies active in all sectors are moving their regional headquarters here to align with the government's vision of becoming a regional hub for tech and get access to lucrative government contracts," he concludes.

INTERVIEW WITH MR. MOHAMMAD OMER TAYYEB

CEO of AIDUK

With trade and investment between Saudi Arabia and China already exploding, time was ripe for AIDUK to expand aggressively and capture an ever larger part of the Chinese-Saudi trade. As its CEO explains, growth continues apace and the secret to capturing this unique opportunity is offering an integrated service and growing with the market



Investors from around the world are pouring money into Saudi Arabia as Crown Prince Mohammed Bin Salman's Vision 2030 promises to power the Kingdom's economy to unprecedented levels over the next several decades and beyond.

The Chinese are certainly among those getting on board and have become among the leading investors spotting opportunities as their country's businesses deploy their cash, know-how, skilled workers and other assets.

Indeed, last year Chinese companies made more direct investments into Saudi Arabia than in any past single year, moving into a range of sectors set to take off as the host country diversifies its economy like never before.

In the nine-month period from January to September 2023, more than 20 greenfield projects headed by Chinese companies worth more than \$16 billion were announced, more than double that of the previous year.

And late last year at a Chinese-Saudi investment conference attended by government officials and many business leaders from both

countries, more than 60 new projects worth an estimated \$25 billion were announced.

Saudi Minister of Investment says it is now time for China to become "the main investment partner in the Arab world's development drive", as government officials and business leaders from both countries signed agreements in a range of sectors including IT, agriculture, tourism, renewable energy, mining, health care and others.

Among those other sectors was indeed the logistics industry which makes perfect sense as in 2022, the last year for which reliable statistics are available, China sold \$36.5 billion worth of goods to the Kingdom and that figure can only rise as the economic boom triggered by Vision 2030 grows apace.

One-Stop Shop

Aiduk, a Chinese high-volume e-commerce logistics company with global operations and already with a small presence in Saudi Arabia, saw the writing on the wall and decided it was time to vastly expand its operations



"WE HAVE ALREADY ELEVEN WAREHOUSES IN RIYADH, AND DEMAND KEEP INCREASING"

there, recalls CEO Mohammad Omer Tayyeb.

"Aiduk's main office is in Shenzhen and we've been operating in e-commerce focused logistics for more than 14 years," he says.

"We'd been working in Saudi Arabia since 2009 with a Saudi minority partner but two years ago we realized that Chinese-Saudi relations were really booming along with exports and we decided to get an international license and operate properly."



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“And we’re glad we did as every single day you wake up and there are new opportunities. As our volume increased we decided to focus on Riyadh as it’s the seat of government and all the international companies are opening their offices here.

“So along with facilities in Dammam and Jeddah we now have 11 warehouses in Riyadh alone and every month demand from our clients is increasing,” he says. “We’re a one-stop company and give an entire logistics and transport solution to our customers, whatever they want, wherever they want.”

Aiduk’s annual revenue is between \$8 and \$9 million. The company employs more than 250 people in the Kingdom providing such services as storage and warehousing, customs clearance, last-mile delivery, B2B logistics, freight forwarding, cross-border solutions, 3PL solutions and supply chain consultancy.

Customer Centric

Each Aiduk customer is assigned a dedicated account “success manager” who is a single, point of contact guide throughout the entire process of the client’s e-commerce order fulfillment every step of the way.

The firm uses ERPS integrated platforms as well as EDI standardized data format protocols that boosts communication efficiency to avoid human error. Globally, it works with such e-commerce marketplace giants as Amazon, eBay, Walmart, Overstock and Linio.

“Locally, Aiduk is working with companies

like Huawei in Saudi Arabia, and Saudi Electric Company, plus some American firms active here so it’s very much international trade in both directions,” the CEO says.

“Vision 2030 has been one of the key drivers of all this activity with the visionary Saudi leadership and now the Saudi people so optimistic about all the plans which frankly are amazing.

“You just have to look at all the huge international events coming to the Kingdom over the next decade like the Asian Winter Games, the World Expo and the World Cup. And then there are the giga projects like The Line and NEOM, all of which are going to supercharge the economy,” he predicts.

Saudi Advantage

Tayyeb notes that he was born in Saudi Arabia and so has had the advantage of being a first-hand witness to the economic, social and other transformations rapidly taking place which in other countries would require decades.

One attribute, he argues, that has been vital to all of this is the country’s young demographic as Saudi youths are keen to keep up with the rest of the world in so many ways and are able to easily adapt to the changes going on around them.

“And they are eager to work to make these changes happen. Unlike other companies we don’t have a problem attracting young talent and the Saudis at our company are very committed,” the executive explains.

“They are skilled and for us it is cheaper to hire them than to bring in expatriate workers which require visas and a lot of paperwork. Plus, the government provides subsidies and other benefits like training when one hires locals.”

Tayyeb says he is extremely confident that Aiduk will be able to keep up with the many challenges presented by the surge in demand for logistics services and jokes that he is looking forward to growing by 1,000 per cent in 2024.

“Every year we set a goal for the company



“WE WANT TO COMPLETE OUR EXPANSION TO THE SOUTH AND EXPLORE NEW ROUTES ”

and every year we meet that deadline because we are very good at marketing and we provide excellent service with a global network. In fact, we are doing so well sometimes we have to turn down jobs.

“Over the next three years I expect that we will have completed our expansion into the south of the country and be in every single port. We also want to explore international land routes and increase our truck fleet so we can deliver to neighboring Iraq and on to China,” he says.

Regionally, the executive points out that new highways linking Qatar, Kuwait and Oman offer new opportunities and is considering opening up branch offices there to service clients.

“I truly believe that we can expand and grow by 20 to 25 per cent each year,” he adds.

“And there is room for everyone here. With all the work and imports and huge projects going on in the Kingdom, we need more logistics companies serving this vast new market from the United States, China, Germany, Canada, Switzerland or wherever.

“If they come with their experience and technology, it will provide huge help to this region and they certainly won’t be disappointed regarding business as there is a wealth of opportunities here for the next 15 years at least,” the CEO says.



LOGISTICS VISION TAKES CENTER STAGE

SAUDI'S GEOGRAPHIC
POSITION BETWEEN EUROPE
AND ASIA ACTS AS A BRIDGE
BETWEEN EAST AND WEST



Over the centuries, camel caravans crisscrossed the extensive Arabian peninsula carrying such precious goods as gems, pearls and frankincense, while graceful ocean-going dhows based there transported merchandise back and forth between India, the Mediterranean and Africa.

So it is no surprise that the people inhabiting what would become the Kingdom of Saudi Arabia became respected in markets near and far for their logistics and trading skills.

The region's strategic location certainly helped. Situated on the shores of both the Red Sea and the Arabian Gulf and positioned between Asia and the Mediterranean nations of southern Europe made the country a natural bridge for trade between East and West.

This trade continues and with the strongest economy in the Middle East, world-class air, land and maritime transport infrastructure and its own growing population, Saudi Arabia is ranked amongst the world's trading powers.

At the same time, the country's vast petroleum reserves and the resulting wealth has turned the Kingdom into a major importer of all types of goods from oil-drilling equipment to the latest European fashion items.

And with Crown Prince Mohammed Bin Salman's vast plans under Vision 2030 turning the country from a little known and

less understood outlier in world affairs into a global powerhouse on so many fronts, the country's economy and its logistics sector can only grow dramatically well into the future.

Regulated Transport

How the logistics industry is faring is evident in the recent fortunes of Intaj Alamal, founded in Riyadh 15 years ago and now with branches in Jeddah, Dammam and Rabigh.

CEO Mousa Al Otaibi says things have definitely improved since Vision 2030 was announced with government reforms helping the industry.

"Before Vision 2030, the logistics sector was in chaos in Saudi Arabia," he recalls. "There were no proper rules and no proper policies so all these random companies were disrupting everything.

"But since Vision 2030 has started the government opened all these digital portals easing all the processes for the legitimate companies like our own and the unregulated transport operators all vanished.

"So now you have companies such as Intaj Alamal properly licensed and organized working freely in a proper way in the Kingdom," the executive explains.

Over the past several years, Intaj Alamal has registered impressive growth with demand for its services doubling between 2021 and 2023, and posting annual revenue



MOUSA
AL OTAIBI

CEO OF
INTAJ ALAMAL

**"BEFORE VISION 2030 THERE
WERE NO PROPER REGULATIONS
FOR THE LOGISTICS SECTOR"**

of close to \$20 million.

The company services include sea, air and land transport as well as customs clearance and storage terminals with loading, unloading and storage carried out by professional teams.

"Although we offer total logistics solutions, we are focusing the majority of our efforts on land transportation and we differentiate ourselves from other companies through the digital journey we offer our clients," Al Otaibi says.

"We are now implementing enterprise resource planning, or ERP, and using a lot of other digital tools to make not only our jobs easier but also to improve the way we communicate with our customers regarding the status of their shipments, which is better than what is currently available in the rest of the market."

Intaj Alamal's list of more than 450 clients includes such well known multinationals as PepsiCo and Henkel, and local companies like Abdullah Al Othaim markets, the SACO retail and wholesale chain, and hundreds of other distribution, manufacturing and trading companies.

One of the drawbacks to the company's phenomenal growth has been a struggle to find employees at all levels to add to its current payroll of around 500 people.

"Because of the increase in demand for



our services we had challenges in terms of hiring, headhunting the proper employees and candidates for specific positions in the company,” the CEO says.

“It is a problem because there is no specific and proper educational path or certification requirements in much of the Middle East and certainly not in Saudi Arabia for the logistics sector.”

“In some cases,” he adds, “we have contacted people in other industries or even other companies to leave their jobs and join Intaj Alamal.”

With revenue and demand growth largely assured, Al Otaibi says one of the next steps for the firm is to work at gaining more market share at the seaports where it currently operates. There are also plans for an eventual IPO.

“An IPO will generate a lot of cash which will help us grow even more through buying more assets such as trucks which in turn will mean bigger earnings,” he explains.

With his company on a roll along with the rest of the economy, the CEO advised those foreigners eyeing opportunities in the Kingdom to hook up with local partners to ease their way.

“Partnerships are important because the local culture, the local ways of doing business and the local way of handling customers is difficult for a first timer in Saudi Arabia. Entering the market completely blind is complicated.

“We ourselves are open to partnerships with companies coming from abroad and would welcome any enquiries,” he says

Growing Demand

With almost 30 years in the logistics business, Capital Logistics & Transport CEO Naeem Akhtar has seen the up and downs of the industry and says that now he and his colleagues expect great things from Vision 2030.

“Crown Prince Mohammed Bin Salman’s Vision is really impressive as it has definitely given the Saudi economy an impressive upward trajectory. He’s helping to make Saudi Arabia a real logistics hub which makes sense given its central location between East and West.”

Akhtar founded Capital Logistics & Transport in the port city of Dammam in 2000 after working there for five years for a local shipping company.

As the company expanded to Riyadh and Jeddah it also broadened its activities and



today offers what the executive describes as “end-to-end” services including maritime, air and land freight handling and shipment, warehousing and distribution, and customs clearance.

Ship handling and chartering, along with supply chain management and sea/air combined transport also form part of Capital Logistics & Transport services, and all shipments are closely tracked to ensure seamless delivery.

According to Akhtar, even during the pandemic the firm was able to operate at almost normal capacity.

“We saw a loss in demand of between 30 and 40 per cent but the logistics sector wasn’t that badly hit because whatever happens in the world, transport still has to be operational,” he says.

“And I believe that Vision 2030 had a lot to do with how smoothly things went as the economic effects of the plan were already being felt and those had a positive impact with everything remaining stable.”

Another aspect of Vision 2030 which the chairman praises is its emphasis on boosting local industries and promoting Saudi-made products which helps increase the country’s exports and in turn the growth of the logistics industry.

“So demand for our business is growing and therefore more companies from the rest of the world are getting into the market. However, this affects our efforts to find and

retain staff as there are so many jobs available now,” he says.

“Another problem now is the attacks on shipping in the Red Sea which disrupts maritime logistics. So logistics companies have to find an alternative route which takes longer and is more expensive.

“We have a big operation in Dammam

“DEMAND IS GROWING AND MORE INTERNATIONAL FIRMS ARE COMING TO THE MARKET”

which is on the other side of Saudi Arabia on the Arabian Gulf from the Red Sea but the situation still ends up affecting out costs,” the executive explains.

Despite these headaches, Akhtar says he expects business and revenue to double within the next three years.

“We doubled our growth after the economy opened up following the pandemic with revenue last year at \$1 million and we should be able to do the same between now and 2027,” he says.

