

رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA



# SAUDI ARABIA - 2018

Two years into the audacious Vision 2030 programme, Saudi Arabia is already living a profound social and economic revolution

Photo: Dar Wa Emaar



**Our Vision**  
**Leadership** in community development and charitable work in Saudi Arabia.






Online store

ahsaber

[ahsaber.org](http://ahsaber.org)

  0537544440

  [ahsaber\\_org](https://twitter.com/ahsaber_org)

   جمعية البر بالاحساء

# VISION 2030 AL AHSA REGION

THE CRADLE OF BUSINESS  
IN THE EASTERN PROVINCE  
EMBRACES CHANGE AS  
VISION 2030 TAKES HOLD

Saudi Arabia's Al Ahsa region has played a significant role in the history and economy of the country centuries before it even became part of the kingdom. Constituting most of the Eastern Province, Al Ahsa is blessed with extensive underground water resources which feed the Arabian Peninsula's largest oasis.

This precious asset made Al Ahsa one of the region's premier agricultural areas for producing rice and especially for the cultivation of dates, which for a long time has been a major food source as well as export crop, opening up the region to the rest of the world.

But what really put the region on the map was the discovery of oil in Dammam in 1938, which transformed not only this part of the kingdom but the entire country.

Al Ahsa hosts the Ghawar Field, the largest conventional oil field in the world.

Since that momentous occasion, the petroleum industry and related sectors have fuelled the local economy to the extent that Al Ahsa and the surrounding area is now one of the most prosperous regions in the kingdom and in all of the Middle East, attracting both local and foreign companies.

Today, manufacturing is increasingly important for home-grown enterprises turning out a wide range of products.

The Crown Prince of Saudi Arabia, His Royal Highness Mohammed bin Salman's Vision 2030 is transforming the entire country. However, due to its economic influence, Al Ahsa is feeling the effects of the reform plan more than others. And local business leaders are embracing the change.

## Blessed region

"This will make Saudi Arabia the heart of the Arab and Islamic worlds, a centre for investment and a strategic location connecting three continents," notes Abdullatif Al-Arfaj, the chairman of the Al Ahsa Chamber of Commerce.

"It will contribute in increasing transparency, government effectiveness, reduce spending and increase revenue through privatisation of state assets like Saudi Aramco," he adds.



It is the plan's further opening of the Saudi economy to foreign investors that is of particular interest to Al-Arfaj and many others in the business community.

"As part of Vision 2030, the Saudi government's efforts to attract foreign direct investment is one of the most effective methods for diversifying our economy and creating jobs for the next generation," he explains.

"Qualified foreign investors can obtain low-cost funding between 50 and 75 per cent of a project's cost and loans are available for a maximum of 20 years with payback schedules linked to the borrower's cash flow."

The business leader notes that the vision calls for boosting foreign investment from the current 3.8 per cent of Saudi Arabia's GDP to the international benchmark of 5.7 per cent by the target date of 2030, creating opportunities in such manufacturing sectors as renewable energy equipment and pharmaceuticals.

Another exciting prospect for investors are the country's industrial cities fitted out with infrastructure and integrated services.

"The government provides investors with land to lease at good rates and in some of these cities, functioning industrial estates," the chairman points out.

Apart from his Chamber of Commerce role, Al-Arfaj is also the chairman of Abdullatif Al-Arfaj & Brothers Holding Company, a leading services group involved in operations and maintenance, manufacturing, engineering, construction and distribution, amongst other activities.

Its seven companies include Saudi Technic Industries, Saudi Technic Energy Co., Saudi Aircon, Specialist Welding Services, Saudi Pultrusion Industries, Nanotek and Agricultural Catalyst Co.

Saudi Technic Industries, for example, provides technical and engineering services in the fields of oil, gas, water, petrochemicals, power generation and other industrial installations.



ABDULLATIF  
AL-ARFAJ

CHAIRMAN OF  
THE BOARD  
AL AHSA  
CHAMBER OF  
COMMERCE

**"THE KEY TO SUCCESS FOR  
VISION 2030 WILL BE KEEPING  
PACE WITH MARKET TRENDS"**

Working directly with consumers, Nanotek offers a full range of car care services including exclusive automobile washing and polishing at the customer's home or office, detailing, paint protection, window tinting and upholstery and more.

"We started in 1980 as a private corporation and in the year 2000 we transformed into a holding company active in various fields," the chairman recalls.

"Being in the business for almost four decades now, we have remained committed to the values of responsibility, transparency, integrity, excellence and, most importantly, creativity.

"And these values have made us one of the top family-run businesses in the Kingdom," he adds.

Across all the group's companies, clients have included Saudi Aramco, SABIC, Saudi Chevron Phillips Co., Saudi Electric Co., Babcock Borsig SA Ltd., Hyundai Engineering & Construction Co., King Khaled Military City and dozens of others.

It is no surprise then that Al-Arfaj says the group is fully focused on satisfying all its customers from huge petroleum companies to the man in the street, and welcomes competition as a way to keep ahead of the pack.

"A company's reputation is based on quality and these days with all the instant communication, social media and digital networks, clients can easily share information about us and our competition," he argues.

“We’re always seeking to apply international standards in all our work which goes hand-in-hand with our group’s belief in the highest quality as the way to guarantee full satisfaction to our clients.”

Like other companies in Saudi Arabia, Abdullatif Al-Arfaj & Brothers Holding finds it difficult to locate and hire local personnel qualified for certain positions or to meet the government’s Saudi staff level requirements.

The group takes a proactive attitude in finding the right employees. In some cases, it turns to professional manpower providers or seeks out partners who may have the needed personnel for a specific project.

“When the traditional methods do not fulfil our requirements, we may look for employees through social media, ask former employees if they would like to return or speak with retirees”, the chairman explains.

“And of course, we also can train our staff members to obtain new skills to fill those jobs.”

Clearly bullish on Vision 2030, the executive lauds the plan’s goals of openness, globalisation and competitiveness.

“The key to its success,” he says, “will be keeping pace with trends in the international market, transferring technology, adhering to World Trade Organization rules, developing the local workforce and improving the business environment for foreign investment.”

**Perfect location**

Vision 2030 is encouraging renewable energy development as well, and a company in ties with the Al-Arfaj group, Zero Emissions Development or ZED, is setting up a state-of-the art solar power business in the kingdom.

Based in Australia, the company is headed by founder and CEO Ahmed El Safty, a registered professional engineer who switched to the renewable energy sector after years of working in the petroleum industry in Australia and the United States.

El Safty was proud to be asked to speak at the 8th Symposium and Exhibition on Environmental Progress in the Petroleum and



AHMED EL SAFTY

FOUNDER & CEO OF ZED ZERO EMISSIONS DEVELOPMENTS

**“IN THE FUTURE YOU WILL SEE SAUDI ARABIA LEADING THE GREEN ENERGY REVOLUTION”**

Petrochemical Industry, due to his valuable knowledge in this area.

“ZED is an engineering procurement and construction company that has completed the design of systems for industrial, commercial, hospital and education clients using renewable energy, like solar, which is prime in this part of the world,” he says.

Besides sunshine, Saudi Arabia has the resources that make it the perfect place to establish a solar energy company that not only installs systems but also manufactures key components. One of those resources is silicon which is in abundance in the kingdom and is used to manufacture the silicon wafer panels used in second generation solar systems.

“What we couple with the energy storage side is the super capacitor that requires a lot of carbon which is a by-product of the oil refining process,” El Safty says.

“These are the two raw materials that are making us target Saudi Arabia.”

ZED’s unique solar energy system comprises solar PV panels that are mounted on a sun tracking system with excess power held

for future use in a thermo-pneumatic storage system that utilises a patented turbine which is more cost effective than batteries and between five to 10 times the lifespan.

In the event of prolonged inclement weather when sunshine is non-existent or limited, the turbine can run on fossil fuels, providing a sustainable, reliable and secure power supply.

The turbine, the first of its kind in Saudi Arabia, is built by a 3D metal printing process and is capable of operating on compressed air stored from renewable energy sources but can also run on natural gas or even liquid fuels should the need arise.

“We are one of the few companies that incorporate generation, storage and backup into the same system. We are now planning to start the manufacturing process in the Eastern Province and the Al-Arfaj group is doing that for us,” the executive says.

“There will be two demonstrations, one in the factory and the other at the Saudi Electricity Company head office in Riyadh, which will prove we can generate electricity from solar better than any other company by using solar tracking and high-efficiency panels.”

Along with the readily available raw materials ZED needs for its operations in Saudi Arabia, the kingdom is also advantageous in other ways for them, El Safty says, such as the highly-skilled and well-educated labour force.

“Being able to do the manufacturing and supplying in this country is amazing, unlike China where you are limited in terms of what you can achieve. The other thing is that the Saudis are very good at intellectual property rights protection which is important to us as we have invested millions of dollars in developing our system.

“With the assistance of the Al-Arfaj group, we have been able to achieve a lot in a short time and that is what most manufacturers want.

“The products we’ve developed will have a huge impact on solar energy globally and in the future you will see that Saudi Arabia will be leading in renewable energy and leading the green revolution,” he predicts.



ARCH. RASHID S. AL RASHID

CEO OF AL-RASHID TRADING AND CONTRACTING COMPANY



**“WE ARE NOW ON THE RIGHT TRACK, WE ARE CATCHING UP WITH THE REST OF THE WORLD”**

**Right track**

One of the pioneer companies in the Al Ahsa region, that now has a wide range of operations across the entire kingdom, is the family-owned Al-Rashid Trading and Contracting Company, or RTCC, which last year celebrated its 60th anniversary.

“My brothers started this company back in 1957 after my father died and we needed a source of income,” recalls partner and CEO Arch. Rashid S. Al-Rashid.

“Our first project was a housing development for Saudi Aramco. During 1968, Rashed AbdulRahman Al-Rashed & Sons Co. (RAR) joined RTCC as a partner.

“Our business began to grow mostly in the construction of schools, ministries, government offices and universities, and now RTCC alone

has more than 25,000 employees in its construction, water and railway departments as well as real estate and investment sector. We also have three other companies involved in varied sectors including pre-cast, electrical, mechanical, water and waste water and others.”

Although the company is now based in Riyadh and has branches all over the kingdom, it is still actively operating in the Eastern Province with the Al-Rashid mega-mall in Al Khobar. RTCC is also developing a five-star, 365 room hotel to be managed by Grand Hyatt in Al Khobar.

Market expansion beyond the kingdom's borders is not on Al Rashid's radar at the moment for his companies are focussed on developing their own country where they enjoy a sterling reputation for honesty and quality of work. This focus and reputation was instrumental in helping RTCC survive the economic crisis over the past few years while some rival companies low-balled bids on projects in order to attract business and suffered as a result,

while others charged exaggerated prices.

“There are others who got a setback because of lack of leadership focus. After all, construction is a serious business,” adds Al Rashid, who is optimistic that there is a new dawn in Saudi Arabia thanks to Vision 2030.

“We are very lucky to have a Crown Prince as young and as sharp as this man who knows what the country needs: a cultural revolution and for the economy to turn around,” he says.

“Saudi Arabia is now on the right progressive track and we are catching up with the world.”

The CEO's only reflection on the official programme requiring companies to hire more Saudis is to adopt this programme gradually.

“What is needed is a period of three to five years to produce vocationally-trained Saudi people who can do the jobs and start them at the bottom of the ladder and let them work their way up,” he says.

“We are making good strides to achieve Vision 2030 and we will get there.”

**Automating industry**

One remedy to the employee shortage being touted by some local manufacturers is automation as industrial robots become more sophisticated and are taking the place of workers on assembly lines around the world.

Meshari Al Jabr, the general manager of Gulf Carton Factory Company, says such a solution makes perfect sense for his packaging materials plant in Al Ahsa.

“For a long time, Saudi Arabia used to get expatriates from outside the country who worked for cheaper wages but that's not the case anymore and companies have to think of working more efficiently at minimal costs and this is where automation comes in,” he explains.

“We have a plan we are working on which will combine production efficiency, low costs and still produce the best products at the best prices.”

Formed in 1995 by a group of seven businessmen, Gulf Carton was purchased by the Al Jaber Group in 2007. Two years later, Al Jabr was brought in to boost the development the company needed through a major investment.

Today, the company controls 15 per cent of the Saudi market relevant to its products which include corrugated boards, trays, boxes and other containers for the food, dairy, soft drink, industrial, agricultural and retail sectors.

شركة الراشد للتجارة والمقاولات  
AL-RASHID TRADING & CONTRACTING CO.

**BUILDING**  
Residential, Medical Centers, College Campus and Commercial

**WATER**  
Water Transmission, Pipelines and Refinement

**RAILWAYS & ROADS**  
www.rtcc.com.sa



ENG. MESHARI AL JABR

GENERAL MANAGER OF GULF CARTON FACTORY CO.

“AUTOMATION COMES IN WHEN YOU THINK OF HIGHER EFFICIENCY AND LOWER COST”



Its state-of-the-art plant manufactures 80,000 tons a year of the top line corrugated products used by clients such as Danone, Saudi Airlines Catering, Western Bakeries and many more.

Almost 40 per cent of Gulf Carton’s employees are Saudis, a rate that is higher than many other companies and which the general manager attributes to a difference in local attitudes towards work.

“I am lucky to be in Al Ahsa because it is a good area to get Saudi employees who are hardworking and are willing to accept any kind of job,” he explains. “This doesn’t happen in other cities.”

When Vision 2030 was announced two years ago, Mr Jaber says he welcomed the reforms as long overdue.

“As young Saudi citizens, we were always dreaming the kingdom would one day be the

most developed country in the world so I was happy and optimistic because now we know where we are going,” he says.

“We are aware that it is not going to be easy and there will be challenges but the vision concentrates on fixing the obstacles in the economic growth. Initial changes might seem difficult, but we have to apply new rules.”

“Once we adapt,” the general manager argues, “things will move on well.”

**Growth plans**

One of Al Ahsa’s ancient economic activities - the cultivation and trade in dates - continues to thrive thanks to companies like Aljazirah Dates and Food Factory. Al Ahsa is famous for its palm trees and dates, with over 30 million palm trees, which produce over 100,000 tons of dates every year.

“This company was started in 2000 by myself and four partners and over the past 18 years we’ve grown to employ around 60 people,” says managing director Ahmed N. Alajaji. “Today we are known for developing newer products from dates, making our brand name Aljazirah Dates well recognised region-wide,” he adds.

“Right now, we cover most of the domestic market and while we are not concentrating on exports we do take orders from abroad for our product line which includes dates, date pulp, powder and syrup.”

The executive says the company would like to do more once they overcome the challenge of finding the right employees.

Al Ahsa, he notes, is perfect for the business as it is surrounded by commercial date groves but attracting talented managers continues to be a stumbling block to operating in the region.

“Most people we’re interested in prefer to live and work in bigger metropolitan areas like Dammam, Riyadh or Jeddah, so we have a problem in attracting talented Saudis,” Alajaji complains.

Aljazirah Dates has a high number of Saudi employees at its processing plant, both men and women, but he says it is hard to get locals for higher positions in sales and distribution.



AHMED N. ALAJAJI

MANAGING DIRECTOR OF AL JAZIRAH DATES AND FOOD FACTORY

“WE ARE LOOKING FOR NEW PARTNERS TO INTRODUCE A DATE-BASED BREAD”



“That is our main challenge, but we’re also facing increased costs imposed by the government like higher taxes, VAT, and then there is the increase in fees for expat workers.

“So, all of this is also making customers carefully consider their options when it comes to purchasing our products but we hope this will pass within two years and we are prepared for it. We also think it is for the good of the country as a whole,” he says.

Despite these extra burdens on the business community from the reforms contained in Vision 2030, the general manager praises the move as courageous and ultimately beneficial for companies like his.

Looking ahead, Alajaji plans to expand the company’s market base with new products with the help of joint ventures or other cooperation arrangements, preferably with foreign partners.

“We would like, for example, to introduce a date-based bread and we are looking for partners with expertise in the bakery business to give us a hand with that,” he explains. “We’re inviting foreign investors to come to Saudi Arabia and discuss and take part in our ideas.”

**GULF CARTON**  
الجبر

WHY GULF CARTON FACTORY COMPANY?  
quality  
perfect design  
volume of production  
customer care

www.gulfcarton.net

مصنع الجزيرة للتمور والأغذية  
Aljazirah Dates And Food Factory

الحفلة HAFIL  
شبه الجزيرة  
ALJAZIRA الجزيرة

# VISION 2030 IT & TECH SECTORS

FROM FINTECH TO APPS, IT AND TECH COMPANIES ARE UNDERGOING A NEW SUSTAINED GROWTH

On his recent visit to the United States, Saudi Crown Prince Mohammad bin Salman made a special point to swing by California's Silicon Valley and meet with major tech industry leaders to discuss cooperation and investment as part of his Vision 2030 plan to overhaul the kingdom's economy.