“One possibility to help us in this goal is to form a partnership with any interested parties, local or foreign.

“And as for potential partners from abroad, they really need to take a look at Saudi Arabia with its stable and sustainable economic growth. It’s time for everyone to come to the Kingdom!”





Warehousing in Demand

Opening a logistics business months before a global pandemic could have been a disaster but Riyadh-based Smart Fulfillment managed to survive and prosper and today has a growing customer list for its unique range of services.

"We started this company in 2019 and we struggled big time because of course everything was shut down," recalls founder and Chairman Luay Sammarai.

But he was confident the firm would pull through as he knew that Vision 2030 was going to supercharge the Saudi economy and Smart Fulfillment could really take off.

"It was clear Crown Prince Mohammed Bin Salman was very keen on logistics and had said that he wanted the Kingdom to be a hub for the entire region. I was already running various businesses here and I thought this was a brilliant opportunity," the executive says.

"And I was right as once the movement restrictions were removed in the spring of 2021 we began approaching customers and could see there was a huge demand for logistics which by one prediction expecting the industry would be worth close to \$15 billion by 2030."

In the beginning, Sammarai wanted to model his new enterprise on how those logistics companies with whom he had worked in the United Kingdom operated mostly with automation and robotics.

But he quickly discovered that as a new, solely-owned outfit with no deep pocketed partners providing the funds to acquire high-tech machinery was out of the question.

"So I went with basic logistics in our warehouse and the company and the services it offers grew from there," Sammarai explains.

"THE LOGISTICS MARKET IS BOOMING AND THIS HAS LED TO A LACK OF WAREHOUSING"

Along with tracked door-to-door delivery and warehousing, those services include digital marketing with software solutions that can be deployed "out-of-the-box" with marketing strategies tailored to client requirements, as well as branding.

Also on offer are package design, packaging and same day "pick and pack" delivery so clients can sell their products via a marketplace or through their own online store.

"The logistics market is booming and there is a lack of warehousing," the chairman says. "The government is trying very hard to prepare the country for supporting a huge market but it is not ready yet.

"We are going to be a small fish in a big pond, but we are going to get a good chunk of it. Our revenue is currently around \$800,000, there are companies making 100 times that so we have a lot of room to increase our business."

Sammarai argues that the proof of all this activity can be seen in the new levels of traffic congestion in Saudi cities which he attributes to a wave of foreign companies investing and setting up businesses.

Smart Fulfillment has six principal clients, all Saudi companies with partnerships with multinationals largely involved in high-tech electronics.

"With all the present demand and which is certainly going to increase, I would love to form partnerships if the opportunities arise because we need to expand," he ex-



plains. "I have companies now which are willing to work with us on storage, logistics and transportation but right now we don't have the space."

"By 2027 we should be posting annual revenue of some \$5.5 million which is huge growth but the market is there, companies are willing to outsource to second and third party logistics outfits like ours because they don't want to handle it on their own.

"We have the warehouses, the vehicles and the know-how to serve not just local clients but all the foreign companies arriving here now. This country is open, willing and hungry for business and the infrastructure is rapidly improving," he says.

"I would advise everyone to come to Saudi Arabia now and find a local partner like Smart Fulfillment to work with."

Geographical Expansion

Seeking out a niche in an expanding market was the business plan back in 2015 of Hazem Ahmed Abu Alizz, the founder and CEO of Injaz Express which following its success at home in Saudi Arabia now has global ambitions.

"We built our company on the idea of serving the e-commerce sector of logistics for those firms which need a place to store their goods and then get them delivered to the final customer," he says.

"At that time many logistics companies in Saudi Arabia were DHL, FedEx or other big operations which did not want to or could not provide proper service to smaller to medium-sized operators in the e-commerce business."

Established in Riyadh, Injaz Express soon branched out to Jeddah, Dammam and other Saudi cities but works with larger partner firms to deliver goods around the rest of the Kingdom where it still has no presence.

Its last-mile delivery service provides





HAZEM AHMED
ABU ALIZZ

CEO OF
INJAZ EXPRESS

**“EVERYONE NEEDS LOGISTICS,
EACH COMPANY DOES IT ON ITS
OWN DISTINCTIVE MANNER”**



deliver and return management and its land transportation unit has customized options to achieve the ideal balance of lead time, capacity, frequency, and cost.

Other services include hazardous material handling and shipment, multi-vendor management, warehousing management and distribution, cross-border management for air, sea and land consignments, and door-to-door delivery in Saudi Arabia and around the world.

Abu Alizz is particularly proud of the company's supply chain consultants who help clients determine the optimal number, location, and size of distribution centers; consolidate warehouses after mergers and acquisitions; carry out "what if?" analyses based on different strategy options; identify optimal sourcing strategies and potential savings from cross-docking, pool distribution, and other transportation strategies.

"Last year our revenue was almost \$4 million and we expect that to rise as we are expanding in the Gulf Cooperation Council countries and we are opening in China," the CEO says.

"When we enter these countries we find that there are already a lot of logistics outfits operating there so first we do extensive research into the market and figure out what will be most suitable for us.

"Every logistics company operates differently, even the big multinational ones like DHL and UPS which even though they are

both Western firms, they have very distinct ways of doing things," he explains.

Abu Alizz's hope is that Injaz Express can be among the four top logistics companies in Saudi Arabia within the next three years as the sector expands driven by the buoyant and dynamic local economy, more and more foreign companies setting up shop and the rising income and buying power among Saudi citizens.

"Everyone needs logistics. Manufacturers, distributors, wholesalers, retailers and even individual, mom-and-pop producers, etc. need it to get their goods to market.

"And, of course, everyone else needs logistics to receive those goods so its B2B, B2C and C2C in a vast network. It's all growing at an incredible pace and we're thrilled to be involved in such a vibrant and explosive industry," he says.

Niche Logistics

Specialization is the key to the business model of Fast Forward which for more than a decade has provided dedicated logistics solutions such as warehousing, air, maritime and ground shipment handling, customs clearance and other services.

But it's event, exhibition and entertainment logistics operations that sets the company apart, according to General Manager Ziad Zghaib.

"We're a mixed liability company 50 per cent Saudi and 50 per cent international

and we do all the logistics from A to Z for those shipping into Saudi Arabia and those exporting from here," he explains.

"However, 80 per cent of our business is focused on events and exhibitions with the movement of fine arts as one of our exceptional talents. In fact, we're handling all the logistics for this year's Arts Biennale being held just outside of Riyadh from February to May. We have our own specialized art handlers and carpenters and everyone needed to mount such a show."

Well before any such event or exhibition, Fast Forward's team of experts begins the complicated processes involved in shipping from anywhere in the world everything needed in putting on trade shows such as displays or the equipment used in entertainment extravaganzas.

And once the event is over, the company goes through the reverse processes to ship it all back.

When the pandemic arrived and the events and exhibitions sector was put on an 18-month-long hold, the company still managed to operate its commercial logistics activities.

"But we've bounced back very well," the general manager says "with exhibitions and entertainment coming back, the fine arts sector is active again and Vision 2030 certainly has a lot to do with this.

"One advantage we had in getting going again was the fact that our reputation was excellent among our regular clients and that attracted new accounts."

Since the return of business, Fast Forward has had to double the number of its pre-pandemic payroll to some 25 employees and last year posted revenue of around \$8 million.

Zghaib believes this year will be better than 2023 and again points to all the international attention the Kingdom is receiving, the giga projects going forward according to the plans for Vision 2030, and the positive economic outlook.

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ZIAD ZGHAIB

GENERAL
MANAGER OF
FAST FORWARD

“SAUDI’S WHOLE LOGISTICS MARKET DOUBLES THE REST OF THE MIDDLE EAST REGION”

“Certainly our business will grow larger and larger and things are going the right way, for us at least, regarding issues like human resources which other companies and sectors are struggling with,” he says.

“There are a lot of good Saudis doing an excellent job in our market and especially the women who are talented in handling the big client accounts. At the same time outside consultants are providing their experience and knowledge.”

The general manager acknowledges that neighboring countries like the United Arab Emirates and Qatar have many more years of experience in putting on world-class sporting and entertainment events and major exhibitions but he is confident that Saudi Arabia can catch up.

“Saudi Arabia is double or triple the size of most other countries in the Middle East with a huge economic advantage so I think the Kingdom will be the biggest player in the activities we’re involved in and not only in this region but in the entire world,” he predicts.

Looking ahead, the Fast Forward chief says he plans for the company to expand at home as the logistics sector grows and is already working in other countries like Iraq where it is involved in an upcoming major defense industry trade show.

“Saudi Arabia will continue to be an amazing place for doing business long after all the Vision 2030 goals are met. People really have to come and visit and see all the things that are happening!”



New Era

Over the past decade around the world food and retail delivery services have upended the logistics market and Saudi Arabia is no exception.

One company which has grown dramatically along with the “last-mile” delivery sector in the Kingdom is Alshrouq Express despite some ups and downs.

“We got our start back in 2015 when a friend asked me to do last-mile delivery for food distribution for a company which is now called Hunger Station,” founder and CEO Ahamad Khanfar recalls.

“Our first client was AlBaik which is a famous fast food chicken outlet all over the country and we signed an exclusive deal starting with 12 cars and by the end of the year our fleet numbered 80.”

Alshrouq Express next moved into retail goods delivery for an Amazon-like online operation called Souq.com and within two years the company was deploying 1,000 cars and had a payroll of more than 1,000, mostly drivers.

With last-mile delivery a success, the company branched out into first-mile which is getting the goods from the warehouse to the retailer and then middle-mile moving items between cities.

“But the problem was that for all three phases to work you really need volume and for some reason that didn’t work out, there was a disagreement over payments and we

decided to return exclusively to last-mile delivery,” the executive says.

“In 2018 we started our own food and retail goods delivery app called Street Line and it was the very first in the market. Anyone, whether a restaurateur, a pharmacist or any type of small shop owner, can obtain the app and through that can request one of our drivers.”

As everywhere else in the world, during the Covid-19 pandemic the Saudi public turned to delivery services like Alshrouq Express and with the expansion of the country’s IT infrastructure business exploded.

One of the obstacles the company has faced is competition from the so-called grey market, a myriad of small delivery services which skirt government regulations regarding the licensing of drivers which the companies must pay for.

“So that costs us as these companies don’t have that business expense for the registering of their drivers and they can undercut our delivery fees,” Khanfar explains.

“Now we have 2,300 brands using our application and we are moving between 35,000 and 40,000 items a day whether it is a meal, an iPhone of whatever.

For instance, in Riyadh alone we so distribute all of AlBaik’s meals and 95 per cent of all McDonald’s meals across the Kingdom are distributed by us.”

Alshrouq Express plans further expansion in the country and is also diversifying into its own line of foods after it successfully partnered with two producers of ready-to-eat meals in India and Turkey.

“But if the meal has any animal protein such as chicken or meat it has to be approved by the Saudi food regulatory agency,” the executive says.

“So what we did was open up a ready-to-eat meal production facility here in Saudi Arabia. It’s a great product because it has a

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“WITH PARTNERS IN TURKEY & INDIA, WE ARE ENTERING INTO READY-TO EAT FOOD ITEMS”

24-hour shelf life and we can do the deliveries of our own product. We now offer 11 different items and will add another 30 by this summer.”

Khanfar credits Vision 2030 for the growth of his business as the introduction of new regulations cleared up legal uncertainties regarding the sector and brought in other reforms which make it easier for businesses to operate and prosper.

“It’s a new era in Saudi Arabia and we are very excited about all the growth in our core business and our diversification plans. It’s all a huge opportunity and it’s clear Saudi Arabia is on its way!”

Limitless Potential

Family-run Maxon Freight Solutions is on the move, literally. Established by the father of the current two top executives in Riyadh in 2011, the company has a branch in Damman and now is looking to expand to Jeddah.

“We’re also looking at the giga project NEOM and that could be the next stage for the company,” says CEO Mazin Mohamed Ali. “We’re working on becoming a total logis-



“WE ARE RECEIVING ENQUIRES FROM CUSTOMERS WE HAVE NEVER WORKED WITH BEFORE”

tics solutions provider and we want to get in on all the activities that Vision 2030 has launched.”

Mazon Freight Solutions’ services include freight forwarding, storage and delivery, vehicle relocation, customs clearance and specializes in packing and house moving which is a rapidly growing business as more and more expatriates have been moving into the Kingdom.

When working for its house moving clients, the company takes particular pride in the disassembling and reassembling of a family’s treasured furniture and the careful packing and unpacking of other furnishings and delicate items using specialized equipment and methods.

“We’ve been in the Saudi market for the last 12 years and the opportunities are boundless. We saw what happened in Qatar leading up to and during the World Cup regarding logistics, and we expect to see the same type of boom happening here in Saudi Arabia with the World Expo in 2030 and the Football World Cup in 2034,” the seasoned executive says.

“Lots of imports are coming into the country from Europe, from China and from the other Gulf Cooperation Council countries and people too are arriving who need our house moving services.”

“In Riyadh alone there are these huge projects ongoing and we are already part of those directly or indirectly. Storage is becoming an important issue. We have two dry warehouses now and we’re going to add to those, including a temperature controlled facility,” the CEO explains.

Mazon Freight Solutions’ revenue was around \$13.5 million last year and slightly lower in 2022 which the management team blames on increasing expenses.

“We have our own fleet of trucks for the relocation or house moving business but we have to outsource trucks for local compa-

nies for other activities and that’s becoming more expensive with the rise in diesel prices even though the rates remain the same,” says Mohidin Mohamed Ali, the general manager and brother of the CEO.

“Fortunately, we don’t have the issue of finding enough drivers like in the United States, Europe and Canada,” he says. “So most of our drivers are from India and Pakistan as Saudis don’t want to drive trucks.”

But while prices and competition from rival outfits are increasing so is demand and the general manager says the company is interesting in entering the events and exhibitions logistics market.

“Market demand is really high and we’re receiving enquiries from different types of potential customers in sectors which we haven’t worked with before. An example would be an enquiry about transporting tonnes of grass shipped over from Southeast Asia for one of the giga projects,” says the CEO.

“As we’ve said, the potential in Saudi Arabia is incredible and it’s a great opportunity now for everyone, not just the logistics industry.”



INTERVIEW WITH MR. ABDULLAH I. ALKHORAYEF

Executive President of Alkhorayef Commercial

Local content and production is the new gold-standard to play in the Saudi market, the young director of Alkhorayef Commercial explains. A leader in the marine and generator business, it is counting on foreign partnerships and local design to keep on growing as the economy enters an accelerated phase with Vision 2030 as its ultimate guiding light



As vast riches from Saudi Arabia's petroleum reserves flowed into the country beginning in the mid-20th century, the country went on a buying spree for everything from military equipment, luxury automobiles, housewares and basic foodstuffs to the services of foreign experts.

And while the Kingdom is still a major importer of goods and services, locally made products and Saudi-run services are taking off sparked by Vision 2030's emphasis on self-reliance along with the rise in the number of educated Saudis replacing expatriate staff.

One business group active in the Saudi economy since 1957 and which is playing a major role in localizing goods and services is Alkhorayef Commercial which over the years has broadened its activities and is now present in many vital sectors of the fast-paced economy.

Local Content

"Before Crown Prince Mohammed Bin Salman's Vision 2030 came along, such extensive production of local content in industrial, military, financial and mining, for example, was just a dream," says CEO Abdullah Alkhorayef.

"We have to remember that local content is not just project-based but also service-based so, for example, Saudi consultancy firms are now being welcomed to participate in this transformation of the economy.

"Look at the government-owned petroleum giant Aramco which has become much more aggressive in financing the R&D of its Saudi subcontractors in order to have a higher degree of local participation," he explains.

The executive recalls that after the ambitious Vision 2030 plans were announced there were many in the local business community who had their doubts about its eventual success.

But now that the execution phase of most of the projects has begun, many of these self-proclaimed doubters have signed on and in fact are taking the lead in emerging sectors of the economy which Vision 2030 leaders are actively promoting like entertainment, sports and tourism, he says.

"When you go deeper, you also see that existing sectors such as manufacturing, mining, financial services and others are also now attracting more attention, more funding, etc. and the entire economy is being lifted up."

Alkhorayef has a unique insight into how Vision 2030 is impacting the economy as the group is active in a broad range of sectors providing marine, agricultural and food security, energy and logistics solutions, with a Saudi signature.

A prime example is the group's GulfPower, a Saudi market leader in the design and manufacture of power solutions including diesel generator sets, control panels, fuel systems and related products.

It is the only manufacturer of generators in Saudi Arabia with a Saudi specifications and standards certificate, has also received a series of ISO certificates and provides integrated engineering services from initial design to final accreditation, after sales support and spare parts throughout the Kingdom.

Leaders in Marine

Another example is the marine division which is the local agent for such prestigious foreign brands as Zodiac, Drager, Volvo Penta, Yamaha and also offers top-of-the line diving equipment and accessories.

"But reflecting our own localization efforts, we have a new strategy in our marine business dividing it into three areas. One is enlarging the electrical components of marine engines for producing renewable and more eco-friendly power, and the second one is managing a leisure marina under contract from the Royal Commission of Jubail and Yanbu which is to open in July," he says.

"And the third area is our signing of a contract with Zodiac, the French marine manufacturer, to begin producing in our own factory rigid inflatable boats for military and recreation use."

"We have also contracted a Saudi R&D center to manufacture fiberglass boats fully designed by Alkhorayef Commercial under our own brand so it's a truly local, all-Saudi pro-



"WE SIGNED WITH ZODIAC FOR THE PRODUCTION OF BOATS IN OUR OWN FACTORY IN SAUDI"

ject," the CEO explains.

However, the CEO acknowledges that localization in all sectors across the board still has a way to go.

"Today there is huge growth in the financing of R&D in Saudi Arabia which is something everyone is now becoming aware of. Still, the level of R&D is not as high yet as in the rest of the world."

"So while we do have vast resources we still need to import labor, skilled technicians, etc. and several of our businesses such as Alkhorayef Water and Power Technologies have contracts that require thousands of employees so of course sometimes we need to hire foreigners," he says.

"As we go forward and want to export products around the world or depend on a reliable source of imported elements we use in manufacturing our own we will need to comply to the ESG standards."

"One of the main pillars of Vision 2030 is diversifying the Kingdom's income away from reliance on the oil and gas sector so if you want to sell Saudi goods to customers or invest outside the country we need to be sure of this need."

"Alkhorayef Commercial has grown 20 per cent per annum over the past three years and we certainly expect to continue on the growth path. Experts say the Gulf states and Saudi Arabia in particular are the place for smart investors over the next 20 to 40 years."

INTERVIEW WITH MS. RYOUF ALRUMAIH

CEO of NITHAR

One of the sectors benefiting the most from the phethora of initiatives brought by Vision 2030 is the marketing and advertising sector, and the runaway success of local firm NITHAR proves that knowing the local mores and customs comes a long way in satisfying the ever-larger needs of Saudi clients, as its founder and CEO explains



Saudi Arabia is perhaps the perfect country to launch and operate a high-tech marketing, branding and advertising agency and the reasons are many. First of all, the Kingdom has a high GDP of \$32,000 and low taxes which translate into lots of disposable income.

Secondly, more than half to population is under 25 years old, the perfect demographic for Internet users, which brings us to the third reason which is that Internet penetration reaches 97 per cent of the population.

And fourth, on a global scale Saudi Arabia boasts the highest number of active visitors to such social media platforms like Instagram, X and Snapchat, while Facebook is used by around 40 per cent of Internet subscribers.

In addition, this year, ad spending in the country is forecast to hit \$2.5 billion and is expected to just keep on growing as the private and public sector reach out to the public to disseminate their message about everything from consumer goods to the latest events coming up to how to access government portals.

In a bid to get in on the action, marketing agencies from abroad are arriving in the Kingdom but they face stiff competition from Saudi companies, such as the Nithar agency which have deep local knowledge about what works best in a culture they know so very well.

Full Service Agency

"There are a lot of international marketing agencies coming to Riyadh right now along with branding agencies," explains Ms. Ryouf Alrumaih, the CEO of Nithar.

"But we believe our market share is secure because local clients and the government prefer Saudi agencies and even the foreign companies setting up in the Kingdom in whatever sector want someone with local knowledge of our customs, culture and so much more."

The executive describes Nithar as "a full marketing agency, a 360-degree agency, and a

creative agency. There is so much business now with the international clients flowing in and all the government projects booming everywhere.

"Demand is definitely growing for our services and it's pretty much an even mix among government, international and local private clients, with the government slightly ahead," she explains.

Last year, the agency grew 50 per cent compared to 2022 as clients signed up for Nithar's plethora of services.

Its marketing division provides digital marketing, social media management, media planning and buying and campaign development with creative marketing collaterals, key visual designs, copywriting, digital illustration and above the line (ATL) and below the line (BTL) support.

Nithar's strategy development department handles brand, social media, marketing and social media marketing strategy, while the division in charge of branding handles brand naming, guidelines and applications, as well as visual identity systems and collateral design.

The agency also has full-service animation and post-production studios offering its clients everything from script writing, music and sound production and design to voice overs, editing, motion graphics and much more.

Foreign Support

"Along with our operations here in Saudi, we also have an office in Cairo which we opened several years ago to carry out things like editing and other creative activities. In fact, around half of our total payroll of 100 people work in that office," the CEO says.

"We went to Cairo because the Egyptians have had 60 years of experience in marketing and media and these kinds of things in the Arab world, we are learning from them."

Ms. Alrumaih says that with Crown Prince Mohammed Bin Salman's Vision 2030, the



"WE ARE THINKING OUTSIDE THE BOX. CREATIVITY COMES FROM THE GOVERNMENT"

mindset of the Saudi people has undergone a deep change with everyone more open to new ideas and fresh ways of doing things.

"Everything is changing in this regard. For example, before the government had certain guidelines that we had to follow and we weren't allowed to think outside the box when dealing with the government, although it was okay with our private sector clients.

"But now we're thinking outside the box all the time along with the government, and the strict guidelines are largely a thing of the past," she says. "These days it is all so open and the creativity itself is coming from the government."

Looking towards the future over the medium term, the CEO says she is content with concentrating on growing in the burgeoning Saudi market and working with more international clients doing business in the Kingdom.

"There is so much growth here and with the economy booming like it is Saudi Arabia is enough for me now. If you had asked me three years where I would like to work, I would have said I want to go to London but not anymore.

"Now is the time to be here and I would like to thank the crown prince for everything he is doing for us with Vision 2030. It was a dream and has surpassed my expectations. He promised us this and we see it has been delivered."

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INDUSTRIAL GROWTH WITH LOCAL FLAVOR

LOCAL CONTENT RULES ARE BOOSTING INDUSTRIAL DEMAND IN THE MILITARY AND CIVILIAN SECTORS



OSAMA SHASHA

GENERAL MANAGER OF MIDDLE EAST TASKS - METCO

“VISION 2030 IS TURNING SAUDI INTO A MANUFACTURING HUB FOR AVIATION AND DEFENSE”

One of Crown Prince Mohammad bin Salman’s key goals of Vision 2030 is weaning Saudi Arabia off of its overreliance on oil and gas by expanding the kingdom’s industrial capacity with plenty of help from the private sector.

Economists point out that Saudi Arabia boasts the largest industrial output in the whole Middle East and can build further on an existing manufacturing base producing construction materials, cement, plastics, food and beverages, electrical appliances and much, much more.

More than 11,000 factories produced industrial exports worth totaling \$30 billion as of the second quarter last year, with manufactured goods making up more than 90 percent of the country’s non-oil exports.

According to officials, the goal is to triple the industrial GDP to reach \$238 billion by 2030, double job opportunities to over 2 million, and aim for industrial exports of \$150 billion.

Along with economic diversification, Vision 2030 calls for developing human capital, increasing productivity in key sectors and creating quality employment for Saudis, all of which should trigger unprecedented growth for industry.

The government has vowed “to support promising sectors and foster their success so that they become new pillars of our economy. In

the manufacturing sector, we will work towards localizing renewable energy and industrial equipment sectors.”

Among the bold steps Vision 2030 envisions are developing a local automotive and parts industry, localizing pharmaceutical manufacturing and biotech development, building production centers for light industry and developing a military manufacturing capability.

Diversification has aided by improvements in the regulatory and business environment with new laws to promote entrepreneurship, protect investors’ rights, and reduce the costs of doing business while the Saudi Public Investment Fund has been deploying capital to stimulate private investment.

In addition, the government is taking steps to promote sustainable growth in the industrial sector, including investing in energy efficiency and renewable energy, encouraging the use of advance technologies and backing the creation of small and medium-sized enterprises.

Under Vision 2030, the Kingdom aims to localize 50 percent of its military and security procurement by 2030 and Saudi companies are eagerly coming up with their own security and defense equipment for the growing domestic market for sales to the public and private sectors.

Local Manufacturing

Recently, Riyadh hosted the World Defense show where every two years international and Saudi producers in the security and military sectors exhibit their products to a global audience and one of those was METCO, Middle East Tasks.

“This year, we participated as an exhibitor, just as we did in 2022, showcasing our status as one of the largest security and defense companies in Saudi Arabia” says METCO General Manager Osama Shasha.