On his stopover, the Crown Prince met with American titans of technology such as Apple CEO Tim Cook, Google CEO Sundar Pichai and Alphabet Co-Founder Sergey Brin for talks on what Saudi officials described as "partnerships and cooperation in the areas of tech, education, research and training".

Indeed, Information Technology, or IT, is one of the Crown Prince's passions and key focus areas as he considers it as a crucial growth pillar in the new and exciting era Saudi Arabia is entering. Job creation especially in the technology space remains a key target as Saudi Arabia takes unprecedented steps to cement its future role in a tech-heavy, globalised economy.

Last year, the value of the Saudi IT market topped \$14bn and as a wave of new projects are unveiled, spending will only increase, as Saudi and foreign economists predict.

The kingdom's population is already tech-savvy as it boasts the largest social media market in the Middle East with 40 per cent of all active Twitter users in the Arab region, thanks to the high number of smartphone owners. The country also accounts for 10 per cent of Facebook users in the region and has the highest per-capita YouTube use in the world.

With the sector playing such an important role in the Crown Prince's plans, Saudi companies are revving up to take the next step with the local investors staking their claims in this industry of the future.

## Embracing change

One such enterprise is Gulf Excellent Information Technology, or GEIT, which was established eight years ago as a subsidiary of the GCE Group based in eastern Saudi Arabia and which provides IT solutions to both the public and private sector, says CEO Abdulaziz Al Hayef.

"We specialise in designing, implementing, and supporting our clients' IT infrastructure by helping them to select the correct solution for their needs," he explains.

GEIT works with multinational IT giants such as Microsoft, HP, Cisco, Systimax and Kaspersky to give its customers the best. When a client signs up, the firm's certified engineers and sales teams review its needs and assemble the appropriate technologies and resources.

Services include web, software and app development as well as internet marketing and e-commerce, while GEIT also provides solutions for network, cloud, server and storage, virtualisation, information security and backup needs.

"We are one of the fastest growing IT service companies in the Saudi market and we continue to develop critical deliverables that include IT staffing and services," Al Hayef adds.

GEIT and other IT companies in Saudi Arabia appear to be in the right place at the right time, thanks to the Crown Prince's plans.

"IT has grown significantly over the past three years, thanks to the country's increased focus on the industry" the CEO says.

"If you have read Vision 2030 you will find that IT is at the heart of the vision. We not only want to create more awareness about IT but also excel so we can successfully diversify the economy. We are happy because we have such a strong focus on what we are doing."

But Al Hayef was not immediately taken with the plan when it was first announced.

"Initially when we read, and the govern-



ABDULAZIZ AL HAYEF

PRESIDENT OF GEIT & GCE GROUP

"WITH VISION 2030 THE FOCUS OF OUR COUNTRY IS NOW ON INFORMATION AND TECHNOLOGY"

ment tried to explain, what the vision was all about, we did not understand and were unsure about the plans. But then we began to see all the changes being carried out and I think that now we are all focused on ensuring its success" he says.

"With the fall in petroleum prices we had no choice but to accept and embrace the changes. What Crown Prince Mohammad bin Salman did is exactly what we needed in this country."

There will be challenges ahead, the CEO argues, such as taxation and the issue of Saudisation under which companies are required to employ a certain number of local citizens in a bid to reduce joblessness amongst the young people entering the labour market.

The company employs around 40 people, all highly-skilled and experienced professionals which executives choose very carefully, paying special attention to those hired for senior positions.

"We need the absolute best managers because they will lead the others," he explains.

"Saudisation is a challenge and we are concentrating on developing our local talent as we have capable people in the kingdom who are willing to learn so we give them that opportunity to work with us."

The CEO says that the last quarter of 2017 and the first quarter of this year have seen businesses grow and he predicts further growth as Vision 2030 takes hold.

"We're still laying down the basics and within next four to five years we will have a completely different Saudi Arabia."



Providing information technology solutions to meet your business requirements

Network  
Virtualization  
Security  
Server & Storage  
Cloud  
Backup  
Enterprise Applications



www.geit.com.sa



**SAEED YAHYA KASHKASH**

CEO OF RAYA FINANCING

**“YOU WILL BE ABLE TO GET THE FINANCING FOR YOUR CAR FROM YOUR HOME OR A CAFE IN PARIS”**

**Fintech pioneer**

Fintech, or financial technology, will be key to those changes in many sectors and one company betting heavily on that fact is Raya Financing, a two-year-old startup based in Dammam.

“We provide a service for clients to finance their automobiles totally online,” says CEO Saeed Yahya Kashkash.

“You will be able to walk in with your national identification card and do all the financing electronically. You can do it from your home or a café in Paris. Look through the inventory, pick out what you like, lease the car, make the down payment and decide where you want to pick it up. Then you just go get the vehicle, sign the contract and drive away.”

The executive boasts that Raya Financing’s online service will be first of its kind in the Middle East with 96 per cent of its applications done electronically. The company serves both retail and corporate clients and offers an unsurpassed range of vehicles from cars to rapid response vehicles and even ambulances.

With fintech, financing companies can easily have access to a client’s identity and his or her credit history, he notes, and as car leasing and financing is far from mature in the Arab world, chances of success for the company are extremely high.

And he credits Vision 2030 with creating the business environment to make it all possible.

“We couldn’t have done this before. There



would have been administrative obstacles, we wouldn’t have been able to get the licenses and the IT support wouldn’t have existed. Now government and businesses are working as true partners.

“It’s a real revolution and my first reaction to Vision 2030 was that it was too good to be true. Things were going at a very slow pace here and suddenly this young prince comes along who wants to revolutionise things using the authority he was given by his father.

“It is no longer a case where the government dictates and we follow. We can now make demands that the government will cater to so the growth continues,” he argues.

Raya Financing’s own vision over the short term is to be the preferred lender for auto loans in Saudi Arabia and the largest in the Eastern Province. Yahya Kashkash says he would eventually like to expand into microloans for big-ticket consumer items like furniture and home appliances, and expand geographically as well.

“We want to be in other countries and we’re eager to discuss this with investors and partners. We need resources and not only in terms of money but people as well,” he explains.

“It will be necessary to move around, study the market and do research regarding rules and regulations in these new markets.

“If we take one step at a time, in five years’ time I believe we will be the pioneers in fintech in this sector as well as this region because it is something that has never been done before. Hundreds of millions of dollars are being invested in technology here today and it is very exciting to be part of that.”



**MOHANNAD AL HAJ**

FOUNDER & CEO OF SAFEROAD

**“WE AIM TO REDUCE TRAFFIC FATALITIES AS WELL AS ITS VERY HIGH ECONOMIC COST”**

**Traffic safety leader**

Along with financing, technology is also transforming auto safety, fuel consumption and other concerns of company vehicle fleet managers, with local Saudi company Saferoad at the forefront of this rapidly expanding sector.

“We provide telematic solutions to connect vehicles and to monitor things like speed, location and fuel consumption,” explains Saferoad CEO Mohannad Al Haj.

“When we launched in 2009, fuel use was not a big issue because petrol was so cheap but back then the traffic fatality and injury rates in Saudi Arabia were very high and, of course, the economic costs of accidents was well over \$1bn a year.

“So, we started to think about how to provide a solution to decrease accidents and increase traffic safety in the whole kingdom,” he recalls.

Saferoad’s solutions also reduce fleet maintenance costs, optimise driver utilisation and cut operating and insurance expenses. Industry awards from the International Quality and Productivity Center, Arabian Venture Forum, Forbes and Tech-Tour have acknowledged the company’s contribution to business and society.

The first company to sign on with Saferoad was construction firm AL-Masharig with 34 devices, a number which has grown to more than 400. Other Saferoad clients in the kingdom include Total, Saudi Aramco, Babcock and KIA Motors.

Raya Financing a growing Auto Financing Company licensed by Saudi Arabian Monetary Agency. Pioneers in digitizing and automations of credit check and sales processes.

Revolutionary in innovative Fintech solutions, Raya Financing has been at the helm of building a successful and sustainable business model with consistent revenue growth and minimal overhead expenditure.

Customer focused coupled with cutting-edge technological systems makes Raya Financing a leading name in the financing industry.

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



With its own hardware and software manufacturing facilities, Saferoad supplies more than 200 corporate clients across 70 countries around the world, including Canada and Australia, with some customers reporting an 800 per cent return on their investment.

“But there is still room for us to expand in our home market,” the CEO says.

“We opened offices in Riyadh and Jeddah, and they are already experiencing growth thanks to Vision 2030. We believe we can be number one in the kingdom this year and the biggest provider in the Middle East by 2020.”

Al-Haj is equally enthusiastic about opportunities to acquire some foreign operators.

Locally, Saferoad also has plans to become a huge player in usage-based insurance helped by the company’s excellent track record in reducing accidents and having the necessary infrastructure.

Executives are already in talks with foreign insurance companies for this project and some potential US partners are interested in targeting the growing Saudi Arabian market.

“Saudi Arabia is now so much different than before and we have to concentrate on development and thinking about how we can provide professional services to competitive at an international level. That’s the future,” he says.

### Best of times

Another security sector heavily reliant on IT is involved in the protection of property, whether from intruders, fire or other threats. Leading the industry in Saudi Arabia is Silver Era Commercial & Security Solution LLC, a division of Era Group Holding.

“Everyone and everything requires security solutions, whether you’re talking about individuals, hotels, factories or government installations,” notes CEO Moneer Abdullah Al-Tayib. “And that is what we focus on.”

“We aim at building a high-quality, customer-centric security company and with the industry having undergone fundamental changes, it is more important than ever for security firms to understand customer needs and provide customised solutions for each client.”

Those solutions include systems for video surveillance, intrusion detection, fire detection, home automation, building management, access control, door and gate automation, vehicle fleet tracking and fencing.

Silver Era also installs sophisticated systems for burglar, panic and medical emergency alarm systems, along with interactive television and guest room control systems for hotels, nurse call systems and public address, music and conference systems.

“We work with both government and private clients,” the CEO explains.

“The government sector has bigger projects and is growing fast but you have to adhere to their standards, while the private sector projects are easier and cheaper to carry out.”

But he cautions that the main challenge for companies like his is working within government criteria now transformed by Vision 2030.

“There are many reforms now affecting business operations and procedures like how to run our companies, how to follow the government system and how we can operate in a stable manner in both the local and international markets,” Al-Tayib says.

“Technology is less of a challenge with universities which are up to the task and producing drone aircrafts and other high-tech products, so there is knowledge and knowhow in the kingdom.”

Based in the Eastern Province, Silver Era is already active in nearby Bahrain and is considering opening operations in Morocco and other countries, but its main focus continues to be the domestic market.

“As a businessman, I think this is the best time I’ve seen to start a business anywhere in Saudi Arabia,” the CEO says.

“The government has all these megaprojects coming along and local as well as international companies from Europe, the United Kingdom and the United States all have a chance to take part.”

### Global business hub

One of those megaprojects is NEOM City, the half-a-trillion-dollar “city of the future” which is planned in the far northwest of the country on the Red Sea.

Covering more than 26,000 square kilometres, the city will boast state-of-the-art technology which excites Nour S. Al-Shakhouri, the CEO of Dammam-based Najim Systems.

“Because of my studies in systems engineering, I am really interested in the robotics and artificial intelligence which will be used there,” he explains.



**NOUR S. AL-SHAKHOURI**

CEO OF NAJIM SYSTEMS



**BADER ALZAMIL**

MARKETING DIRECTOR OF REMAL VENTURES

**“SAUDI ARABIA IS TRANSFORMING INTO ONE OF THE MAIN GLOBAL BUSINESS HUBS IN THE REGION”**

“The Crown Prince said he wants half the inhabitants to be robots and that will be a real driver for technology, creativity and innovation.”

Launched in 2006 as a security and special communications company when most companies in the sector provided individual systems, Najim Systems saw a better way to do things through a unified infrastructure.

“We wanted our clients to be able to increase their security awareness and intelligence by combining multiple security devices that were on the market and that is what we offered,” says the executive.

Najim Systems has started up new companies such as Handama Consulting, Kenatechs, JBK Systems, Al Ajyal Investment and others involved in trading, distribution and general contracting.

Among the products and services offered by the parent company are biometric, video and data analytic solutions, telemetry and automation solutions, unified communication and security systems and health and wellness products.

Mr Al-Shakhouri is also the CEO of Handama Consulting that advises clients on their systems needs in several fields.

“Engineering is where our best competency is. When we collaborate with multiple

venders about energy optimisation, we are talking to maybe eight different venders for different components,” Al-Shakhouri says.

“In this case, we need to have many collaborations to bring a valuable product to the customers, and that is the work of the consultancy.”

The CEO says that the company has plans to invest in advanced technologies, mainly artificial intelligence and big data which he describes as “the global future trend” which goes along with the ambitions for the kingdom spelled out in Vision 2030.

“I think Saudi Arabia is transforming itself into one of the main global business hubs and we are very open to collaborate with different businesses, organisations and investors from around the world,” he says.

“We are very open and welcoming everybody here to do business.”

**Natural location**

As avid tech fans, Saudis spend a lot of time surfing the web. The founders of one company, Remal Ventures, took note and started providing local advertisers internet placements for their ads. That success triggered the firm’s next move into online video games and eventually software services and management.

“Our whole idea,” recalls marketing director Badr AlZamil, “was to start a new business with a new concept with the goal of creating something truly innovative.”

Some 15 years later, the company has one of the biggest networks in the Middle East operating apps with more than 250,000 daily active users and sister companies involved in sectors such as online television programming with its own separate YouTube channel and more than one million subscribers.

Another company within the group, Silah, connects women with available job opportunities, enabling them to have an equal chance to develop their technical skills and further contribute to society from their homes.

“Whenever we launch a product we have the data to understand our users’ likes and dislikes so we know exactly what will work and what will not,” the executive says.

“Recently we launched a new type of e-commerce service called Caravan that can deliver food and other items to customers

**“VISION 2030 IS PROVIDING A CHANCE FOR YOUNG SAUDIS TO CREATE A REAL FUTURE FOR THEM”**

in less than 15 minutes using trucks stocked with products already positioned in selective neighbourhoods.”

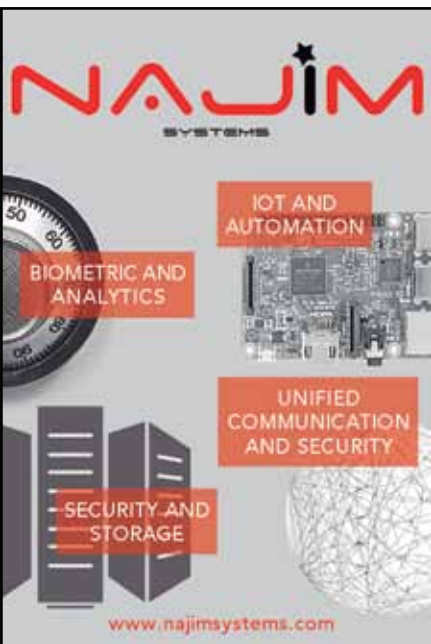
“We started with only a few trucks but the business model has proved to be such a success. We’ve been operating error-free over the past few months and we are fulfilling more than 95 orders each day,” he says.

While Riyadh and Jeddah boast most of the kingdom’s IT development, AlZamil says the Eastern Province, where Remal Ventures is located, is great for IT companies.

Dhahran’s King Fahd University of Petroleum and Minerals, which has world-class computer science and other IT programmes considered the best in the country, is a talent pool for companies like Remal Venures which eagerly sign up graduates.

“We hire people from that university and so we can have the best talent,” the managing director says, “and that’s how we can overcome all the challenges, especially when we are working on something entirely new.

“Vision 2030 offers a great opportunity to young Saudis to create a brighter future for themselves if they utilise the opportunities available. But it is not going to be easy like before and so they really need to work hard to get where they want to go.”



# VISION 2030 CONSTRUCTION

## TWO YEAR INTO THE VISION, SIGNS OF A FRESH CONSTRUCTION CYCLE ARE SHOWING EVERYWHERE

Construction and real estate are back in Saudi Arabia big time, as Crown Prince Mohammad bin Salman's Vision 2030 calls for mega-projects across the kingdom including entirely new cities, expanded religious shrines, tourist resorts and public infrastructure which are being warmly welcomed by both sectors.

After years of cancelled projects and falling productivity, blamed on the reduced government and private sector involvement triggered by the fall in the price of oil, plans are now being finalised for which will easily be the largest outlay on construction and real estate in the history of a country known for big spending.

Leading the pack in terms of cost among major projects which are in various stages of development is NEOM City, a \$500bn "city of the future" to be built in the extreme north-west of the country.

Spanning 26,500 square kilometres, the transnational city and special economic zone will also encompass parts of Jordan and Egypt.