“I have to say, participation was higher this year, and there’s definitely more focus on localization efforts. I noticed significant improvements in that area and it’s clear that there are now more Saudi firms in these sectors with the necessary certifications for producing equipment under foreign licenses. They’re well on their way to setting up facilities for local production.

“It was clear that are a lot more Saudi firms in these sectors with the necessary certifications for making equipment under license from foreign partners and are well on their way to opening facilities for local production,” he says.

METCO serves as a prime example. Recently, it signed a deal with Smiths Detection, a UK-based leader in threat detection technology, to manufacture screening equipment lo-



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Beyond screening devices like X-ray machines tailored for airports, government, businesses and events, METCO delves into robotic manipulators for handling hazardous materials and explosives, and chemical and radiation detectors.

Their offerings extend to gamma and metal detectors, CCTV systems, radars, thermal imaging gear, and comprehensive security solutions. They prioritize client satisfaction, offering round-the-clock support, equipment repairs, and prompt spare parts delivery.

"Currently, we hold contracts with the General Authority of Civil Aviation, and we're also engaged in military projects with the Saudi Royal Guard and various other government security services. These projects have come to us because we've developed the necessary capabilities to successfully execute them," the executive says.

"Our total revenue across all branches amounts to \$200 million, and our workforce here comprises 1,100 individuals. Additionally, we have establishments in Egypt, Bahrain, and the United Arab Emirates," the executive says.

In Egypt, METCO manages the country's airport screening and baggage handling and has similar activities in its other markets.

"This is another aspect of Vision 2030, for the Kingdom to be a hub for Saudi companies with operations in the region and from here they can manage their businesses abroad."

Vision 2030 has also tightened up the rules and regulations for those firms operating in the security and military sectors, and this has helped weed out companies that couldn't cut it.

"Previously, we faced competition from companies with lower professional standards, there were no rigid requirements regarding capabilities. With the introduction of pre-qualifications and other requirements, competition has decreased. This allows companies like METCO to undertake large projects, the sector has undergone a purification process," Shasha explains.

Looking ahead, Shasha says he would like to expand and boost the company's capabilities at home and branch out into producing other equipment and services in related sectors.

METCO is also building its own 10,000-square-meter factory in Riyadh for assembling licensed products in cooperation with its international partners.

"We are establishing ourselves in Libya, Morocco and Tunisia to consolidate our North African presence," he says. "This is what Vision 2030 is helping us do, to turn the Kingdom into a hub for manufacturing, aviation and logistics. We're just getting started and investors need to seriously consider betting on Saudi Arabia."



TARFAH
ALMUTAIRI

CEO OF
SONDOS
ADVANCED
INDUSTRY

"EVEN THOUGH SAUDI' ARMS BUDGET IS VERY LARGE, WE STILL WANT TO SELL ABROAD"

Export Potential

Working with foreign partners and producing a comprehensive range of Saudi-made products for the defense and security markets for domestic and export markets are the twin goals of Sondos Advanced Industry established in 2012, says founder and CEO Ms. Tarfah Almutairi.

"Vision 2030 spurred our company to increase in all sectors so we entered the military sector and soon found the opportunity to partner with British and U.S. firms for manufacturing.

"These deals gave us the chance to develop our team and our skills across the board," she recalls.

Sondos Advanced Industry's product line includes individual military-grade equipment such as cartridge belts, boots, backpacks, canteens, bullet-proof vests, fire and HAZMAT suits and uniforms.

Another division turns out covers for vehicles and makes clothing for hospital personnel.

"We had 15 people on staff when we started out. Sales went slowly at first but they eventually took off and now we employ 250 people. I don't want to mention revenue but let's say it has grown about 1,000 per cent," the CEO says.

"You can say the endeavor of the Saudi government impacted us and supported our company and other local companies. One of the challenges," says Ms. Al-Mutairi "not only in the field of military manufacturing but the manufacturing sector as a whole, is getting manpower. And like in many other sectors the government has wor-

ked to develop training programs and courses to overcome these difficulties. As Saudi economic performance is very strong, when it comes to skilled labor it is essential to the market."

Working with its foreign partners like BAE Systems and L3 Harris, the company requires highly-qualified staff with the right level of expertise to ensure it meets strict international standards.

"Fortunately we get assistance from the government and private sectors with both providing rigid training programs for prospective employees, both Saudi and foreign," she explains.

"These programs make sure we have trained people with the right skills to join our team and they even provide payments for companies needing staff so new workers can join the labor market and eventually rely on themselves."

Sondos Advanced Industry also collaborates with international partners to provide the experience and knowledge the Saudi market needs to meet government requirements for locally produced security and defense equipment.

"This system of preferring local content for the military sector empowers the companies to spend, to invest and to try and build solid, trustworthy relationships with other companies," Ms. Almutairi argues.

When dealing with its international partners, the company always discusses how the products can be exported as Saudi Arabia's privileged geographical location makes it a natural hub for the world's trade routes.

The CEO says the company is very keen on





**MAZEN
AL JAMMAZ**

GENERAL
MANAGER OF
ARABIAN
PRECISION
INDUSTRIES

“WE CUSTOMIZE PARTS FOR OUR CLIENTS BASED ON THEIR REQUIREMENTS AND NEEDS”

supplying the U.S. and European militaries, and she explains that the company's competitive costs give it an advantage.

“It's true that Saudi Arabia has the fifth-largest defense and security budget globally but we want to go beyond the Kingdom and sell to other countries. So we face competition from two quarters: internally with our private sector rivals and the international companies out there making similar equipment.”

“Our future plans include continuing to manufacture partnered products with local content as well as proprietary Saudi brands developed through our own R&D and placed internationally,” she continues.

“Vision 2030 acknowledges that the whole world is changing, that Saudi Arabia has to change to keep up and it is now the right time for our company and the entire country to benefit from all of its many aspects.”

Custom-Made Industry

Serving the Saudi agricultural sector was the prime goal for Arabian Precision Industries when it was founded more than 3 decades ago, but over the years the machine parts manufacturer has added customers from other industries and is now looking to expand its client list to include partners in the military field.

“We initially provided the agricultural industry with mechanical spare parts then we added



customers from building and construction companies, then general industry and petrochemicals,” says General Manager Mazen Al Jammaz.

“What we do is customize parts according to our clients' specifications by reverse engineering. If they want to fabricate gears or shafts or flanges, for example, we reverse engineer and then manufacture it.”

At its production plant in an industrial park in Riyadh the company's technicians operate the latest state-of-the-art milling, turning, drilling and boring machines, plus presses to turn out client orders.

“We also have a welding department and a heat treatment department, as well as a dedicated quality control section staffed by highly-trained experts to ensure everything that leaves the factory is perfect,” the executive says.

Considered as a vital firm for its role in working with plants providing medical equipment, Arabian Precision Industries managed to avoid shutdown during the pandemic.

“Of course we had to reduce our production capacity but the plant kept operating with automation and by communicating online and using manufacturing software,” Al Jammaz recalls.

“We bounced back and in fact were growing rapidly over the past several years until 2023 when interest rates and a lack of liquidity affected our usual markets.”

Vision 2030 opened a wealth of opportunity for the company and Al Jammaz changed its strategy to focus more on attracting clients in the oil and gas industry and in the military sector.

In a bid to handle the expected demand

from these new customers and to keep working with its traditional sectors, the firm is investing heavily in new factories which will vastly expand its capabilities and production.

“Over the past two years, Arabian Precision Industries has been attending the World Defense Show in Riyadh where we've sat down with foreign companies to discuss their willingness to transfer technology to Saudi Arabia through joint ventures,” the general manager explains.

“And we're very happy to meet each other because it's a win-win situation as Vision 2030 has made it clear that non-Saudi companies willing to carry out technology transfer and invest in the Kingdom will be very welcome.”

According to Al Jammaz, Saudi Arabia is quite technologically advanced but the military industries take technology to a different level and much of the foreign technology is patented.

“So our challenge now is to put a laser focus on R&D in collaboration with other Saudi firms in the private sector and also with the government so we can all work together for the common good.”

“For example, Company X is good at R&D, Company Y is good at manufacturing and Company Z is good at planning so we get them all cooperating and we can achieve miracles!”

Building Demand

Setting up a manufacturing company in the midst of the pandemic would seem foolhardy to most but Haitham Shatat, with experience from previous enterprises and the gut feeling that the construction sector was due for a rebound, went ahead and founded Modern Electricity Co. for Industry.

“We wanted to make a wide variety of wiring devices, switches, breakers, fans and lighting solutions,” the CEO explains. “Construction slowed down between 16 and 19 but I picked up signals and hints that things would return to normal.”

“But it was Vision 2030 that we truly bet on, knowing that all the building scheduled to boom under the government edicts would provide a nice market for the products we planned to make.”

As soon as the Covid-19 lockdown eased, Shatat went on the hunt to find a manufacturing facility to rent and set up basic operations





HAITHAM SHATAT

GENERAL
MANAGER OF
MODERN
ELECTRICITY CO.
FOR INDUSTRY

“AS A NEW COMPANY WE BET ON THE BUILDING BOOM THAT VISION 2030 WOULD PROVIDE”

with a few orders in hand, a solid reputation and advice from former colleagues.

In the first year, Modern Electricity Co. posted revenue of around \$750,000, then \$2 million in the second year and \$4 million in 2023, basically doubling revenue each year.

“It’s because we’re constantly expanding the business and the orders keep coming,” the executive says. “We designed the factory so we could produce for most any type of building like hospitals, hotels, restaurants, palaces, banks etc.

“In every sector we supply there are more and more projects. Last year a third of our orders were from the organizers of the annual Hajj pilgrimage for electricity items for tents.

The company is not able yet to respond to tenders for the large giga projects like NEOM or The Line as companies wishing to work on those need to be in existence for at least five years.

So looking ahead to 2025, management has come up with a three-year plan to land some of the larger jobs which have been announced under Vision 2030. Meanwhile, it is taking on smaller projects and working on getting approval for them from government entities like the National Water Company.

“Another goal we have set for ourselves is to be one of top five builders of breakers licensed by the prestigious French multinational Schneider Electric. During our short existence we’ve already become a premium partner of Schneider through our assembly operation,” the general manager says”

“This usually takes between five and six years but because they recognize our professionalism and the knowledge that they can fully trust us, they gave us the premium certificate.”

Shatat says it is clear that Vision 2030 has triggered a massive wave of investment across all sectors, both public and private, in the Kingdom with more to come in the future.

“Vision 2030 has been very important to our company and I’m very confident that it will create opportunities for many others as well.”



Complete Product Range

Electrical cables and wiring are a key element in just about anything being built whether it’s a mammoth data storage facility, a housing compound, a highway or an airport and Red Sea Cables Company has been supplying those needs since 2011.

“Our company belongs to Al-Abdullatif Group which began as a trading group 70 years ago handling furniture, home décor and carpets,” says Managing Director Rajesh Seth.

“Then we decided to diversity into cement and conceived of the cables project in 2009 and went into production two years later.”

In the beginning the company was a small producer of low voltage cables, then moved into medium voltage and now is planning to go for the high and extra-high voltage market sector.

“Why we decided on this step is because machinery and manpower utilization substantially improves when you offer the complete package,” the executive explains. “With a complete range, we’ll be a formidable force in the market.”

Headquartered in Riyadh but with its production facilities in Yanbu, Red Sea Cables offers not only a full range of voltage cables but also building wires and cables, as well as fire resistant wires and cables.

Due to the explosion in infrastructure, housing and other building sectors, the Saudi cable market is expected to increase and the company enjoyed growth of 18 per cent last year over 2022. Along with the new projects,



RAJESH SETH

MANAGING
DIRECTOR OF
RESCAB -
RED SEA CABLES

“WITH A COMPLETE RANGE WE WILL BE A FORMIDABLE FORCE IN THE SAUDI ARABIAN MARKET”

older cables need to be replaced in existing structures, creating even more demand.

“Already the local cable production capacity is in excess of existing requirements so the growth challenge for us will come from the competition,” the managing director says.

Seth says his goal is to double the turnover over the next five years to more than \$200 million by going for horizontal and vertical growth. For the former, Red Sea Cables is entering the distribution market, moving into transmission and planning to export.

“When people see the domestic cable market growing they all jump in and supply goes up. So we’ll use the export market as a cushion for supporting our Saudi operations and maintain pricing and support our margins,” he explains.

“In terms of vertical growth we’ll be starting to produce the high and extra-high voltage cables and we are now also doing waterproof cables which can be used under the sea.”

The managing director sees only one small problem facing its prospects of growth which is human resources.