This is just one of several 'megacities' the Saudis are planning along the country's west coast, including the 34,000-square-kilometre Red Sea project, designed to attract tourists from around the world.

Other noteworthy projects are the \$25bn Al-Faisaliya City in the western region of Makkah covering 2,450 square kilometres and boasting close to one million housing units, and the Grand Mosque-Holy Haram Mosque expansion in Makkah ticketed at \$21.3bn.

Then there is the Dahiyat Alfursan New City in Riyadh costing an estimated \$20bn and which will include 100,000 housing units, along with all the necessary infrastructure for an urban community of 600,000 residents.

This is just the beginning as the government plans include a massive investment in infrastructure projects such as airports, sea ports, railway lines and sustainable energy plants, utilities facilities, entertainment complexes and much more.

In the real estate sector alone, officials are moving ahead to provide affordable homes for the kingdom's rapidly growing youth demographic with forecasts calling for three million new housing units over the next six years as well as some 44,000 schools.

### New wave of growth

All good news for local companies like ITEAC, or Information Technology and Engineering Applications Company, which is deeply involved in many industries linked to construction and real estate such as building, engineering, procurement, operation and maintenance, project management and high-tech systems and solutions.

Beginning as a small start-up in the early 1990s working in IT and engineering, ITEAC has expanded to become a multi-discipline group active not only in Saudi Arabia but also in many countries across the Middle East with plans to set up shop in Europe.

CEO and Board Chairman Dr Amin M. A. Al-Shanqiti says he has seen Saudi Arabia go through cycles before and, in fact, the last several years had been difficult for many industries but things are bouncing back.

"There were fewer projects last year and the year before that and so we had to focus on the efficiency of our operations. It was tough but we managed," he recalls.

"Now there are signs of recovery as new projects are opening up and things began picking up in the second half of last year.

"After the announcement of the 2018 budget, it is encouraging us to believe that we will see some positive changes."

The CEO says that business is growing from clients like Aramco and local industry with ITEAC concentrating more on private industry customers and less on government contracts. In 2018, the number of projects the company was involved in so far rose by between 30 and 40 per cent over last year.

"A new wave of growth has definitely started in Saudi Arabia," he says, adding that his company has no problem handling the new business with its current staffing level and adds that Saudisation has posed no challenges.

Based on the volume of work, ITEAC's staffing levels range between 1,200 and 7,000 people.

"We welcome the Saudisation programme because there are people here in Saudi who are very disciplined and ready to do the work. All they need is good leadership and training.

"I personally attend the university job fairs here where we select and screen fresh graduates and ask them to come and do a programme with us so we get to assess their skills and then train them. But one problem is that the government agencies headhunt our employees," he complains.

Dr Al-Shanqiti describes the reforms taking place under Vision 2030 as exciting and hails the scheme as being very beneficial for the country's young people who he estimates make up between 60 and 70 per cent of the population.



AMIN M. A.  
AL-SHANQITI

CEO OF  
ITEAC

**"THERE ARE NOW SIGNS OF  
RECOVERY AND NEW PROJECTS  
ARE OPENING SINCE LAST YEAR"**

"Everybody had this kind of thing in mind and it was what we were all hoping for. Even members of the royal family are sitting down with students to discuss those issues affecting them. So even people outside of business are excited about what is taking place."

Looking ahead, the CEO says he hopes ITEAC will be amongst the top 50-100 leading companies in the Gulf Cooperation Council and then there are subsequent plans for the company to move outside of the region.

"We're doing some evaluations and assessment and in Europe we're considering Ireland and Austria, and perhaps eventually Spain which also interests us. These are our plans and we are really looking forward to operating in Europe. Hopefully over the next five years, we will be in Europe as well as the United States"

### Positive attitude

A group which developed in a distinctive way, first in construction and then diversifying into other sectors, is Structure's System Technique Holding Co. (SSTH) which began operations 13 years ago as a dream project of the founder and Chairman Raed Ali Al Sada.

"I was a sales manager in a trading company in Dammam and I dreamed of building my own home. But I saw that there were a lot of incompetent contractors operating

**ايتياك  
ITEAC**

Developing world class  
industrial and urban infrastructure  
and facilities

- Information & Comm. Technology
- Homeland Security & Safety Solutions
- Industrial Infrastructure
- Urban Infrastructure
- Engineering
- Construction
- Medical
- Products
- Management & Training Services

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



**RAED ALI AL SADA**

CHAIRMAN OF STRUCTURE'S SYSTEMS TECHNIQUE HOLDING CO.

**"HAVE A POSITIVE ATTITUDE, DO BELIEVE IN YOURSELF AND YOUR PEOPLE, YOU WILL WIN"**

in the sector, so I decided to start my own construction business," he recalls.

"We faced several challenges, especially regarding all the government rules as each ministry or agency worked separately. Some departments would make new rules and the others wouldn't accept them. It was a nightmare."

Beginning with only three labourers, the Damman-based construction arm of the group, SSTC, now employs some 350 staff and posts annual sales of around \$60m.

Among the types of projects it handles are government buildings, residential buildings and compounds, office blocks, retail buildings and malls, road and neighbourhood development, signage and traffic safety systems.

"We saw some testing times over the recent years in this business and the downturn wiped off many construction companies because they had borrowed huge amounts from the banks and then got caught out when the sector soured," the chairman says.

"Now there are no more weak contractors and when the government puts out tenders for new construction projects, only around eight or nine companies submit bids whereas earlier as many as 20 firms would participate."

The chairman says the downturn in the construction business is definitely over, especially in the Eastern Province where SSTC mostly operates, and credits part of the upturn to the region's proximity to other Gulf markets such as Dubai, Bahrain and Oman.

Vision 2030 is key to helping get the construction sector moving again in the right direction and Al Sada is enthusiastic about the

reforms being pushed by the Crown Prince.

"This young man certainly has a vision and I really believe in him," he says. "The Crown Prince understands what we need to accomplish all of this, which is the important thing, and he is young and visionary."

The chairman cautions that the sector could face a further shakeup as some companies won't be able to successfully navigate the new economic environment under Vision 2030 and will have to close.

"It's not going to be easy, of course, and there will be difficult times. We can't assume that just because we survived until now it is all going to be a bed of roses. But if you have a positive attitude, believe in yourself and your people, you will win."



### Ambitious goals

Another survivor which weathered the economic turbulence of the past several years is SASEC Engineering, a young company started in 2010 which provides a wide range of engineering services from offices in Riyadh and the Eastern Province city of Al Khobar.

Company president Awad S. Al-Qahtani started his career as an engineer fresh out of university working as a consultant at Saudi oil giant Aramco. He left after six years to establish his own company.

"There were challenges in the market like the high level of competition and that was after the financial crisis of 2009. We began with four of us, then we landed a small contract worth \$2,400 and after six months landed one for a power plant worth \$620,000.

"I immediately visited many foreign countries to hire the best and most experienced energy sector engineers," he recalls.

Now, SASEC Engineering has 100 engi-



**AWAD S. AL-QAHTANI**

PRESIDENT OF SASEC ENGINEERING

**"2018 IS PROVING TO BE ONE OF THE BEST YEARS WE HAVE HAD SINCE WE STARTED OFF"**

neers working in computer-aided design and drafting systems, materials, telecommunications, instrumentation, architectural solutions, electrical systems, mechanical systems and equipment, structural analysis, civil engineer-

ring and piping and pipeline systems.

Its list of clients is a roll call of major local and international companies and includes such names as Saudi Aramco, Sabic, Saudi Electricity Company, Ma'aden, Marafiq and Siemens.

"Many private sector companies suffered over the past two years because of the fall in the oil price, plus new rules and new taxes by the government," the president explains.

"There was little demand in the market and few projects."

In his successful bid to ensure his company survived, the president dipped into his own pocket for operating expenses like salaries for his engineers who were in danger of being lured away.

**STRUCTURE'S SYSTEMS TECHNIQUE HOLDING COMPANY**

شركة تقنية نظم الأعمار القابضة  
STRUCTURE'S SYSTEMS TECHNIQUE HOLDING COMPANY

www.ssth.com.sa

**SASEC ENGINEERING**

شركته سبعم التلمال للإستشارات الهندسية  
SASEC ENGINEERING CONSULTANCY CO.

**RANGE OF SERVICES**

- Projects Management
- Engineering Design (Feasibility/DBSP/FEEDS/Detail Design)
- Process Engineering
- Power Plant Process/Dessalination Process
- Piping & Pipelines (Oil & Gas, Water, Chemicals)
- Mechanical (Vessels, Rotating & Static Equipment, Fire Protection, HVAC)
- Tank Engineering (Atmospheric - API-650 & Low Pressure - API-620)
- Oil & Gas Plants & Facilities
- Water Supply Systems
- Electrical (High Voltage/Medium Voltage/Low Voltage)
- Instrumentation and Control
- Telecommunications
- Civil/Structural
- Architectural/Building Construction
- Construction Management & Operation Commissioning
- Project Planning and Cost Estimating
- CADD Work

www.sasec.com.sa

“Once you hire a new engineer just out of university it takes several years to train them and then big international firms working with companies like Saudi Aramco come along and offer them higher salaries.

“So, we had to try our best to match those offers and that has been one of the biggest challenges,” he says.

But those days are over and this year marks the beginning of a new era.

“I can see the light at the end of the tunnel. During the first quarter of this year, we have received significant number of inquiries and you can sense that there is definitely a positive move in the market,” Al-Qahtani explains.

“2018 is already one of the best years we’ve had since we started the company.”

Much of the improvement has come about thanks to Vision 2030 which the SA-SEC Engineering executive says created some confusion when it was first announced almost two years ago.

“At first, no one understood it at all because we were used to a certain way of working with the government, but now we are looking at a young government that is announcing plans for all sectors in the country.

“I am proud to be supporting the vision which is going to change the culture of Saudi society and that is going to be a huge challenge for the Crown Prince,” he says.

These changes will impact positively on his company, he predicts, explaining that they will be most readily adopted in the Eastern Province which has always been more open to new ideas and fresh ways of doing things than the rest of the kingdom.

“People have dreams but you must have a real target. My goals for the next five years are to have our own headquarters building and triple the number of employees. We’ll grow along with the nation.”



**ABDULLAH M. AL QURAAE**  
GENERAL MANAGER OF MDCEO

**“WE PLAN TO EMPLOY MORE SAUDIS TO MEET THE DEMAND THAT GROWTH WILL BRING”**

**Engineers needed**

Eager to engage with multinationals so his company can both grow and acquire skills is Abdullah M. Al Quraee, the general manager of Modern Designing Consulting Engineering Office, or MDCEO.

“We’re interested in joint ventures with big consulting companies from around the world. I think it would be of mutual benefit as these companies would gain experience from us and we would do the same from them.

“At the same time, these joint ventures would create new job opportunities for Saudis,” he says.

One of the chief challenges for firms like MDCEO is finding enough skilled engineers, especially Saudis, and more will be needed once many projects planned under Vision 2030 begin to become reality.

“The current number of local engineers is not sufficient to cover what’s coming under Vision 2030 and we have to train more Saudi engineers to be able to carry out all these projects so they can get the practical experience so necessary in this field,” Al Quraee argues.

“All these new projects are going to raise the skill level of the engineering sector so we will all benefit professionally from this and, of course, there is going to be a lot of work for companies like MDCEO.”

Based in Al Khobar, the company offers services in architectural, construction, mechanical and electrical studies and design, interior design, development planning and landscaping, surveys and geographical systems and project management and implementation supervision.

Some of its more prestigious clients include Saudi Aramco, Saudi Telecommunications Co., Schlumberger, Halliburton, Siemens, Toshiba and Mobily.

Looking ahead, the general manager expects good things for MDCEO and the engineering sector. “It’s an essential field for the economy and certainly now because of these megaprojects,” he says.

“My plans are to continue to grow. We have the experience, the engineering talent



and plans to employ more Saudis to meet the demand that this growth is going to bring about. The kingdom is booming and we are going to be part of that.”

**Opportunities in retail**

“Small is beautiful” could be the slogan of Al Ghwainem Arc. Consultants, an engineering outfit with its main office in Al Khobar.

Active in both the commercial and residential sectors, the company takes on large projects, many of which are personally supervised by general manager Abdulaziz Al Ghwainem.

“We’re basically active all over the country, and in addition to the Eastern Province and Riyadh, we also work in Jeddah,” he explains.

“Two of the projects we have been involved with include a shopping mall in Riyadh and the Al Khobar Mall.”

One of the premier retail complexes in the region, the Al Khobar Mall covers 16,000 square metres, hosts more than 200 shops and restaurants and boasts an underground parking garage for customers and staff.

“Commercial projects are our bread and butter, I think there is vast market potential for retail property and strip malls all over the country, not just the here,” the executive adds.

Economists and business analysts agree that Saudi Arabia is undergoing a population boom with a high youth demographic and they say that hundreds of thousands of young people will be buying homes and starting fa-





**ABDULAZIZ AL GHWAINEM**

GENERAL  
MANAGER OF  
AL GHWAINEM  
ARC CONSULTANTS

Province in particular is a great place to do business with many opportunities springing up for both local and foreign investors," he says.

"Business people should study the Saudi market and choose the best sector for them. My advice is to take a good look at construction which is once again doing so well"

**"I THINK THERE IS STILL A VAST MARKET POTENTIAL FOR RETAIL PROPERTIES AND STRIP MALLS"**

milies, launching a huge surge in consumer spending.

At the same time, Vision 2030 is spurring an accelerated development in so many other sectors and Al Ghwainem says he fully backs the reforms sponsored by Crown Prince Mohammad bin Salman.

"I think this has been the best thing to happen and we've even seen the positive effects from this new strategy. There are some challenges as everyone will have to boost their use of technology to adjust to this new way of thinking and new approach to do things."

Already working with partner companies in Dubai, Al Ghwainem says he is open to more partnerships or joint ventures in countries like Egypt and Jordan.

"Saudi Arabia in general, and the Eastern

**Fully booked**

A duo of linked companies that handle both consulting and construction are United Architect Consulting Engineering, or UACE, and Sednan Build Construction Contractors with the pair under the managing directorship of Abdulaziz S. Alsaqabi.

Having begun operations two years ago, the companies have already carried out seven projects for the Ministry of Health and have a full order book, according to the executive.

"First, we do the consultancy on design and all that entails, then the construction takes place. I am the chief architect and consulting engineer and I am certified by the Saudi Council of Engineers, but I am in love with the construction phase," he says.

The companies were launched at around the same time Vision 2030 was announced and Alsaqabi is bullish on its eventual success, saying its real beneficiaries will be future generations.



**ABDULAZIZ S. ALSAQABI**

MANAGING  
DIRECTOR OF  
SEDNAN BUILD  
AND UACE

**"FOR A LONG TIME, NO ONE KNEW WHAT PLAN BUSINESS SHOULD FOLLOW, NOW WE DO"**

"It is certainly a positive move and will boost our market. We've had very slow growth here in the kingdom and that is why Vision 2030 is targeting something that needs to be done.

"For a long time, no one knew what plan businesses should follow, but now we finally do.

"We believe all this will set the pace for the next generation because we have to think about the future and we can't just think about ourselves. We support the efforts of the Crown Prince," he says.

One only has to look at the several huge projects the government has announced across the country with many of the contracts going to local companies.

"Construction is really growing. Our company is fully booked. In fact, we have so many orders that we are only taking reservations for projects that are two months away."

The managing director notes that most of the new projects are slated for the northern and southern regions of the country, with Vision 2030 calling for entirely new cities to be built from scratch.

"And we're going to be part of all of this journey. We never thought that we would be involved in all these big projects, but everything has now become easier and people are very excited now," Alsaqabi adds.

Dar Wa Emaar is the leading real estate developer in Eastern Region of Saudi Arabia. DWE is providing state of art housing solutions ranging from spacious villas to modern apartments in gated communities

DWE is not doubt re-shaping the real estate development with their designs and quality.

Dar wa Emaar  
دار وعمار  
شركة دار وعمار للاستثمار والتطوير العقاري  
Dar wa Emaar Real Estate Investment & Development Co.

VISION رؤية  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA

Unified No. 920004077  
Email: info@darwaemaar.com  
www.darwaemaar.com

إدارة سندان  
Sendan Build  
سندان البناء للمقاولات

سندان البناء للمقاولات  
Sendan Build Construction Contractors  
sendan.build

Sendan.Build

**INTERVIEW WITH MUHAMMAD A. AL BARRAK**  
**CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR OF**  
**ICMS – INTERNATIONAL CONSTRUCTION & MANUFACTURING SERVICES**

As the Saudi economy recovers, companies that kept investing during the lean years are sure to reap the benefits of the expansion, as Al Barrak's recent success with ICMS in Al Jubail rightly proves

**What is ICMS and when was it created?**

**M.A.B.-** I started ICMS eight years ago. We initially focused on industrial maintenance and operation. We have now established a new line of business, product handling with Aramco and SABIC.

**How hard was it to get ICMS up and running?**

**M.A.B.-** I faced many problems when I was starting the company with things like getting visas and the quality of the manpower. We had to invest a lot and it is not easy, because of the initial overhead costs, which can be very high. I had to lower the operational cost in order to make this company independent.

**Eight years after starting this company, where are you now?**

**M.A.B.-** We are targeting to reach total revenues close to SAR100m this year. We have a lot mobilisation projects this year, and our target is to close with more than SAR200m by 2019. As for personnel, we currently employ more than 1,000 people and our target is to have 3,000 employees by the end of 2018.

**So ICMS is growing fast ...**

**M.A.B.-** Definitely. This is because we have selected the most critical and specific services as our core business. In Saudi Arabia, operation and maintenance is not like construction or civil work which is based on projects. Whether a project may be available or not, petrochemicals plants and refineries have been around since 50 years ago, and they need maintenance every year. This sector is immune to recessions. My strategy is to always focus on long-term projects.

**What kind of clients are you working for?**

**M.A.B.-** I am keen to work with SABIC and many other petro-chemical plants and refineries. Currently, I am working with Aramco and



have worked with the Saudi Electric Company in the past. Generally, I work with big companies and that's our main focus.

**What have been the keys for the success of ICMS in such a short time?**

**M.A.B.-** Actually it is the quality of our services that is the key. For instance, SABIC looks for high quality in their service providers. We win mega-projects and have just recently succeeded in two projects, and all this is because we are delivering quality services and our prices are reasonable. I am looking at the long-term relationships and that is why we have continued to get good margins.

**So do you work on larger volumes and slim margins?**

**M.A.B.-** Yes, that is why we work with fixed revenue, but for long term. Banks also trust us. We are growing and we have the right financial credit lines, because many projects need money and this is where the banks come in. Our projects are long-term, and the banks are happy with us, so it will be easier for them to give us financing.

**Tell me about the new Chem-Clean, what is it and how does it work?**

**M.A.B.-** We deal with operation and maintenance, and a part of maintenance is the cleaning work. I selected this line of work so we can give cleaning contracts to other companies. I have struggled from the beginning to bring in the best machinery and equipment and the right people to

work, and now we are also focusing on bringing in expertise which is new in Saudi Arabia.

**How did you feel when Vision 2030 was announced?**

**M.A.B.-** I thought that it was a very good move. What the Crown Prince wants to do is to clean the market. Before the Vision came in, there were very many freelancers and non-Saudis which were affecting the morale of people who want to work in their country. The laws will now ensure that there is healthy competition.

**How do you think Vision 2030 is going to affect what you do and your services?**

**M.A.B.-** I have just one concern, which is that at times decision are hasty and companies are not ready for them. I would say that overall I am happy with the government's decisions. ICMS is growing because of the Vision and because the market is now cleaner, and I am currently getting more work than my capacity allows.

**What is your current opinion two years after Vision 2030 was launched?**

**M.A.B.-** I can say that Saudi Arabia is growing, based on the recent government decisions and that Crown Prince Mohammed bin Salman has given us a lot of hope and we owe the all this progress to him. He wants Saudi Arabia to grow faster and become one of the many great countries in the world. His vision is very big and I believe we are on the right track to achieve it.

**ICMS**  
 الشركة العالمية للإنشاءات والخدمات الصناعية  
 International Construction & Manufacturing Services

Power Plant  
 Oil & Gas Refinery Plant  
 Petro Chemical Plant  
 Fertilizer Plant  
 Phosphate Plant  
 Aluminum Plant

P.O.Box 2617 / Jubail City 31951  
 Tel.: +966 13 344 8662 / Fax.: +966 13 344 8664

[www.icms.com.sa](http://www.icms.com.sa)

## INTERVIEW WITH RAED W. ABU AISHEH

PRESIDENT AND SENIOR PARTNER OF

EAMMAR INFRASTRUCTURE CONTRACTING CO. LTD.

After a couple of lean years, Dammam-based infrastructure company Eammar is looking to the future with great optimism, explains its founder and president, while keeping an eye on new sectors and opportunities

### Can you give an idea of the origin and objectives of Eammar Infrastructure?

**R.A.A.-** This company was a mixed company when it was established in 2003. I used to own 50 per cent, but I now own 90 percent of the company. Our company was created for all infrastructure works, starting from the stir mortar and sewer line and water line. We are working not only in the Eastern Province but all around the country.

### How many people are working at the firm?

**R.A.A.-** We are around 600 employees, that is about SAR200m of turnover. After a decline in 2016 and 2017, which was a difficult time for construction sector, we are now seeing growth as before, and this year things are looking better.

### How might Vision 2030 influence your company and your work?

**R.A.A.-** Vision 2030 concentrates on two basic things. First is reducing Saudi's dependence on oil and gas revenues and developing other sources of revenue for the country, and secondly attaining financial sustainability through controlling expenses. This will impact the contracting work through investments from international companies and other businesses in this field.

### Are you optimistic that Vision 2030 will be good for your company?

**R.A.A.-** Of course. It helps us to know the projects that will happen as they go through the budget, and some of the programmes created by the Crown Prince, like the National Transformation Programme, will help contracting companies get approvals for their projects before they start. Any project now, before its approval, must be studied for its cost-benefit

analysis, the ability of the contractor to satisfy and finish the work in the stipulated time, and help the good contractors with ideas and issues to help the contractor deliver.

### What are the major challenges that you are facing at the moment?

**R.A.A.-** We had some challenges with our employees who were experienced and were leaving the company two years ago, but now we are now recovering by hiring others who are experienced to replace them, and many of those who left are also coming back. The challenges are smaller now, we had challenges with our human resources, but we can now get qualified Saudis from different training centres.

### Are these problems related to the recent Saudisation drive?

**R.A.A.-** It is a challenge more than a problem. Actually, there should be an arrangement between the private sector and the government sector on the way forward. As far as the human resources are concerned, what we need to have is a platform for private-public partnerships. We want coordination to happen for the execution of the projects to be on time, so we can see that the works have started and we are waiting to see what the future holds.

The other challenge that we are facing is that it is becoming very competitive to get new projects in Saudi Arabia. For the last two years the projects were down, but they are now recovering and it is a challenge to keep the projects continuous and running.

### Are you interested in joint ventures with foreign companies?

**R.A.A.-** Yes we are, especially oil and gas companies like Aramco is what we are looking



for, to expand in the oil and gas sector, as we are in the construction industry. We have highly trained engineers in the technical and electrical fields, with excellent experience, that can integrate with the oil department, and we have our own vision which states that, "done once, done right". We concentrate on honesty and integrity. We will also diversify into new projects other than infrastructure such as housing. Other sectors such as commercial and civil construction are of interest as well.

### So you want to grow by diversifying?

**R.A.A.-** Yes. It is not easy but it can be done, and we want to be one of the qualified contractors for the public sector. We want fair competition and we are ready to face it, and we want to open the range of sectors where we are active. We have the qualified professionals to achieve these goals.

### Do you think that vision 2030 will help?

**R.A.A.-** Yes, we know that it will help because it will open new channels, not only in our area, but in other sectors also and this will mean more projects on our side. The other positive effect is that we are now seeing more international companies come into Saudi Arabia and this will help us, as we want to take on new ventures with big contractors.

We encourage companies to come and invest here. The government also needs these companies in Saudi Arabia and will benefit from them, and this in return will help the community and the local contractors.



Eammar Infrastructure  
Contracting Co. Ltd.

Eammar Infrastructure  
Contracting Co. Ltd.

Eammar Infrastructure Contracting Co. Ltd. was founded in 2003 and is managed by Eng. Raed Wasfi Abu Aisheh in Al Khobar. EICC is classified and recognized as one of the leading contracting companies specialized in Engineering, Procurement & Construction (EPC) for infrastructure works such as storm water networks, wastewater networks, domestic water networks, water transmission pipelines, pump stations (storm, waste & domestic water), asphalt and road works, electro-mechanical works as well as operation and maintenance

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

# 2030 OIL AND GAS INDUSTRY

## LOCAL PRODUCTION IS THE NAME OF THE GAME IN THE EASTERN PROVINCE

While the principal goal of Crown Prince Mohammed bin Salman's Vision 2030 is to reduce the kingdom's financial reliance on oil and gas, experts say the sector will continue to be the mainstay of the Saudi economy for decades to come.

Saudi Arabia has the second-largest proven oil reserves in the world and is the leading exporter of crude. And in the kingdom, the petroleum industry means Saudi Aramco, the state-run entity based in the Eastern Province city of Dhahran.

According to analysts, Saudi Aramco contributes to 45 per cent of Saudi Arabia's GDP, 90 per cent of the country's export revenue and almost 80 per cent of budget revenue.

And now the government is preparing an initial public offering for the world's most profitable oil company with officials valuing Saudi Aramco at a staggering \$2 trillion, making it the world's most valuable company.

These events, coupled with the still relatively low price of oil despite a recent surge on world markets, will not change the company's continuing operations and its ongoing expansion in exploration and drilling.

Indeed, Saudi Aramco plans to invest a reported \$140bn in downstream oil, gas and petrochemical projects alone over the next five years.

This is great news for those local companies which supply the oil giant with materials and services with the government empowering this domestic business through its In-Kingdom Total Value Add (IKTVA) programme.

The programme is part of the efforts under Vision 2030 to boost local manufacturing capabilities, increase investment, foster the growth of small and medium enterprises (SMEs), reduce imports and provide more employment for the country's young people.

In a recent announcement, Saudi Aramco said it had awarded purchase agreements to 16 local pressure vessels manufacturers worth \$7bn and that is just one example of the funds flowing to the company's domestic partners.

Saudi Aramco is also extending the IKTVA requirements for the purchase of other vital industry components including pumps, valves, drilling equipment, process automation systems and line pipes.

### International partnerships

One company benefiting from IKTVA is Earth Reservoir for Oil and Gas Ltd. (EROG) based in Dammam, which distributes and manages a wide range of petroleum industry products and services as a partner of leading international firms.

"We have a deal with one of our Chinese partners to set up a manufacturing facility for coiled tubing which will be the first of its kind in the Middle East and is part of the IKTVA programme," says CEO and President Mohammed Abdulaziz Abduldayem.

"Without the support of Saudi Aramco, it wouldn't be possible to attract such opportunities for the oil and gas industries. We are also in the process of creating four other joint ventures with companies from the United Kingdom, the United States and Norway."

It is quite an accomplishment for a company that started just five years ago and today posts annual revenue of between \$20m and \$25m.

But the founder recalls that it was not easy at the beginning as it took time to gain the necessary regulatory approvals from the government both for EROG and the partners it represents.

"In forming partnerships, most of these companies are seeking support, not only from the logistical point of view but also from the technical point of view," he explains.

"What works, what doesn't work, what is currently required in the local oil and gas market and what is not, and so on"

"Of course, networking comes into it and having a good name helps with the big players."

EROG supplies dozens of materials and services ranging from air/foam/aerated fluids to wellbore clean up chemicals, and from asset modelling to well integrity management, including remotely operated vehicle services, production diagnostics, drilling waste management services and many more.

Its partner suppliers include leading foreign companies such as BRI Well Services, Well Flow International, Huatong Wires and



MOHAMMED  
ABDULAZIZ  
ABDULDAYEM

CEO & PRESIDENT  
OF EROG

"OUR OPERATIONS AT EROG HAVE GROWN AND WE ARE AT A HISTORICAL HIGH POINT"



Cables, Oceanengineering and Petroleum Technology Company.

"You can see that the market is waking up and contracts and requests for quotations are higher, even though in Saudi Arabia we haven't felt the downturn that other parts of the world have seen.

"As a matter of fact, Saudi Aramco operations haven't changed at all and we could say that our operations have even grown significantly and are at an historic high point," Abduldayem says.

While business is getting better, it is also getting easier with reforms implemented under Vision 2030 already being felt, the CEO argues, citing quicker dealings with the government through online services.

"It is much more efficient now. For example, you can do your commercial registration online, you can download any document you need and get an immediate response. All of this helps companies like ours to be more supportive and responsive to our clients."

The executive also praises the government's

INSPIRE  
INNOVATE  
LEAD  
DELIVER

We can provide an unrivalled service and become a single source of supply for your oil & gas requirements

www.erogholding.com

ambitious efforts to boost SMEs so they can be better integrated into the kingdom's overall economy and start breaking even or becoming profitable as soon as possible.

Billions of dollars in government funding, for example, is going towards paying some salaries of employees and supporting the operating expenses of SMEs to give them a leg up.

The government's encouragement of foreign investment is also on the right track, he says, and is clearly giving overseas investors a new reason to look at Saudi Arabia for the benefit of all.

"I have no doubt there will be more foreign investments in the kingdom which will create more business opportunities for local companies," he says. "The ease of setting up operations, funding new projects and everything else are improving our country's reputation among the international business community.

"I think it's all very positive and we've got a great future ahead of us."

### Vision challenges

One of the main challenges facing the Saudi business community is finding enough local talent to fill skilled positions as required by Saudisation, says Tarik F. Zedan, the president of Al Khobar-based Zedan Group.

The executive argues that one can feel it is impossible to get the people a business needs with certain skills even as he understands why the government is pushing hard to include Saudis in the private sector of the economy.

"I know that the government is trying to achieve certain goals because of this massive number of people entering the workforce and the government can't absorb them because it is already overstaffed.

"Saudisation is a way of pushing the pro-



TARIQ F. ZEDAN

PRESIDENT OF ZEDAN GROUP

**"I WOULD LOVE TO HEAR A PUBLIC AND GEOPOLITICAL VISION FOR SAUDI ARABIA"**



blem from the public sector to the private sector. It is a struggle to hire qualified Saudis and eventually it will create a bottleneck, not in our business but in others," he predicts.

Zedan Group consists of more than 20 companies operating in sectors including oil, gas and petrochemicals, infrastructure, industrial trading, maritime and investments, with a host of joint ventures in cooperation with leading companies from around the world.

Its petroleum sector activities alone cover petrochemical, refining and gas processing solutions, drilling services, oilfield services, maritime transport of extremely large and heavy structures, offshore operations, pipeline inspections and oil exploration and production.

Vision 2030 has directly affected Zedan Group in several ways, Zedan says.

"We have been talking to some first line foreign firms about opening businesses here to tap into their expertise through technology transfer and now they are beginning to listen thanks to Vision 2030 he explains.

"And with the emphasis on the IKTVA programme, these companies are now interested in starting their own production facilities here in Saudi Arabia."

The CEO lauds the Crown Prince for formulating the reforms under Vision 2030, arguing that now the Saudis can discuss and talk about their own future but he is cautious that more work has to be done so people can accept the changes.

"The vision has challenged the local mindset of the people of Saudi Arabia and has allowed them to think outside the box. We used to live in a society where women couldn't drive and now they can," he says.

"However, there are a lot of Saudis who

are not accustomed to that and in order to achieve the vision we have to address the psychology of the Saudi people. There is value in the vision and we have to learn to accept that."

Zedan adds that while the economic aspects of Vision 2030 are welcome, he would like to see the government go further in addressing how the kingdom and the entire region will fare in the future.

"I would love to hear a Vision 2030 for society, for a public and political vision so we can foresee what the country and the geopolitical neighbourhood in which we live will be like in years to come."

### Adapting to change

Change is certainly in the air for Technical Sources Company Ltd., a mid-sized company that works with Saudi Aramco, SABIC and Saudi Consolidated Electricity Company on their projects in the Eastern Province.

President Rashid Abdulhadi Al Marri claims the changes are welcome, including the planned privatisation of a major client like Saudi Aramco. But he admits these new times can be a bit daunting.

"To be honest, as human beings we are very afraid of change, it is only human nature. We have to adapt to the new changes and this is not the first time, during the international financial crisis we learned to adapt.

"So now we just have to plan for what's coming next," he says.

Having started supplying spare parts for oil and gas plants in Jubail almost 30 years ago, the company expanded into providing services and later added equipment preparation to its portfolio.

Today, the company's 600 employees are involved in engineering and construction, project management and site supervision consultancy, project support services, HR consultancy

**ZEDAN GROUP**

At Zedan we are continually striving to realize prudent business opportunities within the following sectors:

- » OIL, GAS AND PETROCHEMICALS
- » POWER AND WATER
- » ENGINEERING SERVICES AND CONSTRUCTION

رؤية 2030  
**2030**  
 المملكة العربية السعودية  
 KINGDOM OF SAUDI ARABIA

www.zedangroup.com

**المصادر الفنية**  
**Technical Sources**

**Industrial General Constructors in**  
 Civil, Structural, Mechanical, Piping, Painting, Insulation, Electrical, Instrumentation and Communication Works

www.tsources.com



**ABDULLAH A. AL BARRAK**

PRESIDENT OF  
ABDULLAH A. AL  
BARRAK & SONS  
COMPANY

**“COMPANIES WITH NO PLAN TO DEVELOP ALONG THE VISION WILL HAVE A HARD TIME SURVIVING”**

and recruitment, operations and maintenance, industrial supply, IT and HSE consultancy.