“It would seem that talent is available but most of it is expatriate and visas have not been an issue. However, when it comes to the blue collar workers it is a challenge to find Saudis to comply with the Saudization requirement.”

“These are minor challenges as Vision 2030 is all about the growth Saudi Arabia is experiencing and it will be a truly formidable force in the world by 2030,” he predicts.



SERVICING A VISION WITH LOCAL TALENT

SAUDI ENTREPRENEURS TAKE OPPORTUNITIES IN THE SERVICES SECTOR AND VENTURE ABROAD



Saudi Arabia's vigorous economy coupled with high personal incomes among citizens and expatriates alike mean that many sectors of the economy are growing robustly and that includes the diversified services industry which is a solid beneficiary of the reforms being carried out under the auspices of Crown Prince Mohammed Bin Salman's Vision 2030.

Analysts report that the services sector accounts for around 50 per cent of the Kingdom's GDP, employs more than 77 per cent of the working population and is largely involved in financial services, banking, insurance and a growing tourism industry.

But it also covers such fields as consultancy, training, educational placement and IT services, all of which are taking on growing importance as the economy begins to once again take off from the recently buoyant oil prices, the end of Covid-19 and, last but not least, the stimulus from the many projects linked to Vision 2030.

A reliable indicator of a country's economic health is the automobile market and that is certainly true in Saudi Arabia. Valued at more than \$50 billion, the market is fueled by rising disposable income, rapid urbanization and the growing number of young people buying their first car.

Turbo-charged Growth

A company profiting handsomely from this is the Morni group which offers a range of services for motorists and has been growing by leaps and bounds.

"Our road assistance company Morni began in 2015 as a mobile platform providing help for car owners who had suffered an accident and needed a tow or repairs or parts on the road following a breakdown," a top executive at the company recalls.

"We were lucky to be successful in launching that service, expanding our network and integrating it with multiple corporates. The we added after-accident and after-sales services."

These days, Morni offers motorists towing and rescue services, battery charging or replacement, tire repair or transport, lock opening services and gasoline or diesel delivery.

Customers can download an app on their phones that provides instant communication 24/7 with the company's operators for assistance. It offers various payment options such as an annual subscription, electronic transfer or cash, with many prices and billing methods available.

Business clients have the ability to access multiple accounts to the platform with

a detailed record of all actions taken for the purpose of follow-up and auditing.

Morni also handles online automobile auctions in the Saudi market, a new business line for the group.

A sister company in the group, Labas, manages vehicle insurance claims processing with the relevant authorities, delivers the damaged vehicle to an authorized repair center and provides spare parts, repair and post-repair inspection, among other related services.

Five years into the company's operations, the pandemic struck but the executive says the crisis actually helped the company.

"The pandemic gave us a boost because we are a mobile platform and then we launched the auctions, so all the insurance companies signed up with us immediately and we had a good ramp up in subscriptions," the executive recalls.

"Lots of people were buying cars online at that time and we sold more cars than ever before. Our activities complement each other and we're posting annual revenue of around \$25 million."

The manager praises Vision 2030 for helping the group grow and he says with the government's new emphasis on digitization dealing with municipal, local and national

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bureaucracies regarding licenses, permits and other paperwork is much easier than in the past.

"Another improvement is that officials contact me on a bi-weekly basis to sound me out on the problems and challenges facing our sector stemming from the new regulations that have been put in place."

The executive's most immediate goals are reducing the current price of automobile insurance and by doing that boost insurance sales.

The way to do this, he explains, is work with local insurance agencies to streamline the claims process which will not only make it easier for claimants but also provide savings for the agencies allowing them to cut prices for their clients.

International expansion is also a priority for the company.

The group acquired a stake in an Egyptian roadside assistance operation in 2022 and is establishing a joint venture in the United Arab Emirates with a federal agency that owns and manages the government vehicle fleet.

"Over the next several years I hope we will be operating in the countries of Pakistan, Turkey and other regional markets through local partnerships because that makes it so

much easier than just going in on your own," he explains.

"Meanwhile, we're experiencing incredible growth and doubling every year since 2020. Within three years, which is halfway to 2030, I'd like to see us achieve a customer base of 200 million. An amazing goal but I know we can do it."

Business Environment

Vision 2030's privatization of many government services and the increased influx of companies entering the Saudi market or expanding has been a boon for companies involved in such sectors as recruitment and outsourcing and one company has done particularly well.

"Our business and market reach has grown dramatically since the company was set up more than a decade and a half ago. 2023 was our best year yet," says with obvious pride the founder and Executive Director Magdy Ayed of Al Bilad Company for Consultancies & Solutions.

Along with recruitment and outsourcing, the Riyadh-based firm established 16 years ago offers executive search, human resources management, professional training, and business solutions.

"Our main clients are the Saudi government and the finance and banking sector. For example, under Vision 2030 the government would like to privatize the public education sector and that is a great opportunity for us," the executive says.

"So we're contributing to this by providing a whole solution starting with recruitment around the country and then all the follow up. For our banking and other private sector clients we offer complete outsourcing like call center operators, direct sales agents, IT professionals, etc."

In person training is also a big part of Al



MAGDY AYED
EXECUTIVE DIRECTOR OF AL-BILAD CO. FOR CONSULTANCIES & SOLUTIONS

"DIGITIZATION AND MANY NEW REGULATIONS ARE MAKING THE BUSINESS ENVIRONMENT BETTER"

Bilad's ever expanding business portfolio as it offers different courses in business communications; decision making and implementation; material, inventory planning and stock control management, and business negotiations.

"In pursuing the goals of Vision 2030, our government is very focused on training and improving the skills of the Saudi people so we don't have to rely so much on bringing in foreigners," Ayed explains.

"So there is a lot of training taking place in all the sectors and they even send people abroad to the US, the UK and other countries. Then, of course, there is also in-house training and women in particular are benefitting from all this."

The executive director also has a few good words to say about how the government has made everything so much easier for those companies dealing with officialdom by digitizing most the government processes so they can now be accessed online anywhere and anytime.

"There is a whole package of new regulations which are making things get much better and better. We have many international clients and these changes are benefiting them as well.

"With the international companies we

Established back in 2006, Al-bilad Co. for Consultancies and Solutions is a Saudi company and since its commencement from a small entity, Al-bilad has developed into an organization that offers a wide range of services for the ever-changing needs of its clients and the market

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AHMED FAHAD AL RAQEBA
CEO OF ELITE INSURANCE BROKERS

“WE ARE AMONG THE TOP 5 IN THE SAUDI INSURANCE SECTOR DESPITE FOREIGN COMPETITION”

executive explains. “And then, of course, there is the personal insurance segment of the business.”

“There are predictions that the population of the capital could double to almost 15 million people and they’re coming from outside of Riyadh to work here so they are going to need medical insurance, homeowner’s insurance, life insurance and automobile insurance.”

“This means that along with the population, the personal insurance business will also double over that period of time,” he says. “There are also those giga projects popping up across the Kingdom with all kinds of opportunities.”

However, Al Raqeeba says a price war could take out many major players in the Saudi insurance market that will affect the profitability of all the companies.

In addition, the sector has recently undergone changes with some major foreign insurers withdrawing from the market and selling their shares to their local partners.

Other recent developments include efforts by the Saudi government to increase mergers in the sector and to delegate insurance regulation later this year from the central bank to a new regulator to be known as the Insurance Authority.

“One challenge that we all have is finding enough people to work in the industry,” the CEO complains. “We still don’t have that

work for we provide everything as a one-stop shop including the logistics of setting up their operations, the outsourcing, the recruitment and anything else they may need,” he says.

Ayed explains there are basically two main ways Al Bilad Company operates in its home market.

“There is either direct outsourcing or the client just gives us the KPI’s and we’ll do it for them. If you want a call center, for example, we have our own that you can use for servicing your own clients.

“Another change we’ve seen is the concept here of outsourcing. Before it was more difficult because everyone wanted to do things in-company on their own. But now people accept outsourcing because there is different mindset,”

For the moment, the executive director is very satisfied with the Saudi domestic market as the government’s ambitious privatization plans promise lots of work ahead for the next few years so he has no plans to branch out into other countries.

“There is great opportunity for growth right here in Saudi Arabia. I would advise foreign companies considering doing business here that the challenges are high but so are the rewards.

“But to receive those rewards it is very important that you have to be here to understand the market which is the largest in the region and well worth the effort to do it right,” he says.

analysts expecting a compound annual growth rate of 5.2 percent until 2028 reaching \$22 billion, largely driven by the health and automobile insurance segments.

Looking forward to the expected increase in premiums is Elite Insurance Brokers and Reinsurance Company, a leading specialist in business and insurance brokering, reinsurance and risk management, says CEO Ahmed Fahad Al Raqeeba.

“We were established by a group of Saudi investors with no background in the insurance business in 2008, we received our license from the Saudi Arabian Monetary Authority a year later and now we’re in the top five in the sector.”

Over these past 15 years the company has also managed to succeed to the point where it has now over \$270 million in its insurance portfolio and the executive is confident that Vision 2030 will drive the industry, and Elite Insurance company, to further heights of success.

“Insurance is related to all businesses in Saudi Arabia, construction, entertainment, aviation, banking, manufacturing, healthcare, and especially here in the capital,” the

Leadership Bound

Strong growth is predicted for the Saudi Arabian insurance industry overall, with

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ABDULLAH ALQHAMD

CEO OF
KUN SPACE,
LAFT & KD
INTERNATIONAL
EDUCATION

“OUR KUN SPACE HAS SEEN A MASSIVE GROWTH IN RIYADH FOR CO-WORKING OFFICES ”



solid program by the colleges and universities to produce young graduates who are specialized in insurance.

“What we’re doing is hiring people with knowledge of general insurance and training them to handle sales of medical and auto insurance which probably account for 90 to 95 per cent of our business.”

Another human resources problem is siphoning off skilled workers to other industries. In a bid to stem the loss, Elite Insurance pays its employees salaries which are higher than the industry norm.

“Our position among the top five in the Saudi insurance sector competing against international brokers give us a solid base and we have very ambitious strategies we will put in place over the next few years,” Al Raqeeba says.

“We’re working on becoming a high-tech automated company which will make us more efficient and compensate for the human resources challenge. This is just one example of how this country is modernizing and changing so rapidly and I would recommend to foreign investors to come and enjoy the moment!”

Local Presence

Serving the needs of the Saudi and international business community is the chief focus of a group which comprises the companies Kun Space, Laft and KD International Education Consultancy, says CEO Abdullah Alqhamdi.

“Our latest business venture is Kun Space that owns and manages two different co-working spaces in Riyadh, the capital, and which is already expanding after one year. Laft is a public relations media company and KD International facilitates foreign university placement for Saudi students and offers business consulting and facilitation,” he explains.

“Vision 2030 has impacted us heavily in the way we approach and expand our businesses. Now we are exposed to more international businesses as we see more and more of them coming to the Kingdom and we are changing our way to facilitate services for them.”

These include providing foreign companies with vital information in such areas as the local legal system, taxation in Saudi Arabia and others, as well as office space to set up operations.

“Kun Space has seen massive growth and we already have two sites in Riyadh and we’re working now on a third one as demand increases. We’re seeing a lot of financial services, construction firms and IT companies coming here.”

The company offers three types of soundproofed co-working spaces to clients: shared open spaces from around \$400 per month, private spaces around \$1,500 per month and executive spaces starting at around \$2,300 per month.

All spaces are open around the clock and the rental price includes cleaning and hospitality, electricity and Internet, free access to meeting rooms and other amenities such as kitchenette and relaxing spaces.

Kun Space also sells mobile offices or “pods” of various sizes and configurations, and Kun Business Solutions provides fi-

nancial and accounting, human resources and foreign company formation services.

“Perhaps the hardest thing in working with some of the foreign companies planning on doing business in Saudi Arabia is their misconception that they can do it without significant investment,” Alqhamdi says.

“They have the idea that you get the project and deliver it and all your costs are covered. But that’s not the case because they have to invest, bring cash, set up an office, establish your regional headquarters in Riyadh, hire staff and then apply for tenders to work for the government.

“So it’s very important that they have a local presence, they need boots on the ground with their own staff living and working here.”

The executive says he sees companies from many Western countries showing interest in Saudi Arabia and he works closely with Australian firms thanks to his membership on the Saudi Australian Business Forum and Council.

Another link with Australia is the group’s KD International Education Consultancy which helps students apply for and find places in universities abroad.

KD’s business services branch offers executive recruitment, certified translation, partnership facilitation, international business development advice and verification checking.

“Our big challenge now is the high level of competition in the Riyadh real estate market which makes it difficult to find the ideal place for our clients, as demand has soared dramatically” Alqhamdi says.

“But we still expect to triple our growth over the next three years with a presence planned in some of the tourism sites here like ALUla and NEOM as we expand along with Vision 2030.”



EXCITING BUSINESS EXPERIENCES

IN EVENTS, EXHIBITIONS OR HOSPITALITY COMING TO SAUDI ARABIA IS NOW AN EXCITING PROSPECT

Since the launch of Crown Prince Mohammed Bin Salman's Vision 2030, Saudi Arabia is transforming into a vibrant society not only for its citizens but for leisure and business visitors from abroad as well.

Along with its cultural, artistic and archaeological attractions, the Kingdom is also now hosting musical, sports and other events, along with entertainment spectacles, and much of it is homegrown.

And then there is the convention, events and trade shows business which is growing by leaps and bounds as the government, international organizations and multinationals choose Saudi Arabia as the showcase for their most important events.

Saudi Arabia has clearly become a "must-go" destination on the global events calendar.

The so-called Seasons in Riyadh, Jeddah and Dammam have brought singers from all over the world, the Spanish football Supercup is now played in Riyadh, along with top golf, tennis and boxing event have energized the sports scene to previously unknown heights.

Along with entertainment, the MICE sector, comprising meetings, incentives, conferences and exhibitions has been growing by leaps and bounds, most notably in the Kingdom's capital.

In-House Production

One company playing a pivotal role in much of this is ImpressIV which describes itself as a "creative event agency" that delivers "immersive experiences and impressive shows that enable a transformative impact for the audience."

"We started this company back in 2011 as Impress when we saw this opportunity in the market in the very early stages and were one of the first investors," recalls co-founder and CEO Elie Hneine.

"Five years later in 2016, the same year that Vision 2030 was announced, we rebranded as ImpressIV, and soon we started to see



ELIE HNEINE

CEO OF IMPRESSIV

the impact and demand related to the Vision concerning the events we were involved in."

By 2019, the company was producing such prestigious happenings as the annual Riyadh International Book Fair, the Saudi National Day Gala and the GCC Awards Presentation, plus an array of business, organizational and bilateral launches, forums and conferences.

"That was a wonderful year for us and we grew by almost five times and in fact it was one of our best years until then," the executive says.

Events and exhibitions around the world took a hit from the Covid-19 pandemic but the company managed to survive through online events, some live events with the appropriate restrictions.

"By 2021 we started to notice that things were quickly jumping back and 2022 was actually a better year than 2019. Last year was ten times what we were doing."

Its events and exhibitions department handles event management and production, audio visual set ups, custom set and exhibition stands production, venue booking, guest management, media relations and catering.

Creative services takes care of conception and ideation, branding and naming, scenic design, brand strategy and identity, brand experience and advertising, product design and packaging, storyboards and pre-visualization.

ImpressIV's digital content department is in charge of video mapping, interactive insta-

"WE DO PRODUCE EVERYTHING IN HOUSE, WITHIN OUR VERY OWN BUSINESS ECOSYSTEM"

llations, VR and augmented reality, film and post-production, and app and web development.

"Our main strategy is to keep everything in-house, a full one-stop shop so we deliver to our clients the overall service and can control the demands, the quality, the costs and the last-minute requests," the CEO says.

"If you build a business as an ecosystem where the elements help each other grow and you keep the money flowing internally you will definitely end up with what you expect."

According to ImpressIV co-founder and Chairman Abdulkareem Al Zumai, the total investment in time and money over the 13 years the company has been in business has made all the difference.

"We invested a lot but that is what you have to do if you want the level of quality that this company represents and for which





SHAKEEB KAZMI

MANAGING DIRECTOR OF MCI - SAUDI ARABIA

“WHEN WE STARTED WE´D BE ORGANIZING 20 EVENTS A YEAR, NOW WE´VE REACHED 70 TO 80”



it has such a good reputation. We sometimes worked 15, 16, 18 hours a day and we're at the top of the business.”

Among ImpressIV's 100 clients are some of the top companies in Saudi Arabia and it has organized many events for government ministries and agencies. “Our portfolio is very diversified, our client retention is around 95 per cent and one of the reasons is that we come from this culture,” the CEO explains.

“Understanding that culture and having a local presence is the most important pillar for success. I would tell foreign investors looking at Saudi Arabia to have a local presence, invest, train the locals, blend your team into the industry and appreciate the culture.”

“The crown prince said something which impressed me very much. He said ‘Saudi Arabia is the story of the 21st century’ and when you look at Vision 2030 and all of its projects, for the next 20 years this country is going to be unstoppable.”

Market Growth

An international company which has bet big on Saudi Arabia is the international convention, congress, events and exhibitions firm MCI whose local branch office has grown from strength to strength since forming a joint venture with a local Saudi partner in 2014.

Steering that success has been the task of Managing Director Shakeeb Kazmi who agreed to what he thought would be a temporary assignment from his post as director of operations for MCI India.

“I took on the challenge and was to stay for one year,” he recalls. “But then I found the country very interesting and was amazed at the scale at which things were happening. Saudi Arabians are very particular in terms of quality so that affected me and I've been here ever since.”

“We handle the serious, international conferences for our clients whether they are

government entities, professional organizations or universities, for example, and create the concept, develop the program, do the entire logistics, carry out the marketing.

“Basically we provide a turnkey solution to get the right kind of audience, provide airport, venue, registration and technology management and upscale the entire project,” he says.

Besides conventions, congresses and exhibitions, MCI also handles MICE events; immersive experiences; influencer and digital marketing; branding, content and communications, association solutions, and consulting and community solutions.

MCI Saudi Arabia is one of 60 offices in a total of 31 countries around the world of MCI International and can count on a vast global organization for support.

“We do approximately 70 to 80 events a year in Saudi Arabia but that number is always increasing. When we started ten years ago we would do about 20 events each year but now the market is changing on a daily basis,” Kazmi says.

“And the growth is reflected in the increase in employees. We started with four, right now we are 23 and this year I just approved a budget for 43, so almost doubling our staff.”

“Over the same time period our annual

revenue has grown from \$1 million to \$35 million, in other words it has multiplied by 35.”

Over the ten years the managing director has been at the helm, Kazmi has seen vast changes in the Kingdom, not only in society in general but also in his own sector.

“Back in 2015 we had a small event for a client who said around 100 people would attend and they would all be men so we got the appropriate license for 100 males. But on the opening day a woman on the staff of the client showed up unexpectedly.

“The hotel noticed this and demanded that we stop the conference because no women were on the license and ordered her out of the event,” he recalls.

“Now, women can mix with men freely and women are not required to wear the veil. Another huge change has been the visa situation where ten years ago it could take two months to get a visitor's visa by applying at the embassy and now most people can get one online or on arrival,” he says.

One challenge facing the industry, Kazmi complains, is the lack of large venues capable of handling mega conferences or trade shows and even the bigger ones are located far from the capital causing logistical headaches.

“These kinds of problems will be sorted out and we are planning to triple our size over the next three years. We're very excited about events like Expo 2030 and the 2034 World Cup and I'm sure there will be a lot of business leading up to that.

“Some people were pessimistic about Vision 2030 when it was first announced but now you can see all these mammoth projects are actually going ahead and I would say that Saudi Arabia is the place to be right now.”

Immersive Experiences

“Out-of-the-box” execution with a local spin is a major selling point for AK Events, a Saudi firm which has more than 20 years





“BY SHOWCASING THE RICHNESS OF SAUDI’S OWN HERITAGE WE OFFER IMMERSIVE EXPERIENCES”

of staging a wide variety of events large and small, and all customized exactly to the client’s specifications.

“We ensure the delivery of successful and unique experiences which leave a lasting impression on those who contract for our services,” says founder and General Manager Ahmad Khashan.

“On the supply side we actively cultivate strong relationships and partnerships with our vendors, suppliers and the venues where our events are held, granting us access to exclusive resources, favorable negotiation terms and the ability to provide high-quality experiences.”

AK Events specializes in award ceremonies, festivals, global live events, opening ceremonies, product launches, interactive educational events, trade exhibitions, concerts, family celebrations, sports projects and more.

According to the event, the company’s staff can offer a wide selection of audio-visual production and advanced lighting systems.

Its management department handles talent booking, site selection, documentation and permit management, budget planning, timeline coordination, catering, attendee registration, concept development and onsite and transportation management.

“Our production people are masters at event set up, the printing needs of the client, stages, booths and stands, event branding

and furniture or any other required accessories,” the executive says.

“And for truly innovative themed events we have the best LED screens, LED furniture and even robots and dance floors!”

“I believe that really differentiates us from the competition in the events production sector here in the Kingdom. We not only execute but also contribute creative ideas. One example of our focus on digital solutions are things like QR code registration which represents an industry upgrade that contributes to sustainability by reducing waste,” Khashan explains.

As much as 70 per cent of the company’s events materials come from its in-house warehouse which provides a cost benefit to clients and the company boasts a multi-lingual staff.

“For our employees we invest in continuous learning and industry knowledge and encourage our team members to attend conferences and training sessions on the latest trends and emerging technologies,” the executive says.

“Hiring the right Saudi employees and investing in their training to upgrade their skills level helps us have a better workforce and addresses the challenge of Saudization.”

Another plus point of AK Events is its respect for and adherence to the local Saudi culture which the general manager says is the company’s foremost priority in conceiving, planning and putting on an event.

“We meticulously adhere to social norms throughout every stage ensuring that every aspect, from content to activities, is not only suitable for, but also respectful of, our local audience,” he says.

AK Events prides itself on seamlessly integrating local elements such as traditional music, cuisine, art and performances into events, while following the latest trends in event production.

“By showcasing the richness of Saudi Arabia’s cultural heritage, we curate authentic and immersive experiences that resonate with our local audience and proudly reflect the Saudi identity.

“Through these efforts, we ensure that our events remain dynamic and relevant by effectively aligning with local cultures while embracing global influences,” he adds.

Khashan notes that Vision 2030 has supercharged the economy and the events sector, pointing out that international high-profile events are drawing in global audiences and in turn boosting ties between the Kingdom and the world.

“All of this paints a bright future for event organizers and the business and leisure travel industry over the long term,” the general manager says.

Vision 2030’s host of reforms such as overhauling the rules on business investment and promoting the country’s tourism offer has triggered an influx of foreign investors who are learning about the Saudi Arabian culture of hospitality at first hand.

And while the government is making a concerted effort to boost the numbers, the private sector is also doing its part with the Kingdom already attracting some \$13 billion of investments in the tourism industry.

According to Saudi tourism officials, that investment will help add as many as 200,000 new hotel rooms over the coming two years and the hospitality industry, both domestic and international, is taking note.





BASTIEN BLANC

CEO OF
TROKADERO
HOSPITALITY
GLOBAL

“INVESTING NOW IN THE HOTEL MARKET IS MUCH EASIER AND A GREAT BUSINESS OPPORTUNITY”



Investment Opportunities

One company that saw the wealth of opportunities opening up is Trokadero Hospitality Global, a European-based group which offers hotel management, asset management, advisory and hospitality real estate services on four continents.

CEO Bastien Blanc says the company's entry into Saudi Arabia two years ago made perfect sense due to its extensive experience in emerging hospitality markets in Eastern Europe where it began.

“In that region at the time international hotel brands were arriving and local hotel owners who had smaller properties and were only used to local tourists had difficulties coping with the new competition,” he says.

“We realized that Saudi Arabia was facing a similar situation with these international hotel chains coming in so local owners and operators required support to adapt to this new tourism world that they are facing.”

Blanc, who has been coming to Saudi Arabia since 2009, remarks that the tourism industry has totally been transformed under Vision 2030, starting with such things as the easing of the visa process for foreigners, which in turn has opened the way the hotel business operates.

Saudi hotel owners and managers, he says,

have to positively benefit of such changes leading to development opportunities with new financing models, strengthened levels of service, sales and marketing, online strategies and ways to invest.

“There are new opportunities for the Saudis to work with experts easing the process. In some cases we work on getting foreign investors and local owners together to develop projects to new levels,” he explains.

“On our real estate side of the business, we sell internationally hotels or greenfields identified for hotels projects. Right now we have a few plots available, owned by Saudis owners who want to partner with foreign investors to develop either hotels or new tourism destinations.”

Two years after opening in the Kingdom, Trokadero Hospitality Management third party management activity is receiving great interest, with a strong pipeline of over 10 hotels.

Blanc praises the support provided by various government agencies provide investors which can include funding by the Tourism Development Fund with further support potentially provided by funds such as the Event Investment Fund and the National Development Fund.

“Right now we are working with an Australian developer interested in partnering with a local investor in the big cities, a Georgian investor who wants to buy land in Riyadh for bu-

siness hotels, and one from Singapore seeking investments in the secondary Saudi cities to create a hotel chain,” he says.