Last year’s turnover at Technical Sources was around \$24m and the executive says he expects this to increase as the company shifts direction to take on new business.

“We are trying to change from big mega-projects to middle-size projects,” he explains.

“And instead of relying more on construction, which has declined because of various changes made by the government, we are trying to switch over to the operational and maintenance business.”

Getting to grips with the new technology affecting its business is also a short-term goal for the company, as is engaging more with foreign partners through joint ventures to gain expertise in new sectors.

In one recent example, a Chinese company joined with Technical Sources for plant maintenance and tank cleaning, part of an effort to link up with partners which can provide cheaper manpower and technology.

“There are other new projects coming up with Saudi Aramco announcing new initiatives in the southern area of the country and we are receiving invitations,” Al Marri says.

“And there will be more with the new emphasis on petrochemicals. At the same time, privatisation will make decision making easier and faster. It’s all indicative of the monumental changes taking place which are making Saudi Arabia a great place to do business.”

### Win-win strategy

Growing his business in petroleum industry as it undergoes change is also the aim of Abdullah A. Al-Barrak, the president of Abdullah A. Al-Barrak & Sons Company involved in plant services, manpower supply and equipment rental.

“I believe oil and gas are the best sectors in the future to focus on, and also the entertainment business as until now it hasn’t existed in Saudi Arabia and we hope one day to invest in that area,” he explains.

“But right now, we want to concentrate on what we have experience in.”

Beginning in 2000 as a supplier of

manpower, the company started to work with Saudi Aramco and SABIC a few years later, then branched out into plant services.

Now, Abdullah Al-Barrak & Sons Co. is also active in civil construction, HVAC and electromechanical systems, catering, integrated industrial gas, chemical and plastic recycling and facilities management.

Following 2017’s disappointing performance, the president sees this year as transitional with business eventually growing again in 2020 and is carefully preparing for the good times ahead.

“We’re cutting back on some things because to be a healthy business you have to jettison the things which aren’t going to work,” he argues. “It is not so important to have a lot of lines of business, just select the ones that are right for you and that are right for the times.”

“With Vision 2030, the government has formulated a strategy and the companies that don’t have a plan to develop alongside that strategy will have a hard time surviving in the future.”

By preparing for that future by concentrating on quality, the executive says, Al-Barrak’s reputation will be assured.

“In 2020, I want us to be the top company in our fields so when someone asks Saudi Ara-

mco or SABIC who is the best in plant maintenance, for example, they’ll answer Al-Barrak.”

Already active in Abu Dhabi and Kuwait and working in partnership with a recycling company in China, the company is looking to further expand in the Gulf and beyond with Algeria as a possible opportunity.

“My two rules for success are: focus on what you’re good at and keep your employees happy to maintain productivity. That way, you are strong and if you join up with strong international partners, it’s a win-win situation for both.”



### Technical expertise

Now in its third year of doing business, Modern Routing Contracting Services, or MRC, is on its way to profitability thanks to work it is doing for Saudi Aramco, SABIC, Saudi Electricity Company and other big clients, says executive operations manager Nagy Elsrougy.

“We expect to increase and improve our sales,” he explains. “During the first two years we had low revenue but we got some profits and we were expecting more but it was very difficult.”

“Now, we are at around \$1.9m and hoping to reach \$2.6m by the end of the year.”

MRC was founded by Elsrougy and owner and general manager Mohammed S. Alkaabi, both of whom had decades of experience in electrical contracting work.

“I worked with Saudi Aramco for almost 32 years in the electrical sector and I asked myself, ‘why can’t I open a business which will support me after retirement?’” recalls Alkaabi, joining up with Elsrougy who had worked at ABB for 25 years.

MRC offers a full range of electrical services including testing and commissioning for all kinds of electrical systems, project management, technical training, modification and refurbishment, installation activities and preventive maintenance and correctives for electrical equipment.

Most of its 26 employees are engineers and technicians, many of whom worked for

**FBIS** شركة عبدالله عبدالوهاب البراك وأولاده  
Abdullah A. Al-Barrak & Sons Co.

**“QUALITY & SAFETY STARTS WITH US”**

- Plant Services Business Unit
- Manpower Solution Business Unit
- Equipment Rental Business Unit

P.O.Box 36080 / Jubail 31961 / Kingdom of Saudi Arabia  
T: +966 13 3400776 / F: +966 13 3400779  
[www.abis.com.sa](http://www.abis.com.sa)



big electrical contracting companies like ABB, Bemco and others before joining MRC. As business grows, the executive says they will be expanding staff.

“We have three Saudi engineers and five technicians now who were taken on as fresh graduates and we provide them with constant training which is necessary as we focus on commissioning substations above 132 k/v which is very technical,” the operations manager says.

“We will need more manpower to grow as we add new branches.”

Based in the Eastern Province, MRC works all over the kingdom and has recently completed a range of projects in Riyadh, Tabuk, Jeddah, Makkah and a host of other locations, as well as Bahrain.

Alkaabi says working out of the Eastern Province is best for companies involved in the oil and gas sector as big clients are based there. Also, the environment appeals to international companies.

“We have a true multicultural mix here and this contributes to attracting business from the United States, Europe and Asia and that encourages more business,” he says.

“MRC is now in a good position, we’re stable and are becoming profitable. We believe that in the coming months, things will improve

even more with the implementation of the Crown Prince’s Vision 2030.”

### Saudi emphasis

In the opinion of Khalid Al-Hamid, the president of trading and services company Industrial Machinery Establishment, or IME, Vision 2030 is already proving beneficial for local companies, although the transition hasn’t been smooth.

“Many changes are taking place and I think that a lot of people felt it was too much to take in and accept. But I don’t believe it was that big of a burden to implement and now it seems that everyone is getting used to,” he says.

“We’ve been in business since 1992 and over the years we have had lots of competition from foreign companies. But now with the government’s emphasis on doing business with Saudi enterprises, when we meet with a potential client we see that we are more welcomed.”

IME managed to weather the economic downturn relatively unscathed and in fact, the president says that although there were some job losses in the sector, IME never really suffered as a service provider.

“As long as the plants here are running, they need our services,” he says. “And when some competitors went out of business, we



**KHALID AL-HAMID**

PRESIDENT OF INDUSTRIAL MACHINERY EST.

## “AS COMPETITORS GO OUT OF BUSINESS, THESE ECONOMIC TROUBLES ARE GOOD FOR US”

had more opportunities so in fact the economic troubles were good for us.”

Headquartered in Jubail, IME provides products and services in such fields as plant maintenance, engineering support, industrial manufacturing, marine loading, IT and chemical cleaning for many of the major energy customers with operations in the Eastern Province.

The company’s trading arm handles industrial valves, instrumentation equipment, electrical and building materials, heat exchanger and oil separator valves and chemical and oil absorbent materials.

It works with suppliers such as J. de Jonge, Hoerbiger, EuroCorpex and Hi Point Industries and new partnerships, including manufacturing joint ventures, are in the works for IME.

“I’m a partner in a water treatment business and we are just starting to put up two plants and are definitely looking for more partners for new ventures in sectors like petrochemical, oil, spare parts manufacturing and machinery,” the president says.

“I am very optimistic that the future here is great and there will continue to be good opportunities. I would encourage those foreign companies considering a move here to seek out the right partner who understands the business and get to work.”

## INTERVIEW WITH SALEH AL-ABDALQADER SECRETARY GENERAL OF AL HASA BER

The arrival of Vision 2030 is encouraging charity organisations such as Al Hasa Ber to direct its efforts towards job training and family support, leaving behind the direct monetary support of the past. As its secretary general explains, the set-up of a volunteer centre is part of the master-plan to achieve its goals



### How did you react when you first learnt about the sweeping Vision 2030?

**S.A.-** This type of vision is what people here in Saudi Arabia have been waiting for; something that the government can do to make the peoples' lives smoother. We had a lot of resources but no one knew about our future, so its arrival was especially good for the younger generation. At the same time, it came at a time when Saudi Arabia holds a great position in the region, as it is the largest Islamic and Arabic country; Saudi Arabia is like a big brother that must lead other countries in this region. Perhaps the Vision came somewhat late, but everyone feels comfortable now as we all know that we have to make our own effort for Vision 2030 to be successful.

### What kind of effort?

**S.A.-** I mean that we have to stand on our own. Many people in this country used to get support from the government, but Vision 2030 now talks about people becoming more independent and not getting as much direct support from the government. The country is not a ministry of social affairs now, it is a place where one has to work and at the same time share the future of one's life and that of the next generations, so all people now understand that we have to collaborate with the vision.

### Do you believe that Vision 2030 is affecting the charity sector in the Eastern Province?

**S.A.-** In the past, charities were working by giving direct financial support to the needy. We had the idea that these people were just waiting at the end of the month to get our support, yet I believe that the vision is taking us in another direction. We now need to help develop their lifestyle and social development, and not create a new generation of needy people. We need to break the poverty cycle, we used to give them the basic needs while we did not touch their other needs, but we believe now that there are tools that can provide them with a better lifestyle.

### In which ways exactly?

**S.A.-** We are working with the vision to develop these people by training them and giving them jobs, involving them in all events that improve their training. We want them to think that their children can grow up normally, go to schools, get educated and get good jobs.



We follow every step the parents would have followed just to make sure that the children have a good life. Another aspect is that we have orphanages where we have small children, and we take care of them, give them good feelings and happiness in their childhood, such as sending them to the kindergarten. We want them to see that they have a bright future. We strive to support them to go to good schools, to get a good education and get them good jobs, so after a few years they become the bread-winners for their homes.

### What resources do you count on to achieve these many objectives?

**S.A.-** Our human resources here are our main foundation. We have our programmes, techniques and policies, but without the right people who understand our objectives, we may not be able to achieve our goals. They have to understand what we need from them, and the size of the job that they are expected to do. So selecting good trained people to join us here, who believe in our objectives and who are honest and will play in our vision, is always a challenge. We have just created a new volunteer centre which opened a few months ago, and was launched by HRH Ahmad bin Fahad bin Salman; this volunteer programme is in line with Vision 2030, which calls for more such programmes.

Many people, especially the young are expressing themselves as individuals who can do something for the country, they want to spend their spare time by volunteering. For that reason, we started this volunteer programme to be the main umbrella in Al Hasa Area for volunteer activities. We will be receiving groups



and individuals as well as donors who are willing to support us in the orphan centres and the social development, as well as families. These are the families that do not have enough money to set up a business, but have some skills such as food production or making traditional items, and whom we will support to earn a living instead of providing them directly with basic needs.

### What are your goals for the next five years?

**S.A.-** We need to be a social player in the region, and be the leader of social activities while we create new type of social development in Al Hasa region. It is an area that has a number of scattered settlements and villages and we have to cover many needs, such as helping the orphans, the sick and the elderly, and we need to talk openly to all people about charity work. We will work to help our people who are registered officially to get our support, and we want their living standards to improve.

We also want to measure how peoples' standards are improving and becoming financially stable, and we want to ensure that they use the money in the right way. Transparency is finally an aspect we are focusing on, we have auditors working with the ministry of social development as part of our programmes.

### How do you see Vision 2030 changing the society of Saudi Arabia?

**S.A.-** We know that the vision is meant to bring the Saudi people together, and therefore we need to work with all people who understand the vision, and Al Hasa Ber is a part of it. We will make this vision successful because it is a great path for the future of Saudi Arabia.

## INTERVIEW WITH MAJED FAHAD ALQURAISHI Chief executive officer of Lift Technology Company - LTC

The service industry is providing plenty of business opportunities to young Saudi entrepreneurs, as Majed Fahad Alqurashi can attest with the runaway success of his elevator maintenance and service business. Next steps will include an expansion to under-served cities while it diversifies into exhibitions and opens a new European branch



### Where did you get the idea of starting Lift Technology Company?

**M.F.A.-** The elevator maintenance sector here in Saudi Arabia is not offering a good service. When I was doing construction a few years ago I could not get good elevator services, so I started hunting for professionals with experience in elevators and launched LTC, a small business. After 10 years we are doing very well as we have 1,000 elevators in Riyadh under service.

### Are you working in the rest of the country?

**M.F.A.-** We have two branches, one here in Riyadh and the other one in Dammam. I started with the Dammam branch one year ago, and with 120 elevators it has been a quick success, because of the word-of-mouth about LTC's quality service and management.

### What did you do differently to achieve such quick success?

**M.F.A.-** First of all I take great care of my employees. I tell them that the most important thing to me and to the company is the client, after the dealings with the clients we have to call them to know if they are facing any problem. We also offer some materials for the elevators for free, it is not expensive stuff but gives something special to our clients. We do take customer service very seriously.

### What are your expansion plans for 2018?

**M.F.A.-** Right after I launched my first branch in Dammam I started the implementation of an ERP software. My plan now is to open a branch in Abhor city, it is in the southern area of the country, which we hope to start in February. You may ask why not in Jeddah, where there are many more people, but in Abhor there are no companies servicing elevators. After this I plan to open in Jeddah by end of 2018, and then I will open branches all across Saudi Arabia.

### How much do you expect to grow in 2018?

**M.F.A.-** In 2018 we should double 2017's turnover, as we are doubling our revenue every year. My team sometimes is surprised by our goals but at the end they are achieved.

### Do you have other businesses in the group?

**M.F.A.-** I do not like spending my time on just one thing. When I started Lift Technology Company, I also had a real estate and a marketing operation. I found myself doing advertising

and merchandising, and that was when I opened Signature Ad. It did very well, and I even opened a branch in the Netherlands, as I do exhibition stands in Belgium, Germany, and Greece in order to get new clients. Together with a gentleman from the Netherlands we are starting our own BV Company in 2018. We have started the registration already, the office is ready, our website is ready and we have started on the human resources recruitment.

### Why are you setting up a holding company?

**M.F.A.-** With the growth of my companies, I have faced some problems in the management. So if I have an HR manager in LTC and another one in Signature Ads, it will be costly and communication will take time. So in the holding group the HR manager, the finance manager and the IT manager will manage all the work through the ERP system, and it will be easy for me even if I opened any new company.

### How do you feel about the 2018 budget?

**M.F.A.-** Well, budgets have always been approved and they are all the same. The big companies end up taking all the money and the income they make, they do not always spend it here, in the country but they may invest in other countries or hold it for other projects after a few years. These are all government companies which I do not target, because you have to be very careful with the capital and logistics. I am used to working and targeting the middle market, because working with the government is very complicated. My clients are small real estate developers, hospitals, schools, and the like.

### Where do you see your group by 2020?

**M.F.A.-** This is a good question now because my strategic plan is set on 2020. I like the new changes like the cinemas, women driving and



all that because it will open things up. I can now hire a woman as a professional, just as any man, without any problem of transportation. People can go to cinemas instead of just sitting in the streets and feel refreshed. In my business I expect good things by 2020, as I have opened the new business in Netherlands to support all those who want to do exhibitions in Europe. I am not afraid of any changes because there will always be changes, but business must go on as usual, people must live and invest, this cannot be stopped.

### What message would you like to send about the changes happening in Saudi Arabia?

**M.F.A.-** After the launch of Vision 2030, it is clear that there is room for more businesses to come. The government is making room for investors and there are a lot of investment opportunities in Saudi Arabia, because the government has changed the business culture. Before, most of the investments were done by the government but now they are creating room for foreign investors and companies with professional experience to come and expand in the Saudi market.

### So would you advise investors to come and invest in Saudi Arabia?

**M.F.A.-** Yes, but they must study the market well because the people and culture in Saudi Arabia are very different, and they must study what the people like, what they do, and the government restrictions as well to be successful.



**We offer a full range of services to ensure our customers' strategic success with our products and solutions, to catch up with the world's best, whether it's enterprise or personal.**

We are a company that strives to bring out the top-of-the-line products in Technology, our products are modern and our ideas are creative!  
AlMalath Al Arabia is an IT solution providing company dealing in hardware, software & services, developing business concepts and providing specialized consultancy.

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

# INDUSTRY 2030

## SAUDI INDUSTRY IN THE EASTERN PROVINCE IS ON A FAST GROWTH PATH

Expanding Saudi Arabia's industrial sector to steer the economy away from its heavy reliance on oil and gas is the key goal for Crown Prince Mohammad bin Salman's Vision 2030 unveiled two years ago. But it aims to do much more.

In addition to economic diversification, the plan calls for developing human capital, increasing productivity in key sectors and creating quality employment opportunities for Saudis, all of which should trigger unprecedented growth in the country's industrial sector.

In a statement, the government 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 localising renewable energy and industrial equipment sectors".

The government also pledged "to create suitable job opportunities for our citizens by supporting small and medium-sized entrepreneurship, privatisation and investments in new industries".

Vision 2030 calls for the private sector's contribution to GDP to grow from 40 per cent to 65 per cent, with national output by small and medium-sized enterprises expected to grow from 20 per cent to 35 per cent.

Saudi Arabia is already on the right track. According to economists, the kingdom boasts the largest industrial output in the Middle East and North Africa and has an existing manufacturing base producing construction materials, cement, commercial aircraft, plastics, food and beverages and much more.

Just take a look at the statistics: between 1974 and 2016, the number of factories in the country increased from 206 to 7,741, which

invested capital, non-oil exports and the number of industrial workers made correspondingly significant gains. And these figures are set to accelerate under Vision 2030.

Among the many bold steps the scheme envisions are developing a local automotive and parts industry, localising pharmaceutical manufacturing and biotech development, building production centres for light industry, developing a local military manufacturing capability and establishing industry clusters around the country.

Saudi Arabia's Eastern Province, already the home of Jubail Industrial City which is one of the biggest such complexes in the world, hosts a number of companies which are striking out on new ventures to make the country a manufacturing powerhouse.

### Foreign partnerships

One of the latest local enterprises to take up manufacturing is Q&E Company Limited, part of the Q&E Group, which had its beginnings as a service provider but is now branching out into producing refractory products and polyurethane products.

"We just started out in late 2017 with the inauguration of our factory and we already are providing materials to giants like SABIC and the largest steel manufacturer in the Gulf, as well as others," says group managing director Khalid M. Al-Munaiser.

"Most of our products go to the steel industry which is our focus and we have now started receiving calls from interested parties in the United Arab Emirates," he adds.

The group started operations in 2006 in the service sector for the oil and gas industry, proving expertise in such activities as insulation, refractory lining, fireproofing, painting and scaffolding for new industrial facilities,

It also provides shut-down services for refineries, petrochemical plants, power plants, fertiliser factories and offshore operations, as well as human resources solutions, maintenance and specialised equipment rental.

Along with SABIC, the group's clients in-



ENG. KHALID M. AL-MUNAISER

MANAGING DIRECTOR OF Q&E GROUP OF COMPANIES

"WE SEE THE LIGHT AT THE END OF THE TUNNEL WITH MORE ORDERS AND ENQUIRIES COMING IN 2018"



clude Siemens, Saudi Aramco, Hyundai Engineering, Saudi Electricity Company and Schneider Electric.

"In the entire group, we employ around 410 people and our annual turnover is in the neighbourhood of some \$22.6m," the executive says.

"We've had extensive experience with the industries our clients are involved in, so we know their needs and where the opportunities are. When we go for a business opportunity, it has to have a clear identity and be lucrative from the financial point of view.

"The decision was made to get into the refractory manufacturing business because we found out that something like 86 per cent of refractory products here in the kingdom are imported and competition is still limited so it was a natural choice for us," he explains.

Echoing other Saudi business leaders, Al-Munaiser says he is satisfied that Vision 2030 will usher in the reforms the country's economy and business sectors need, and that instead of imposing five-year or 10-year plans as in the past, this time the government is fully engaging the private sector.

There have been some rough spots at the beginning, he continues, because of everyone getting used to the new way of doing things. On the other hand, dealings with officials have become much more organised thanks to the government's embrace of online technology.

"This year is going to be a good one and we've already noticed that from January signs were extremely promising. It has been challenging because of the implementation of VAT and taxes which we were not familiar with before," says Al-Munaiser.

"But we're getting used to those and we now have the knowledge of how to comply

 Quality & Excellence	<b>Quality &amp; Excellence Company Limited</b> 4970 Al-Oraifi Area, Unit No. 1 Al Jubail 35248-31961, KSA Tel: +966 13 361 0005 / Fax: +966 13 361 1136 E-mail: info@qecompanies.com / www.qecompanies.com	
<b>Our Group</b>	Quality & Excellence Company Ltd. for Contracting Quality & Excellence Refractory L.L.C. Quality & Excellence Polyurethane L.L.C. Innovative Engineering Company Ltd. for Contracting Innovative Engineering Company Ltd. for Trading	
<b>Our JV Partners</b>		
<b>Your trusted partner for quality services!</b>		

with the changes. From a business point of view, we can see the light at the end of the tunnel with many more orders and enquiries coming in.”

In a bid to take advantage of the new business environment, the group has set up joint-venture partnerships with foreign companies and seeking out more agreements.

“We have four international partners – two from the US, one from Germany and another from Turkey – with unique refractory products. We are looking for more but we are very selective,” the managing director explains.

“Right now, we’re also open to partnering with a foreign company in our other area of manufacturing, polyurethane, to have a factory here. Everything is in place and once a deal is signed it will open in Al Jubail.

“Signs of growth in the Eastern Province are very positive and the government is making extraordinary efforts to make this happen. There are great opportunities and now is the time to invest,” he says.



“It is a new era,” he says of Vision 2030, “especially considering age distribution in this country and the challenges that these young people face to become enrolled in the economy and prosper.

“Getting a good education will lift them up so they can get a good start in the job market and then they can create their own opportunities in both public and private sectors,” the director adds.

Vision 2030’s emphasis on boosting Saudi manufacturing is welcomed by Al- Suhaimi, whose company produces a wide range of packaging solutions including aerosol cans, food cans, paint cans, can components and plastic goods.

The firm prides itself on its record of supplying products to many multinational companies, use of state-of-the-art technology, adherence to internationally-approved quality standards and certifications, and the fact that over 90 per cent of components are manufactured in-house.

The company currently employs around 600 people and has an annual turnover of between \$150m and \$200m.

Sapin executives have also felt a change regarding bureaucratic routines at the various government ministries with which the company works, and more official encouragement to streamline the manufacturing process and to export to regional and global markets.

The company was recently invited by the Saudi Export Authority to take part for the first time in an international trade fair in Iraq. “Currently we have a modest profile interna-

tionally with few foreign clients,” the director says. “but we want to go outside the Middle East and North Africa region in the future.

“Domestically, we are seeing a lot of Saudi and regional players much more interested in sourcing locally from companies like ours. They understand how it makes much more sense regarding the costs of their final product to use locally-made containers instead of importing them from outside the kingdom.”

Other changes in the business environment Al-Suhaimi has noticed include an improved workforce, more entrepreneurship programmes, greater attention being paid to small and medium-sized enterprises and more industrial sectors opening up.

“This is all affecting us very positively as we’ve just inaugurated a new factory in the region, we are expanding our portfolio and we are adding value to our clients’ products,” he says.

“It is all turning out very well for us and for Saudi Arabia.”



**ABDUL RAHMAN S. AL-SUHAIMI**

CEO OF SAPIN

**“WE WANT TO GO OUTSIDE THE MIDDLE EAST AND THE NORTH AFRICAN REGION IN THE FUTURE”**

**Expanding portfolio**

Five years after returning to Saudi Arabia armed with an MBA from a UK university in 2017, Abdulrahman S. Al Suhaimi was named director of Sapin, a division of his family’s Al-suhaimi Group Holding Company.

At an early age of 32, he relates easily to the young Crown Prince Mohammad bin Salman and his ambitions for the country.



**WAEEL A. AL-GHALAYINI**

MANAGING DIRECTOR OF IVM INDUSTRIAL VALVES MANUFACTURING

**“THERE IS MORE LOCALISATION OF OPERATIONS AND INDUSTRY, AND LOGISTICS IS GETTING EASIER”**

**Perfect location**

Sourcing locally is key to the success of Industrial Valves Manufacturing –IVM-, a company located in Dammam which produces industrial valves for the many nearby facilities belonging to the oil, gas, petrochemical and other such industries so vital to the Saudi economy.

“Being based here in the Eastern Provin-

**METAL & PLASTIC PACKAGING SOLUTIONS**

**QUALITY AT THE CORE OF OUR PRODUCTS**

- Food Powders Cans
- 2 pc. Food Cans
- Aerosol Cans
- Paint Cans
- Industrial Cans
- Plastic Pails

- Supplier to numerous multinational companies
- Internationally approved certifications
- Over 40 years industry experience
- 3 facilities in K.S.A & 1 in U.A.E

sapin.com.sa

**SAPIN**  
Leader of the Pack



ce is a big advantage for us as we are closer to the customers, the operations and the location of the projects,” notes managing director Wael A. Al-Ghalayini.

“Most of our customers are within 100 kilometres so we are able to visit them more often and attend to their needs.”

Launched in 2004, IVM manufactures ball, gates, globe and check valves of various sizes, materials, designs, pressure classes and uses certified to the highest international standards.

The company is employing around 120 people and supplies all the industry leaders present in Saudi Arabia including Saudi Aramco, SABIC, JGC, Petrofac, Hitachi, Samsung and many others. Current annual revenue is between \$55m and \$60m.

“Our business is related to the energy sector where IVM provides valves to be used in operating facilities subject to harsh environment. with high temperature, salt content, high pressure and corrosive conditions. For such operations, specific materials with specialised designs and the right specs to accommodate the harshness of the product itself are required”, the executive explains.

“As you can imagine, the valve market is vast and there are many opportunities out there, so we believe it will soon be over \$1bn-a-year business in Saudi Arabia.”

**IVM**  
Industrial Valves Manufacturer

A specialized valves manufacturer for oil and gas industry since 2003

- Ball Valves
- Gate Valves
- Globe Valves
- Check Valves

[www.ivm-ombsaudi.com](http://www.ivm-ombsaudi.com)

While Vision 2030 aims to reduce the country’s reliance on oil, gas and related industries which are the very ones IVM supplies, Al-Ghalayini says the reforms have been beneficial and will continue to be so.

“We needed this vision as now everyone is on the same page, working towards achieving their goals through aligned cooperation,” he argues.

“It gives us a clear picture on where and what to invest in and where we will be headed in five to 10 years’ time.”

As mentioned by other business people, the government’s e-solutions to bureaucracy has facilitated processes for obtaining certificates, approvals and other documents and so things move much faster.

“There is now more interest in localisation of operations, an awareness in supporting Saudi industry, logistics are easier, and we are beginning to see logistics are being managed faster”, the managing director says.

“All of this will make it possible for us to introduce new products and to cover a wider area for our valve business, increase the number of our Saudi employees and look into automation. This will be our target for the coming five years.”

### Saudi training

The local petrochemical industry is also the key client for Hisco Arabia, a Dammam-based company which began production of pressure gauges, temperature gauges, thermowells, RTDs and thermocouples in early 2017. Like many new companies, it faced some initial hurdles.

“There were many challenges and difficulties but we had a very good team working hard to overcome these problems,” recalls CEO Ahmed Al-Ghamdi. “There were the registration, certification and ISO processes, for example.

“The main issue about our product is that in dealing with Saudi Aramco and others, they have to test our products and make sure the quality meets their standards. It took many months for us to receive the approval.

“But we had a good team and now I am very satisfied,” he adds.

The company is a partner with Hisco of South Korea where its engineers and technicians go to train to produce the products under license. Currently, Hisco Arabia operates two assembly plants but plans call for moving to full, autonomous manufacturing in the near future.

“This will be our first full year of production, we are ramping up production and 2019 and 2020 will see us at full production and in good shape,” the CEO explains.



“OUR OBJECTIVES ARE TO TRAIN SAUDIS AND THEN TO BEGIN EXPORTING TO OTHER COUNTRIES”



“In our operating and execution plans, we have two objectives: one is to offer training for Saudis who show interest in learning the business and this will help Saudisation although it is not possible to have 100 per cent Saudi staff.

“The second objective is to begin exporting to the other GCC countries, Egypt and others and I am confident we will be competitive in price and quality both in our home market and foreign markets,” he says.

Al-Ghamdi describes his dreams for the company as “big”, to be a pioneer in instrumentation engineering and manufacturing in the kingdom and in the region. And he also has big dreams about Saudi Arabia’s future.

“I think this country has the potential

صنعت قياسات الطاقة لأجهزة القياس  
**HISCO ARABIA**

**UNLIMITED POSSIBILITIES**  
High quality products for industry measurement

[www.hisco-arabia.com](http://www.hisco-arabia.com)



**BANDAR A. AL-SULAIM**

MANAGING DIRECTOR OF HARARIYAT

**“VISION 2030 IS GUIDING US ON OUR EXPANSION AS WE DISCOVER NEW BUSINESS OPPORTUNITIES”**

to be an industrial powerhouse. We do not have resources like water and other natural resources apart from oil, so our future has to be in industries with a major focus on information technology,” he says.

“Look at South Korea which also has no resources but they have built a great country with a great economy because they invested in education for their people. We can do the same.”

**Export potential**

The steel, cement and petrochemical sectors are the principal clients of Harariyat – Arabian Refractories Factories Co. Managing director Bandar A. Al-Sulaim explains that after 25 years in business the company is well established both locally and regionally.

“We started supplying clients in Saudi Arabia and then expanded to the Gulf Cooperation Council countries. Over the years we have signed up clients like Emirates Steel, National Steel in Bahrain, factories in Jordan and beyond.

“In fact, we can now say that we are the biggest refractory manufacturer and supplier in Saudi Arabia and the GCC,” he adds.

Al-Sulaim worked his way up in the company founded by his father so he could closely study and understand each facet of the business. Starting off on the factory floor, Al-Sulaim then moved into sales and finance before working in the procurement department to learn about materials and



how the supply system operated.

“After that I was the business development manager for about a year. All these steps in my career helped us to improve the company, for example moving from a fully manual production line to the automated system we have today,” he says.

Harariyat’s main production lines turn out magnesia-based, alumina-based and pre-shaped casted materials.

Along with a range of conventional, low cement, dense, low-weight castables and precast EAF & LF Delta roofs, the company also manufactures special shaped products such as well blocks, seating blocks, dam walls and VD covers.

The company’s current portfolio of 64 separate products amounts to 30,000 metric tons per year.

Employing around 40 staff and posting annual turnovers of between \$8m and \$10.5m in the last few years, the company is poised for growth due to the changing economic opportunities for businesses sparked by Vision 2030.

“Since the plan was released, it is guiding us on our expansion and we’re actively looking for more business and discovering opportunities which we never thought existed,” the managing director says.

“We’ve boosted our international business and we’re looking forward to expanding more. I’m just back from a business trip to Kuwait Steel with which we are carrying out a trial and we’re already active in Pakistan and Egypt.

“So, you can see that we are following the Crown Prince’s advice in order to realise our full potential”

**Local manufacturing**

Exports are also a goal of National Rubber Spare Parts Factory which turns out products for the oil and gas, construction, automotive and public works sectors from its manufacturing facility in Dammam.

“We have already sold some products to Bahrain and we also want to begin selling in the GCC and Africa,” says general manager Raed Y.H. Al-Dossary.

“We’re very happy with the new emphasis on exports in Vision 2030 as the government is asking us what we need in order to do this.”

“In fact, since the plans were announced by the Crown Prince, we have seen growth in demand for our manufactured goods. I think this will continue and we want to open up one or two more production plants.”

National Rubber Spare Parts Factory was founded by the general manager’s father in 1976 and is part of the family-owned Yousif H. Al-Faran Al-Dossary Sons group which also has interests in construction, trading in heavy vehicle and industrial parts, and real estate.

The group employs 70 people and has an annual turnover of around \$66m. Dealing in heavy equipment parts is the group’s main revenue earner, followed by real estate and the rubber parts factory.

But the company wants to boost the group’s manufacturing role.

“Our main focus is to shift the dependency of the local market on sourcing rubber products from overseas, by supplying products made in Saudi Arabia with matching criteria and increased standards at affordable prices,” he explains.

At its manufacturing plant, the company turns out rubber automotive radiator hoses, diaphragms and other moulded, calendared and extruded items in a two-part process. The facility also contains a fully-equipped laboratory for testing the rubber compound and final products to ensure the highest quality.

“I’m very optimistic about the way things are going here in the kingdom. The government is paying close attention to what businesses like ours need to prosper,” says Al-Dossary.

“It is providing loans for Saudi companies and opening up industrial parks so we’re seeing a lot of support for local manufacturers. We’re so confident that we’re planning to launch a food stuffs division sometime over the next year.”

The group is also interested in setting up joint ventures for its heavy equipment spare parts division.

“This is all indicative of how the business environment has changed in the kingdom,” the general manager says, “and proves that now is a great time to invest.”

**حاراريات HARARIYAT**  
ARABIAN REFRACTORIES FACTORIES CO.

**The biggest refractory producers in GCC**

Arabian Refractories Factory Co. - HARARIYAT is a 100% Saudi owned closed stock company, located in Dammam 2nd Industrial City, Eastern Province of Saudi Arabia. HARARIYAT is engaged in the manufacture and supply of refractory materials to the GCC and regional steel and related industries since 1993

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



# SERVICES 2030

## AS THE VISION TAKES HOLD THE SAUDI SERVICE SECTOR FACES FRESH CHALLENGES

With Crown Prince Mohammad bin Salman's Vision 2030 taking hold across the kingdom of Saudi Arabia and deeply transforming the country, companies involved in a myriad of sectors such as consultancy, entertainment, tourism, renewable energy, facility maintenance, education and training and a host of others are reaping the rewards.