“Investing in the hotel market here is what I would call a calculated risk because of the ease in funding and setting up a company, the improved visa situation, and the emphasis on tourism infrastructure and logistics. This is a great opportunity.”

According to the executive, there are two challenges facing new hotel investments. One is the actual construction, which can take time and because of the current pressure on the market the price of building tends to rise.

“Secondly, is the human resources aspect. There is a lot of talent out there but there is still a need for further hospitality-focused programs, requiring any investor to understand the importance of strong in house training abilities. Saudi Arabia benefits from a rich tradition of hospitality which is instilled from a young age, which along the way needs to be completed by further professional skills to strengthen it,” he explains.

“So all the training programs have to do is link this natural talent to a professional setting.”

Trokadero Hospitality Global CEO says Saudi Arabia is definitely an investment opportunity not to be missed and his hotel management activities are there to ensure smooth developments from A to Z.

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**YAZEED
ALNEMER**

MANAGING
DIRECTOR OF
SPORTLINK

“WE ADDED NEW FIELDS LIKE HOOKING UP OUR LOCAL CLUBS TO SPONSORS SUCH AS NIKE”

“It is definitely the right time, the Kingdom of Saudi Arabia is the right place to be. Let’s not forget it is the most populated country in the Middle East, with an excellent governmental support and an incredible potential for tourism already attracting over 100 million visitors a year,” he says.

“Opportunities are there and it is the right time to get into this market if you are not here yet.”

Sports Vision

Over the past several years, Saudi Arabia has figured prominently in sports news as the country poured money into global golf championships, Formula 1 racing, multi-million-dollar foreign football player signings and big-time boxing bouts, while at the same time aggressively nurturing its own homegrown athletic aspirations.

One analyst estimates the country’s sovereign wealth fund has plowed \$10 billion into sports in recent years and there are billions more in the pipeline.

Off the field, the Saudi Kingdom is also catching up in the business of sports with companies sprouting up to represent players, sign sponsorship deals and arrange logo-embellished jerseys for Saudi teams.

These are among the principal activities of sports marketing company Sportlink, founded six years ago and already enjoying an annual income of \$8 million thanks to the growing interest in Saudi sports and not only just at home.

For Managing Director and sports fan Yazeed Alnemer, setting up a sports business was a natural career path. His father was the vice-president of a football club and for many years the future executive traveled with the team, gaining knowledge and insight which would come in handy in the years ahead.

“I graduated with a degree in information systems and worked at Saudi Telephone Company for five years. But then my father decided to resign from the club and we took our dream of establishing a sports business and kicked it



off in 2018,” he says.

Because of his past experience with football, Alnemer was able to become the youngest licensed sports agent in the whole country and Sportlink scored its first player transfer deal a year later.

“We wanted to create a company which could be active in several fields. Most of the agencies here are only doing player management, transfers, moving players from one club to another,” he explains.

“And we do all of that but we also started adding new fields to our operations like hooking up clubs with such sponsors as Nike, designing and selling jerseys to clubs, and advertising. Then we added training camps attached to the clubs.”

Around the time Sportlink was founded, the government started pouring more and more money into clubs, scheduling more matches and giving the greenlight for local teams to hire international stars.

But it wasn’t only football that was then receiving all the largess as other sports with a global following attracted the attention of Saudi officials.

“This gave us the idea to think about managing athletes, not only football players,” the managing director says. “You saw a squash player, for example, and the best he could do professionally was earn \$100,000 a season.



“Nowadays, with proper management if he gets a gold medal at the Olympics or the Saudi Games we’re talking about millions of dollars.”

Sportlink has a staff of around 35 people and Alnemer emphasizes that hiring the most skilled employees and treating them like family ensures dedication and, perhaps most importantly, loyalty.

“You can’t just bring in any bright man or woman just because he has a degree. Because after two years they have added their know-how, acquired communications skills and made contacts, and can go off and start their own company taking half your clients with them,” he warns.

Since the business started, the agency has signed up more than 48 players and lost only two to other sports business firms. The managing director says the key to this retention rate is going that extra mile with the athletes they manage.

“Sportlink doesn’t just handle signings and transfers for its player clients like other agencies but also helps them invest their earnings and arranges commercial deals.”

The managing director notes that in general football players have a maximum of 15 years on the pitch and they need those years to put away money so they can have a comfortable life once they hang up their boots.

“We are helping not only the players but Saudi football in general which is becoming known around the world,” Alnemer explains. “Now televised matches between top Saudi teams like Al Ahli and Al Nassr are being shown in 100 countries and there are weekly podcasts in Europe covering the sport.”

“I would tell sports fans and anyone else interested in what is happening here in Saudi Arabia thanks to Vision 2030 to stay tuned. because I know that when Saudis decide to do something they do it perfectly and that is what is happening here.”

INTERVIEW WITH MR. MENNO DE BOER

Consulting GM & COO of Crstal Hospitality

As Vision 2030 boosts the economy and the industrial development in the Kingdom, the hospitality sector is set to take advantage of the increased number of visitors. Cristal hotel in Riyadh opened just at the right time to benefit from this boom and as Mr De Boer explains, occupancy has never been better for those catering to business travelers



Rapid change is taking place for Saudi Arabia's tourism industry with the government overturning decades of largely ignoring attracting leisure travelers and now setting ambitious targets for visitor numbers helped along by a major overhaul of tourism infrastructure.

Currently, tourism contributes 4.5 per cent to GDP and tourism officials are striving to increase that figure to 10 per cent by 2030 when the number of tourists is forecast to hit 150,000.

That's a 50 per cent increase from 2023. Most of those tourists were locals but almost 30 million international travelers arrived in Saudi Arabia. Many were religious pilgrims or business people. However, Saudi analysts say the number of leisure travelers is growing.

In a bid to fuel the further growth of that sector, the government is splashing out on a global campaign of television, print and social media ads extolling the country's beaches, archaeological ruins, legendary hospitality and adventure activities.

Benefitting from all this promotional activity are Saudi young people eager for jobs in which they can interact with international visitors and, of course, tour companies, restaurants and hotels catering to leisure and business travelers.

Business Focus

One hotel chain present in several countries in the Middle East, Cristal Hospitality, has had resounding success over the past five years with its Cristal Amaken hotel property in Riyadh.

Located in heart of the capital's 2nd Industrial City, the four-star hotel boasts 267 rooms and suites and world-class amenities such as conference rooms, business center, gym, spa, several restaurants and swimming pool.

"Our principal guest demographic is composed of business travelers and with Vision 2030 stimulating the economy, we're doing very well right now," says COO and Consulting General Manager Meno de Boer.



"Last year we had a 70 per cent increase in revenue over 2022 and year upon year we've been able to improve our occupancy rates and therefore our revenue."

Rocky Start

It has been a great success following a rocky start. Originally scheduled to open in 2017, the hotel's debut was delayed until 2019 so it missed out on the economic good times of the pre-pandemic period.

"So everything was kind of on hold and then Covid-19 hit and although it was hard going for everyone, the crisis actually benefitted us as it shook everything up," he recalls.

"Factory owners started to think of new, innovative ways to restructure their businesses, realign their strategies and so they were investing and had to bring in consultants and experts which boosted our business very nicely."

The hotel also managed to take a slice of the quarantine business when visitors had to put up at hotels for a specified period of time. "That helped us to survive and then of course there was this complete breath of fresh air when Covid-19 was over that really boosted the hospitality industry," De Boer explains.

Occupancy throughout the pandemic was around



"I THINK THAT SAUDI ARABIA IS NOW BECOMING THE NEW CENTER OF THE MIDDLE EAST"


60 per cent which rose dramatically as the Saudi government relaxed the arduous visa process for many business and leisure travelers by allowing them to obtain a visa on arrival.

Currently, the Cristal Amaken's guest ratio is 80 per cent foreign and 20 local with vacation periods seeing more families. The executive says the effects of Vision 2030 have been very positive and not just from the boost in tourism.

"It's like what we saw during the pandemic only more so. With all the red tape stripped away for companies opening here or expanding like in manufacturing, they need to bring in technicians for temporary work and that benefits us.

"And then there are the leisure travelers attracted by the surge in events connected to Vision 2030 like the Riyadh Season with its entertainment and sports activities," he explains.

"I think Saudi Arabia is really becoming the center of the Middle East and the government is making it easy for foreign investors to come here and be part of the success that Saudi Arabia so clearly is."



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CONSTRUCTION AIMS FOR QUICK GROWTH BEYOND THE GIGAPROJECTS MANY SMALLER PROJECTS ARE MUSHROOMING IN RIYADH AND THE COAST

One of the most eye-catching features of Saudi Crown Prince Mohammed Bin Salman's Vision 2030 is the array of so-called giga projects which call for the spending of many billions of dollars over the coming years.

But at the same time, the country is also undergoing a surge in the government-funded construction of new highways, airports, sea-ports, hospitals and other civil infrastructure, while the private sector is putting up office complexes, residential compounds, hotels, shopping malls and entertainment venues.

Economists say the domestic construction market is worth now around \$70 billion and should hit some \$90 billion by 2029 as it increases by more than 5 per cent at a



compound annual rate of growth.

With such figures at hand, analysts say that it is clear the Saudi building industry is emerging stronger than ever from the sharp downturn triggered by the pandemic and resulting fall in oil prices with a record number of new construction projects announced and awarded in 2022.

In addition to funding so many projects, the government is urging Saudi citizens to enter the housing market while there is also a rising demand for offices as existing businesses expand, new enterprises open and foreign investors arrive to take advantage of the new boom in the Kingdom's fortunes.

A young, expanding demographic and rising income are fueling consumer spending in Saudi Arabia with the plethora of shopping malls across the country is the clearest indication of this.

New Projects

One of the country's leading builders of such palaces of pleasure is Lynx Contracting based in Riyadh but with projects across the Kingdom, says General Manager Alex P. Sam.

"We started this business 27 years ago and we are part of the well diversified Fawaz AlHokair Group which is one of the largest

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ALEX P. SAM

GENERAL
MANAGER OF
LYNX
CONTRACTING
COMPANY

“OPPORTUNITIES ARE IN THE RETAIL, HOSPITALITY AND ENTERTAINMENT SECTORS”

fashion retailers in the Middle East with some 85 international brands,” he recalls.

“And from the construction and fitout of retail units, we moved into the development of shopping malls which eventually led to our current focus on the construction and contracting business.”

Lynx Contracting has been involved in the projects of the group as well as government projects, which have included hospitals, colleges, commercial buildings and residential compounds.

Construction projects of the group included shopping malls, hotels, office buildings and mixed-use developments.

Listed as a Grade 1 contractor, Lynx carries out a full range of related operations including design and engineering, procurement, project management and construction.

“Vision 2030 is a futuristic approach,” the executive says, “and it’s taking the country to a different level.

“Right now we’re looking outwards while following the trends of the outside world while being sensitive to the local traditions and culture. Vision 2030 is creating more opportunities for spending time together with the family. The new focus on entertainment is improving the quality of life.”

Sam recalls that shopping malls used to feature only retail stores and fast food restaurants but now, he says, up to 25 per cent of the newer malls are dedicated to entertainment like immersive experiences and movie theaters.

“And the restaurants aren’t the cheap, fast food eateries of the past but rather we’re seeing more and more upscale restaurants and high quality spots for family dining. It’s a dramatic change.”

“So we see that this change is creating huge opportunities for us as a construction company in the retail, hospitality and entertainment sectors while at the same time there is a place for us in the giga projects as well. We are proud to be part of the opportunities

created by Vision 2030 and look forward to contribute towards its goals.”

A lot of these major projects are still in early stages such as design or feasibility studies. Riyadh is witnessing a huge growth and is evidenced by the large scale projects,” the general manager explains.

“And, of course, decision making regarding a construction project is time taking because a lot of stakeholders are involved so it is not easy to push a project along until the tendering starts.”

Lynx currently deploys around 4000 workers but many more through its network of trusted subcontractors in such areas as structural operations, many of whom the firm has worked with since its beginnings more than a quarter century ago.

Sam says that qualified manpower is, in fact, a challenge as with so much construction going on. Skilled workers are scarce and can pick and choose when jobs are on offer. One solution, he says, is to hire from abroad but that the process involving permits is both timely and costly.

“Another problem facing the industry is the burden of the supply chain due to extreme demand and other external factors. In addition, the due diligence and financing process is slow and can negatively impact the delivery of construction projects,” he points out.

One issue he is not concerned about is competition from foreign construction firms coming in and hornning in on Lynx Contracting business.