And equally important, the country's young people and the budding Saudi entrepreneurs are enjoying unprecedented access to a more liberalised economy fuelled by new, more business-friendly regulations, a fresh wave of foreign investment and freer and more modern business and social environments.

Many of these companies embracing the changes being brought about by Vision 2030 are located in the Eastern Province bordering the Arabian Gulf where much of Saudi Arabia's all-important oil industry is largely based providing easy access to big state companies like Saudi Aramco.

At the same time, the region has a more relaxed environment appreciated by many foreign companies operating there and it is close to markets in the neighbouring Gulf Cooperation Council (GCC) countries for those companies encouraged by the government to export and expand beyond the kingdom's borders.

### Early ambition

One such enterprise is the Al-Hadabi Group, a young company founded just three years ago and already putting into action its business ambitions in such diverse sectors as tourism, renewable energy, IT and contracting.

"We've concentrated on having different business lines, starting with an online travel agency because we believe Saudi tourism is going to be huge going along with what has been set out in the Crown Prince's plans," says CEO and founder Ahmed Khamis Al-Hadabi.

"Our idea is to do something new. As you know, all the tourism companies in the world are using the same systems and suppliers everywhere whether it is ticketing, hotel recommendations, and so on.

"But we are searching for new services and new destinations which no one has yet discovered. So, we are talking about ticketing, hotel bookings, transportation, the whole lot."



AHMED KHAMIS AL-HADABI

CEO OF AL-HADABI GROUP

**"WE ARE SEARCHING FOR NEW SERVICES AND NEW DESTINATIONS NO ONE HAS YET DISCOVERED"**

The CEO argues that today's travellers want to enjoy the full experience of a destination with not just sightseeing but other activities as well such as entertainment and sports.

"If a client going to Spain, for example, wants to attend a Real Madrid versus Barcelona match our agency will provide the full package, not just flights, hotels and tickets but also suggest side trips as well such as shopping or visiting an exhibition."

The company will also handle in-bound visitors to Saudi Arabia, a potentially lucrative market which the government is eager to foster and has recently announced facilitating tourist visas for foreigners.

"We are working on the software for all of this and we have started working on

data collection with a team gathering information on the best restaurants, hotels, shopping, etc. for every country and every city so we can feed it all into our system," Al-Hadabi explains.

Another sector where the executive sees a big future is solar energy, yet another industry which the government is encouraging and already issuing permits and authorisations for companies entering the market.

Along with oil, Saudi Arabia is of course blessed with more than abundant sunshine and experts say the country's solar potential is unlimited.

"What the government wants to do is reduce the load on the existing electricity grid by using recyclable resources like solar power," he says.

"One of our projects is with a hospital and the other is with a business. If the hospital gets its electrical power from the government and uses a lot of air conditioning, it ends up spending a lot of money. Solar power addresses that problem along with automation systems which reduce or switch off power when machinery or appliances aren't in use.

"So, we are working on that front as well and our target is to have so-called 'smart homes' and 'smart working places' fitted out with this technology which is all in line with Vision 2030."

When the reform plan was announced, Al-Hadabi was suitably impressed and says that it will mean a huge expansion in business opportunities for his group's companies and many others.

"This vision will work even better in the Eastern Province than in other places in the kingdom because we have oil, petrochemicals and all types of companies," he says.

"Plus, we have great connections with the rest of the GCC and so many companies want to be here."

As the Al-Hadabi Group's companies establish their businesses and grow, the executive is planning further endeavours in confidence that the new atmosphere in Saudi Arabia will ensure success.

"Now we're looking at risk management and insurance because there are not many companies here doing that and we need to partner with others to go forward.

"With the new generation of leaders like Crown Prince Mohammad bin Salman, it is the right time to change Saudi Arabia as a place to invest. We have the knowledge, the energy and everything else needed to grow."

Economic growth under Vision 2030 will depend to a great deal on skilled workers as one of the key platforms of the plan is to place more properly trained young Saudis in the local job market.

AL-HADABI  
المهادبي  
تجارة والتشييد والتجارة  
مؤسسة احمد خاميس

**Dedicated and always devoted...**

Providing services for all phases of a projects and man-power supply; we specialize in Oil & Gas Pipe manufacturing and Infrastructure, which alongside General Construction, constitute our core business. We also specialize in IT Networking System, Surveillance System & Solutions, Travel & Tourism, Training & Education and Event Management.

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



**ABDULGHANI AL RUMAIH**

CEO OF TAFE ARABIA

**“THE NEW KINGDOM IS TOTALLY DIFFERENT AS OUR RESOURCES WILL NOT BE BASED ONLY ON OIL”**

**Training bonanza**

That is also the aim of TAFE Arabia, a company which has been in the business of education and training since the late 1990s, says company CEO Abdulghani Al Rumaih.

“Several years into the business, we began delivering soft skills in training courses and then launched our vocational training programmes in 2005 working closely with the Ministry of Labour,” he recalls.

“Now we have both public and private sectors as clients offering them short courses and the long-term diploma courses. Each year we grant around 2,500 of the diploma courses in centres all around the country.”

TAFE Arabia has a permanent staff of some 20 employees but also uses part-time, freelance trainers and instructors. Along with its dedicated training centres, the company also offers courses at its clients’ work places, offices or factories.

In such high-tech and sometimes dangerous industries as oil and petrochemicals, a well-trained and safety conscious workforce is vital for both the government and companies setting high standards.

“We custom design our courses to meet these requirements, especially for the oil and gas industry and we have been approved by the biggest company of them all, Saudi Aramco,” the CEO says.

“This gives us another entry into this sector. We have many opportunities opening up in training and there is a new emphasis now on getting more Saudis into the job market.”

TAFE Arabia also trains employees in the construction sector and offers courses in valuable skills like offshore scaffolding which requires a special license.

Other training courses in the company’s portfolio include advanced safety management, risk management, project planning, English, computer skills, surveying technology, mechanical technology and a host of others.

Along with Saudi Aramco, TAFE Arabia counts amongst its clients such major Saudi and international companies as SABIC, Marafiq, Samsung, Hyundai Engineering and Construction and Fluor.

“In those industries where we give courses at the job site, we train on the actual equipment because so many companies are switching from manual to automated systems and this requires a higher skill set,” Al Rumaih explains.

“This tallies with our plans to get further involved with automated training and education which is one of the goals of the government under Vision 2030 as privatisation of the education system progresses with a major emphasis on digital teaching.”

Last year, Saudi education authorities turned over the running of 50 schools in the Eastern Province alone to the private sector and tens of thousands more will be privatised around the country within several years.

This creates vast opportunities for companies like TAFE Arabia which is now concentrating on S.T.E.M, or Science, Technology, Engineering and Maths, education, as a priority.

“We have already started with S.T.E.M. and have had a lot of contacts with big companies to upgrade to virtual and digitalised training with a lot being done through online and other training methods with instructors in the United States or France, for example,” the CEO says.

“This country is changing so much and it will take time for people to get rid of the old picture they have of Saudi Arabia. The new kingdom is totally different as our resources from now on will not just be based on oil and this is what the Crown Prince anticipates in his vision.”



**DR. AHMMAD A. GARATLI**

GENERAL MANAGER OF GBN TRAINING CENTRE

**“WE EMPOWER PEOPLE WITH KNOWLEDGE AT GULF BUSINESS NETWORK TRAINING CENTRE”**

**Manpower needs**

In its 12 years of operation, another sector leader, the Gulf Business Network Training Centre (GBNTC), has expanded from providing training courses in safety and fire rescue to a whole range of programmes.

“We started off as a sister company to Al-Maha Holding that did manpower supply for fire rescue department at all airports in Saudi Arabia, at the time as part of the Gulf Business Network group, which in turn are all subsidiaries of Al Judee Holding,” says GBNTC general manager and partner, Dr. Ahmmad A. Garatli.

“GBNTC was established to be the supportive arm of Al-Maha holding, its manpower supply firm, and over the years we have developed and expanded our service offerings through a carefully planned diversification.”

The company offers different types of programmes such as personal development, leadership, management and finance programmes, along with many others, to become a virtual “one-stop shop” for employee skills and knowledge enhancement.

Clients can choose from a long list including hospitality management, IT, sales, human resources, aviation management, banking, family business management, entrepreneurship and more, offered virtually or in a face-to-face format.

GBNTC also offers a range of master classes in Riyadh, Jeddah, Al Khobar and other cities around the kingdom in such subjects as digital marketing, finance for non-finance executives and courses on training the trainers.

In its bid for excellence in the training and development sector, the company taps into a roster of both Saudi and international experts for its instructors, all of whom boast impressive and long-term experience in their respective fields.

“Our management staff comprises more than a dozen people, and we have the support of personnel from our head office at Al Judee Holding in areas like human resources or finance,” the executive explains.

“We work with more than 350 trainers who are exclusive to us. Some are full-time employees, while others we call from all around the world when we have a specific training need.”

“The company’s aim is to empower people with knowledge, by facilitating and organising in-house customised training courses that will allow individuals to earn certificates in each field of study, to give organisations the winning edge that will allow them to instantly be ahead in the competitive business arena”, Dr Al Garatli adds.

And with King Salman bin Abdulaziz and Crown Prince Mohammed bin Salman Vision 2030 fueling business across the kingdom, the general manager says GBNTC is looking forward to good times ahead.

“With the drop in oil prices, the training market suffered a fall in demand, so 2015 and 2016 were very tough years for us,” he says.

“But things started to pick up last year. This year, we’ve noticed business is getting better and we’re confident this trend will continue into the future with all the changes going on.”

### Professional services

Change is nothing new at Five Moons, a project and facility management company based in Al Khobar. Bought by an entrepreneurial family in 2007, the company underwent an extensive overhaul to further integrate themselves into the Saudi market.

“When we took over, our main offerings were pest control services and general cleaning services. I joined in 2015 at the behest of my father to transform the company into something more relevant to today’s market,” recalls managing director Faisal S. Shaheen.

“At that time, we only had two computers so the use of emails was non-existent. Everything was done manually and no data had been collected to aid management in making informed decisions.”

His main tasks, the executive says, were to reconstruct the company’s image and automate Five Moons in order to diversify into other



**FAISAL S. SHAHEEN**  
MANAGING DIRECTOR OF FIVE MOONS

**“WHAT REALLY HELPED US AT FIVE MOONS IS THAT WE NEVER COMPROMISED ON QUALITY”**

services. The biggest challenge at first was to transform the mentality of the workforce.

“We faced some resistance from individuals accustomed to an outdated way of operating the company. The solution at the time was to bring in new blood and train them in order to avoid the old habits that were holding us back,” he explains.

Once those challenges were dealt with, he set about expanding the company’s offerings, and now, along with pest control and cleaning, Five Moons is a market leader in air conditioning maintenance, mechanical, electrical and plumbing maintenance, facility management, and rope access - a service Five Moons were the first to introduce to the Eastern Province.

Currently employing a staff of about 200 people, the company is trying to boost the number of Saudi workers but is not finding it easy.

“There is a large gap in the market when it comes to Saudi skilled and unskilled labour,” Shaheen says. “In services like cleaning and maintenance, it is difficult to find these skills amongst Saudis.

“But I do think that the situation is changing. We have recently hired a Saudi national who accepted a job that used to be performed by foreigners. Personally, I would like for us to switch entirely from foreign labour to all-Saudi labour.”



The services industry is changing in other ways, and that is affecting Five Moons’ competitors. They have cut their prices and quality during the recent lean years and are now struggling or going out of business.

“What really helped us,” says Shaheen, “is that we never compromised on quality, as it is up to us to educate the client that quality counts.

“We have noticed that clients are becoming more aware of the world-class services that professionals like ourselves can provide and they are more open to outsourcing for their needs.”

With the reforms under the Crown Prince’s vision, Saudi Arabia is now addressing two of its main problems: addiction to oil as its main revenue earner and addiction to foreign labour, Shaheen argues.

“Like quitting any addiction, there will be withdrawal problems and it will be uncomfortable. But if we look to a future guided by the vision, we will have a more sustainable economy, have more gainfully employed Saudis and be competitive in the world market.”

### The wow factor

Crown Prince Mohammad bin Salman also wants to enhance Saudi Arabia’s importance as an international business hub and as an entertainment centre to attract fun-starved local and regional populations.

Both these goals fit perfectly in the business plans of Eventech, a company which provides services and equipment to a wide range of events like conferences, concerts,



RIDWAN KANAAN

EXECUTIVE DIRECTOR OF EVENTECH

**“WE FOCUS ON PROVIDING THE WOW FACTOR THAT EVERYONE WANTS AT AN EVENT”**

trade fairs, exhibitions and others, explains executive director Ridwan Kanaan.

“I started in sound engineering, then gained experience in setting up small concerts, weddings and these kinds of things here in Saudi Arabia,” he recalls.

“From there we started organising more events. What was lacking in the market at the time was experience in production and technology and I saw us growing very rapidly as we focused on providing the ‘wow’ factor which everyone wants at an event.”

Besides organising events, Eventech also provides such equipment as sound, lighting, display, interpretation and media systems, as well as mounting floors and stages.

Tents and marquees, furniture, power generators and even giant inflatable toys for children’s events are available, along with full media teams with photographers and videographers to record events.

And while the events organising and provision business is growing, there are certain challenges Eventech is facing, the executive director says.

“The market here is limited in specialised trade fairs or exhibitions and we need more of those covering sectors such as the food industry, construction, or solar power systems like the ones you see in Dubai.



“Another problem is that here in the Eastern Province the population is not that large and business is focused so much on the oil, gas and petrochemical industries. So, one must concentrate on targeting those companies involved in that particular sector.”

One ray of hope, Kanaan argues, is that the entertainment business is definitely picking up and the government’s eagerness to liberalise the sector is evident in the increasing numbers of permits being issued for leisure events.

“I would say that almost all events are getting approved. As long as the organisers can make it work practically and financially, it will get the green light,” he says.

Eventech is looking to expand domestically and the executive director is especially excited about the mega-projects being planned around the kingdom like NEOM City on the country’s Red Sea coast.

“That’s the kind of place where the government is promising a very bright future for the entertainment, venues and events companies,” he says. “And this business is booming right now, it’s like a gold rush in Saudi Arabia.”

Also enjoying booming business are Saudi management consultancies advising companies on how to meet all the challenges triggered by the changes taking place in the business environment thanks to Vision 2030.

**Local content**

“Many companies are now focusing on how to restructure and resize their businesses so they are reaching out for consultancy help to compete in the market,” notes Khalid M. Alshunaiber, founder and president of the Econsult consulting group.

“And the Saudi consultancy business will see continuous growth in the long term because the government is encouraging companies, especially in our sector, to have local content.”

Created in 2012, Econsult offers consulting services in operations and administration, human resources, marketing and sales, policy and regulation and systems manage-

ment, as well a service for women in business.

With around 130 business clients, the company posted a turnover of close to \$1m in 2017 when business grew by a third over the previous year.

“We saw a 33 per cent jump in growth largely due to a pair of new online projects, one providing business format, human resources and other recruitment services for SMEs, the president says, “and the other involving electronic tests related to Saudi labour law.”

Looking ahead, Mr Alshunaiber has his eyes set on opening Econsult offices in Dubai and Bahrain, as well as launching two projects which will be new to the Saudi market with the cooperation with the government.

“These will be recruitment services and will assist the government in its goal to decrease unemployment, especially among women,” he says.

“I’m sure that Vision 2030 will be positive for businesses in the Eastern Province and for our own company. There will be some difficulties because it is a change, but we’ve already enjoyed a good 2017 and that should continue this year and the next.”



# LOGISTICS 2030

## SAUDI ARABIA WILL NOW BE BANKING ON ITS POSITION TO BE A NEW TRADING HUB

Since the days centuries ago when camel caravans crisscrossed the Arabian peninsula carrying such precious goods as frankincense, pearls and gems, the people who inhabited the land that became the Kingdom of Saudi Arabia have been known for their skills in trade and logistics.

And the region's location on the shores of both the Red Sea and the Arabian Gulf, as well as its position near the Mediterranean nations of southern Europe, made it a natural bridge facilitating maritime trade between East and West.

These traditions continue and with the strongest economy in the Middle East based on oil exports to foreign markets, world-class transport infrastructure and its own rapidly growing population, Saudi Arabia is today fast becoming a global trade superpower.

Last year alone, the kingdom shipped \$220bn worth of goods around the world with the dollar amount reflecting a 23 per cent gain over 2016, whilst total imports reached \$130bn.