“Multinationals bring in expertise and we are open to collaborating with such companies. Joint venture with large multinational companies can add value, especially in case of sophisticated projects such as Airports, Metro-rail system, etc.” he says.

“Saudi Arabia has huge potential and it is a big market and these giga projects are a tremendous opportunity for everyone. We all need to focus on quality, sustainability, safety, health and cost effectiveness to see the goals of Vision 2030 become reality.”



Open for Business

Construction and communication are important pillars of Vision 2030 and one entity is active in both areas through its two divisions: Rasa Communication and Rasa Construction.

“Our current CEO and I founded the company in 2012 primarily as a way to contribute to the socio-economic development of the country and to generate employment for Saudi youth,” recalls Rasa Communication General Manager Dr. Usama Shaharyar.”

“We’re professional people with almost 25 years of experience and our idea is to give back to society and groom our people with knowledge transfer to develop them professionally and, at the same time, provide them with incomes.”

“Basically, our communication division deals

“WE EXPECT GROWTH TO BE ON THE CONSTRUCTION SIDE OF OUR BUSINESS IN 2024 ”

with technology and the construction part deals with end-to-end building-related activities,” he says, “and we’re also in consulting.”

Its network roll-out system integrations services include full turnkey, in-building solutions, project and quality management, site acquisition, survey and design, commissioning and integration and a dozen more from network evolution to dismantling.



Rasa Communication offers a comprehensive suite of solutions, products, and services across various sectors such as telecommunications, IT, electrical, electronic systems, mechanical, and civil engineering. As a leading provider of integrated communications solutions, Rasa Communication has been operating in the Saudi Arabian market since 2012.



IBRAHIM MEHANNA

DIRECTOR OF WIDE VIEWS CONTRACTING COMPANY

“SAUDI ARABIA HAS REALLY OPENED UP BOTH INTERNALLY AND TO THE OUTSIDE WORLD”



Rasa’s consultation activities include market intelligence involving market research and feasibility studies; consultation services covering strategic planning, mergers and acquisitions, change management, financial management.

Its auditing consulting service handles organizational development and leadership, financial audits, business models and operations.

Although Vision 2030 was launched back in 2016, it’s only been in recent years that the executive has noticed its positive effect.

“When you look at the reality of what is happening in the government in terms of processes and policy implementation, it takes time and I would say after the pandemic was over we started to see changes in policy implementation in early 2022,” Shaharyar says.

“One key example is financing of projects which before the Vision 2030 reforms was done the traditional way through bank loans. But now you have sources which have been around in Europe and the US for awhile like investment funds, angel investors, individual investors, etc.”

The general manager says he expects Rasa’s growth will be more on the construction side of the business with all the infrastructure and giga projects going ahead while telecoms is fairly well established in the Kingdom.

Like many Saudi executives, Shararyar lists the lack of sufficient human resources as a major hurdle for Vision 2030.

“All of these huge projects like New Murrabba, which is transforming downtown Riyadh, King Salman Park, the world’s largest tower in Jeddah and a new airport building require lots of workers and with the changes in the labor market every company is exhausted when it comes to manpower,” he explains.

“Another challenge is technology resources with every government agency shifting to digital operations. It makes life easier but at the same time the companies with government contracts for digitizing are ill-equipped

regarding training so there are glitches.

“So it will take time for everyone to get used to all of this, for the platforms to mature and for outside experts to come to Saudi Arabia and help sort out the bottlenecks,” the general manager says.

Rasa is eager to work with foreign concerns setting up shop in the Kingdom and is already cooperating with some firms from abroad in joint ventures or as an authorized partner. It currently is working with more than 25 vendors from the US, the UK and Europe.

International Expansion

Design, contracting and trading are the main activities of Wide Views Contracting Co., but which is diversifying into other sectors after more than 30 years in business as it revs up to reap the rewards of Vision 2030.

“In the contracting sector we do just about everything,” says owner and Director Ibrahim Mehanna. “Real estate development, construction supervision, refurbishing properties, public works, water treatment and more.”

“Our clients come from the government and private sector and we carry out projects in the industrial, commercial, residential, maritime and institutional sectors.”

Design is also an important component

in the company. When Vision 2030 was revealed, the executive realized the potential and brought in new staff for the construction division and opened an interior design department with a dozen engineers.

Now, Wide Views has a list of multinational client firms such as retail brands, restaurants and others whose outlets have been stylishly fitted out by the company on main streets and in malls across the Kingdom.

And as Vision 2030 has opened up new vistas not only for Saudi citizens but also people from around the world who are either coming for business or pleasure, Wide Views is taking an increasingly active part.

“Crown Prince Mohammed Bin Salman has really opened the country, internally and to the outside world.,” Mehanna says.

“If you have lived in Saudi Arabia like I have for many years you cannot imagine what has happened to this country recently, the changes that are occurring and the outside interest now in coming here.

“I have lots of investor friends from the United States, Europe, Dubai and other places coming here and preparing to open businesses. It’s phenomenal.”

Wide Views itself has an international footprint in Lebanon, Dubai, China and Slovakia and with foreign partners is opening high-end shisha lounges in Riyadh and Jeddah offering customers its special and exclusive tobacco brought from Germany and handcrafted shisha pipes from the Czech Republic.

In addition, the firm’s trading arm imports design elements such as lighting, tiles and furniture for its fitting out operations from Chinese, Turkish and Polish suppliers as part of its diversification strategy.

Over the past three years, Wide View’s revenue has almost doubled from \$8 million to \$15 million with the group’s payroll increasing from 570 to 850 employees.

“And now we’re almost finished finalizing a deal with a partner in Qatar and we are pre-





paring a contract for a shisha lounge in Jordan with a partner. The funds has been secured and there is huge potential," Mehanna says.

"As far as our original business is concerned, over the last eight months we've been working on the biggest waterpark in Saudi Arabia in Qiddiya north of Riyadh which when finished will cover approximately 150,000 square meters.

"So we are present all over the country in different sectors and there are still opportunities. You hear from others that Saudi Arabia is a closed country and only dessert. But I urge foreign investors to come here and see for themselves," he advises.

High End Projects

With ten years operating in Saudi Arabia after its move from Lebanon in 2014, design, engineering and construction company Professional Touch has weathered low oil prices and Covid-19 to become a "go-to" solution for local and international clients alike.

"When we first got here the Saudi economy was slowing down but we landed some interesting projects in the hospitality sector for chains like Le Meridien and Raddison Blue," CEO Danny Abi Fadel recalls.

"Then when the pandemic hit, we used the downtime to restructure everything. We came up with a new strategy and vision for the company,

and we redesigned our portfolio."

These days, Professional Touch Engineering and Construction offers a range of services. Its design department offers architectural, structural, interior, landscape and MEP solutions, while its consulting department guides clients through development of residential, commercial, industrial and hotel properties.

The firm also has its own contracting department with a woodworking facility where company artisans carefully craft design items to each customer's exact specifications. It also operates a gypsum and glassfibre reinforced concrete factory for special design elements.

"We just had a good year with revenue around \$7.5 million and with Vision 2030 business is going very well, there are a lot of investors from abroad carrying out projects so demand is very healthy," the executive says.

But, he argues, there is also a downside to this new chapter of the Saudi economy and in the design and construction sector in particular.

"Competition is becoming tough and companies from abroad involved in what we do are working with lower prices." However, our advantage here is that we offer highly-qualified engineers, designers and craftsmen who can do the large prestigious projects and offer top after-sales service which is not the case with our rivals."

Opportunities Galore

Over the almost 15 years of its existence, Sustainable Architecture has gone from being an engineering consultancy to providing clients with support, advice and everything else they need to see a construction project from initial idea to completion.

"When we started we worked in architectural design and supervision for projects and project management," recalls founder and CEO Dr. Abdulmohsen K. Alsudairy.

"These days we also put together all the components from initial design, acquire the building permits, line up contractors, set prices and then hire a construction company."

"We actually oversee the changes happen-



ABDULMOHSEN K. ALSUDAIRY

CEO OF SUSTAINABLE ARCHITECTURE

"WE NOTICED THAT FINTECH CAN NOW HELP THE REAL ESTATE SECTOR SO WE CREATED RAKIZA"

ning in the line of construction and step in when the owner wants to change a design or the materials being used," the executive explains.

Sustainable Architecture employs around 80 people and is building up its payroll as the country recovers from the pandemic and Vision 2030 fuels the boom in construction.

"With all these giga projects going on like The Line and with the Kingdom hosting Expo 2030 and the World Cup in 2034 construction is going through the roof, andn the private sector is also contributing to all this," the CEO says.

However, he is cautious about the challenges to the sector all this will bring about, especially from foreign firms rushing into the Kingdom to get a piece of the action.

"We are now competing with global companies that have more experience and expertise with helping these massive projects that have never been done before become reality," he says.

"As a local outfit we need to gain this kind of expertise and knowhow so we can participate in these projects at some level."

Sustainable Architecture also works with private sector clients building shopping malls in and around Riyadh. It has partnered with several Saudi housing developers to design, supervise and oversee the licenses and permits process for some 1,000 apartments.

"This is obviously a growth area as the price of housing has surged by 40 per cent in the last three years showing that the market is hungry for many more projects," the CEO says.

As an offshoot of the involvement of Sus-



tainable Architecture in the sector, three years ago Alsudairy and a partner founded Rakiza, a fintech company.

"We noticed that fintech can work for and help the real estate industry and there are new regulations in Saudi Arabia which allows middle-aged workers to invest in real estate with small amounts of money," he explains.

"So through Rakiza these small investors receive a return and at the same time help fund new housing developments for the benefit of potential home buyers."

Alsudairy says his company can double its current annual revenue to \$10 million by 2027. All this dynamism in the Kingdom's economy is a direct result of Vision 2030 and Alsudairy says the credit should go to the plan's architect.

"Crown Prince Mohammed Bin Salman said: 'The Middle East will be the new Europe'. And I think that we can get there thanks to the infrastructure, giga projects and everything else going on, The opportunities are huge and will be for the next 30 years," he says.

Cultural Values

Vision 2030 is not only about business and flashy, breathtaking giga projects. An emphasis on highlighting local history and cultural values is also a major goal in Crown Prince Mohammed Bin Salman's imagining of what the Kingdom of Saudi Arabia can become in the future.

The refurbishment of Riyadh's Old Town in the city center, new museums and building tourism infrastructure around the Kingdom's historical sites across the country to lure local and foreign tourists are just a few examples.

One company that is keen on restoring the country's past glory and to help spread and maintain knowledge of the past is AHB Contractors which is marking its tenth anniversary in architecture, construction and related businesses.

"We began as an architectural firm based on our traditional Saudi cultural values. I found



KHALID HENAIDY

CEO OF AHB CONTRACTORS

"VISION 2030 HAS CHANGED THE DYNAMICS OF THE MARKET, QUALITY NOW IS AT THE TOP"

ded the company in 2014 and we are now part of the Taj Holding Group which invested in the company," explains CEO Khalid Henaidy.

"At that time we understood that there was an important gap in the market between the big companies that can deliver quality getting all the large projects and the small companies doing projects of poor quality.

"So we wanted to be in the middle market, delivering on special projects with the focus on quality and time. But the construction market was not that great at that time, with few real opportunities to show our stuff," he recalls.

AHB Contractors switched its business model to concentrate on design and build which provided higher margins, but potential clients needed to be convinced that proper design was worth paying for.

In the following years, the company began to prosper and things really began to turn around with Vision 2030.

"It has changed the dynamics of the market as a whole," the executive says. "When we started, you needed contacts to land the good projects but now if you show you can do quality work then you are headed for the top."

"Also, under Vision 2030 the government wants things done quickly and well. As a Saudi company we know the culture of the sector, we know how to manage, we know who to contact and how to get things done."



Besides architectural design and construction, AHB Contractors also builds roads and long-distance pipelines, puts up communications towers, sets up and replaces electrical wiring systems, and installs and maintains traffic safety devices.

Its IT department installs computer systems, fiber optic networks, cyber security systems and develops AI systems for its client businesses.

Last year, these different divisions brought in around \$50 million in revenue.

"Even though we are active in all these sectors, I don't like to say we're a group as we want to be seen more as a startup: both agile and flexible, easy to communicate with and fully engaged with our clients," Henaidy says.

"And right now we're concentrating very much on cultural assets and anything in that line like museums and libraries. That means we're not going to do commercial buildings or villas and so the Ministry of Culture these days is our best client."

The CEO says his goal is to be one of those innovative companies which is changing the way architecture is done in Saudi Arabia, especially concerning the Kingdom's rich cultural and heritage attractions.

"These are very inspiring and exciting times in the Kingdom of Saudi Arabia and we're really thrilled to be part of that!," he concludes confidently.

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