With local logistics companies and trading firms dominating their respective sectors, executives are looking forward to the benefits expected from Crown Prince Mohammed bin Salman's Vision 2030 which aims to liberalise the Saudi economy.

### Moving forward

One of the oldest companies in the sector operating in the Eastern Province is United Enterprise Company Limited, or UNENCO, which started in 1966 and is today headed by managing director Marwa Salim Abduljawad, the daughter of the late founder.

"I became involved four years ago when I was basically introduced into operations, the business vision, planning and business development. Currently our revenue is approximately \$11m which fluctuates depending on the projects," she explains.

Based in Dammam, the company has four divisions: shipping, logistics, trading and catering, and employs some 200 people and contracts more workers when needed for certain projects.

The shipping division provides a full range of services for cargo, bulk and tanker vessels including port cargo handling, on/off-hire cargo and deadweight surveys, agency support, marketing and freight brokerage, stevedoring, marine claims and insurance, full Chandler services and others.

"We act as a shipping agent for any vessel that is passing through Saudi waters and doesn't have an agent and we also do freight forwarding where we arrange for containers and commodities to be moved in and out of Saudi Arabia," the managing director says.

"I think that the shipping industry is booming and this is where we are trying to mainly focus. Other parts of the industry are really being challenged like in the cafeterias and canteens of our catering division largely because it is very labour intensive."

Abduljawad explains that a high proportion of the catering division's staff are expats because it is difficult to find Saudis who are interested in working in that sector.

She further added that while she would like to introduce more Saudis into UNENCO, it is a difficult task and the issue impacted on the group's costs in 2017 which she describes as "the kind of year that either makes you or breaks you".

"We are looking closely at opportunities in which we can utilise emerging technology as a solution to avoid some of the expenses and costs related to labour in certain operations and positions where it would be feasible," the managing director says.

Another challenge, this one being perso-



"I THINK THE SHIPPING INDUSTRY IS BOOMING AND THIS WILL BE OUR MAIN FOCUS AT UNENCO"



nal, which Abduljawad has faced is being a woman, not only in a very male-dominated society but also in an industry where a woman in any position is very rare indeed.

"I had problems trying to get into the ports and into companies which were restrictive," she recalls.

"There are beliefs which can limit us but if you are serious and persistent you can do it."

Along with her position at UNENCO, the managing director is also a consultant to the Prince Sultan Fund for Women Development which has managed to change some perceptions about empowering women and their role in running their own businesses.

"I took my experience and used it to work with a lot of females who face these challenges themselves. Sometimes, it is really difficult being a business owner by itself, not just for a woman."

Abduljawad clearly welcomes Vision 2030's intention to increase the role of women in Saudi society and also the plan's wider goals regarding the country's business environment and the specific sectors her companies are involved in.

"I am very optimistic and happy to see the changes from the vision which is the first time we've seen something like this in the kingdom. It will regulate things, unite us and make us move towards a common goal," she predicts.

"The industry we work in has been affected in various ways and the direct impact is that the vision clearly states that there will be a greater role for logistics through improved infrastructure and now we can get involved in different activities."



## International contacts

A boost to business from Vision 2030 is also expected at International Agent Group, or INAT, a trading and services firm based in Al Khobar with many major clients in the Eastern Province.

"Along with import and export, we offer inspection services, quality management, technical investigations, audit services and other related activities," explains general manager Hamad Al-Hajri.

"We think overall 2018 will be a good year for us and we're already reacting positively to the government's new budget for this year. Things are definitely looking up for our business and the economy in general."

"Right now, we are looking ahead, taking into consideration the changes Vision 2030 will bring about and working on our plans to take advantage of what's coming in the future," he adds.

According to the executive, INAT prides itself on developing bilateral and multi-lateral trades among reputable manufacturers and international clients, integrating the procurement of resources, research and development, production, import and export trade and marketing of finished products.

Its trading division focuses on technologies and products for industry, energy generation and transmission utilities, oil and gas, healthcare, solar application and renewable energy, railways and transportation.

Annually, the group's total sales volume is around \$6.5m.

"Our main customers are companies and government entities like Saudi Aramco, SABIC, Saudi Electricity Company, the National Guard and others," Al-Hajri says.

"These clients are extremely happy with the work we do, and they are looking forward to continue to work with our staff of around 200



people, many of whom are engineers."

A large percentage of INAT's employees is local, especially amongst the engineering staff, and retaining workers is not a problem as it is in some companies, according to the executive.

The group acts as an agent in Saudi Arabia for around eight foreign companies and is currently in talks on forming partnerships with others and is particularly interested in working with suppliers from the United States and Russia.

"We are concentrating on the electrical field and we'd like to speak with anyone who wants to open a plant here for electrical equipment," the general manager says.

"We'll also be opening other branches here in Saudi Arabia and maybe even have our own manufacturing facility by 2030."

Future plans also call for regional expansion. INAT already has branch offices in Kuwait, Dubai and Bahrain but wants to work in the rest of the Gulf Cooperation Council countries as well.

"We want to go beyond the Gulf and already have our engineers checking out the possibility of operating in Europe," Al-Hajri says.

"Saudi Arabia is good and ready to have a bigger international presence and that also means attracting more companies from abroad to set up shop here."

economy and the new way the government is doing things," he says.

"By now, many people are familiar with the changes, day by day things are getting better so basically it's a transformation period."

Along with the division handling sanitary and plumbing supplies, the group also has interests in contracting, food and beverage, medical supplies and industrial services with the latter involving machine repair.

In the sanitary ware division, the company imports and markets such prestigious international brands as American Standard, Ideal Standard, Zucchetti and others.

Around 2,000 people work for the group which has an annual turnover of between \$135m and \$160m.

When the Crown Prince first announced Vision 2030, Al-Mulhem says there was some fear that it would lead to the collapse of the construction industry but eventually he and others in the business community changed their minds.

"When the message was clarified and we could see what was behind these reforms, a lot of people became more comfortable and began to work in line with the vision," he recalls.

"Earlier, people here relied too much on the government but now the government is trying to change that and make everyone less dependent."

Al-Mulhem says Saudi Arabia is also opening up to the global market even as it is becoming more self-sufficient by selling domestic products to foreign buyers besides oil, gas and petrochemical goods.

"We have other products with export potential such as industrial equipment and we should develop our tourism industry," he argues.

"People only know Saudi Arabia from a business perspective and not from a tourism one and we have lots of attractions to explore."

Dedicated to transform our unique services to meet the requirement of our clients

**INAT Group**  
**2018**  
Since 1974

Inspection  
Testing  
Geotechnical & Geophysical  
NDT

Consulting  
Training  
Contracting  
Training

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

## Transformation period

Another company with strong international ties in the Eastern Province is Khaled A. Al-Mulhem & Bros. Co., which imports and markets sanitary ware and plumbing equipment from leading foreign manufacturers.

"We're a family business which has been around since 1974 when the company was established by my father. We've since expanded into other activities," explains business development manager Abdullatif Khaled Al-Mulhem.

Following his education from a business school in the United Kingdom, the executive returned to Saudi Arabia where he worked in a bank before joining the family business in 2013.

"Things were booming then in the construction sector, but we hit some lean years from 2016. However, this year we are seeing a turnaround due to all these reforms to the

**Khaled A. Al-Mulhem**

**Khaled A. Almulhem & Bros. Company** was established as a vision of Mr. Khaled A. Almulhem & his two brothers in 1974. The company commenced its operation with the sale of Sanitary-ware and Plumbing materials in Dammam. The growth of the company was rapid and within a short span of time it had a complete network of high standard and pleasantly furnished show-rooms in Dammam, Al-Khobar, Al Jubail and Al-Hassa that effectively cater for every need

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

**Opportunities ahead**

One Saudi executive keen to advance the kingdom's domestic manufacturing sector is Sultan M. Alsubhi, the founder and CEO of the Jabal Subh Trading Establishment which imports medical devices and related goods.

"There is a big push from the government to encourage companies in the healthcare sector to start manufacturing here at home. We have the plants, inexpensive land, easy financing and the incentives.

"My idea is to begin making things like medical gloves and other consumable hospital items. We are also planning to manufacture pharmaceuticals here," he explains.

In just the three years since it was founded, Jabal Subh Trading Est. now distributes products to 1,500 pharmacies and more than 50 hospitals, growth which the executive attributes to supplying high-quality goods, such as pill organisers, personal care products and others.

"We source the very best products from all over the world from our partners in the United States, Japan and Germany. We really pay close attention to our customers who appreciate the quality of what we provide."

One of the challenges faced by the company when it was launched, the CEO says, was that potential pharmacy and hospital customers were used to low quality goods in the healthcare sector hence were hesitant.

Also, there was less spending due to the economic impact of the cut in oil prices.

But now, he says, the situation is improving and another welcome change is that with Vision 2030 calling for more privatisation of the healthcare sector, dealing with customers should be much improved.

"The purchasing process by government entities is very inefficient which means it is very hard work for suppliers. But when we deal with the private sector it is much easier and faster."



Alsubhi predicts that the company will grow by between 20 and 30 per cent this year, but is not keen to take on more employees.

Instead, he plans to maximise the potential of existing staff and says he wants to follow the Japanese business model of what he calls a "lean mindset" and do more with less, while taking advantage of the new business environment under Vision 2030.

"We have a very stable economy in Saudi Arabia as we saw that even with the significant drop in oil prices business still performed and the government has stood by us.

"The most important thing to consider is that we have a very vibrant, ambitious and skilled younger generation, many of whom have studied in the United Kingdom, the United States, Germany and Japan," he says.

"A lot of changes are happening in this country that are creating a lot of opportunities."

**International contacts**

The Saudi Arabian government's new focus on changes in the healthcare industry is also impacting Damman-based Albader Almushriq Group and its main business specialising in medical equipment.

"We began in 2006 with just one showroom here in Damman for medical equipment like syringes and other consumables which are purchased by citizens and could be used at home," recalls general manager Mohammed Zaidan.

"Then we started researching the market here in Saudi Arabia and the Middle East, spoke with potential customers and studied how to sell to hospitals, ministries and others. Later on, we began opening up pharmacies."

Today, the company sells medical products ranging from rehabilitation devices, surgical diagnostics and laboratory equipment to baby articles, ICU equipment and respiratory and urology items.

Its hospital furniture and devices division alone supplies beds, operating tables, mattresses, screens, trolleys, chairs and cabinets, while the hygienic materials division markets uniforms and gowns, gauze items, bandages, splints and cotton items.

But the company is not relying on its existing success and is planning to expand its product line based on its knowledge of the growing healthcare market in Saudi Arabia.

"We know all the requirements of the clinics, hospitals, private operators, the Ministry of Health, the medical schools, university hospitals and military hospitals," Zaidan points out.

"So we are looking for new products and new techniques from outside Saudi Arabia and we want to represent new lines of business and more foreign companies."

And in a new strategy, Albader Almushriq will begin to manufacture its own branded products through outsourcing to a plant in Riyadh to replace the devices that it used to purchase from foreign suppliers.

Looking ahead, the general manager says the plan now calls for the company to build its own production facility in the Eastern Province with the government help offered to start-ups.

"Currently, we have turnover of between \$7m and \$11m and we expect to see an increase of at least 25 per cent by 2020," he predicts, adding that the effects of Vision 2030 will fuel that growth and that the country is a great destination for foreign investment.

"People outside the country have to understand how Saudi Arabia was before and the benefits we are waiting for from the new Saudi Arabia after the vision has been fully applied," Zaidan says.

"They need to know that Saudi Arabia has changed, that we have a new, open mentality and that there are many more opportunities in this country than have ever existed before."

**JABAL SUBH TRADING EST**  
 مؤسسة جبل صبح للتجارة

Jabal Subh Trading Est. has been established as a medical devices, personal care items, and health care products distribution company in AlKhobar. We represent the following firms in Saudi Arabia

ANABOX®    Medline  
 reitec    Plackers    MAGICK  
 cyproskin    HPC    CareFOOT

www.jabalsubh.com

مؤسسة البدر المشرق التجارية  
**Al Bader Almushriq Trading Est.**

**Safety & Technology**

Your Security is  
**OUR BUSINESS**

www.albaderalmushriq.com

## INTERVIEW WITH DR. BEHNAM AHMED MAGHSOUD

### GROUP CHIEF EXECUTIVE OFFICER - SAEED GHODRAN GROUP

One of the oldest groups in the Eastern Province, Saeed Ghodran Group is in the process of changing its internal governance to be ready for the new challenges of Vision 2030. At its recently appointed group CEO explains, the results are already here, and the next challenges will involve globalising some of its current business lines



#### Why is one of the oldest groups in Saudi Arabia becoming a holding?

**B.A.M.-** This group was founded in the 1940s by Sheikh Saeed Ali Ghodran, a visionary strategist and a philanthropist who touched different parts of the community. The reason why we are changing the group is threefold: first, the vision of the family for the last eight to nine years has been to change to a holding, so in 2017, they had their first general assembly and appointed a very selective board; in order to give legitimacy to the board, both locally and internationally, they decided to appoint five independent professional members out of seven. The chairman and the vice chairman are both sons of the founder, and the other five are independent individuals with a vast history, experience and accomplishments in different industries, both locally and internationally.

#### How advanced is this process of change at the SGG Group?

**B.A.M.-** Usually such a change takes three years to stabilise, however we made the process of change extremely aggressively and it took us nine months. The board has appointed me as the group CEO and the shareholders and board members have really been supportive since they decided to make the transition.

#### What are the main businesses of the group at the moment?

**B.A.M.-** We have nine lines of business: hospitality, healthcare, industrial and fabrication, logistics, agriculture, events management, fast moving consumer goods (FMCG), production and factory storages, real estate businesses and investment. We have more than 1,000 employees in the group, with a turnover of over SAR 200m per year historically.

#### Which sectors would you say are affected by the changes in the group?

**B.A.M.-** Sheikh Saeed started with FMCG business about 40 years ago, and he was the first to employ women in a factory in Saudi Arabia, as he hired 50-70 ladies in factories in Dammam. This line was stopped a few times as the environment then was not ready for females in the factories, that was in the late 70s, when women standing in the assembly line was not accepted. However, he was a visionary, and today we are hiring 40 more women and supporting the ones who are doing a great job, and our FMCG business has been affected po-



sitively.

Another area where we have many women is the event management sector. We are having a lot of entertainment events here in Saudi Arabia now and events management opens many doors, specially to serve both male and female sectors. Our hospitality and healthcare sectors are following the same trend, and they are being positively affected in every corner of our business.

#### Do you think that 2018 will be a good year for the Saudi economy?

**B.A.M.-** Some sectors of the economy have suffered in 2016 and 2017. However, by the last quarter of 2017 and the beginning of 2018, despite of what many people may say, we are hitting records highs every month at the group.

#### Which are the bright stars of the SGG Group at the moment?

**B.A.M.-** FMCG, agriculture, industry and also event management; these four are my flagships and each one of them is performing above our targets. The targets were aggressively achievable, but we still hit over them. Definitely we have challenges, and some changes are really difficult right now to adopt due to the diversification of the business lines.

#### Which are some of the biggest challenges you have faced since you took over?

**B.A.M.-** In any transforming organisation the main challenge is the culture. Changing the mindset, implementing the right systems and measuring tools is the key, where people stop being doers and become thinkers, therefore, everybody has a clear KPI now and is results oriented. Moreover, saying no to some requests and activities that are not in line with the strategy creates discomfort for some individuals that are not supportive of the change.

#### How is the organisation reacting to this massive change?

**B.A.M.-** We have people who have embr-



ced it and are reaching their targets, and we have others who just walk away. The organisation is becoming like a washing machine, and if you are not embracing the shareholders' and the board members' strategy and its responsibilities, as well as their targets, automatically you will feel left out and you will washout.

#### What would the group like to achieve in the next few years?

**R.A.-** We would like to become a global player and be among the top 100 companies in the kingdom in the next five years, and we want to be a part of the Vision 2030 that will add value to the country and the community as we move forward.

#### What was your first reaction when you heard about Vision 2030?

**B.A.M.-** I believe that when cultures and civilisations clash, eventually culture will win. So when Vision 2030 was announced, I was one of the greatest supporters. It was not only a Vision, but it was changing our culture; now that we have a vision, we all have to work towards it and change the working culture, government relationship, and the way we conduct business.

When the announcement came, many people were skeptical, but immediately we saw action and changes, impacting our day-to-day life. Our way of living is changing with it and therefore change will be sustainable.

#### So are you optimistic about the changes happening in the kingdom?

**B.A.M.-** Vision 2030 is already in place and on track. As much as we support and adapt to it, more opportunities will arise from it. In simple words, the train is moving and we want to be part of the train.

Changes are happening and they are coming for the better. It might be uncomfortable because no change is comfortable, but we can see its positive economic effects. It is difficult, however today we are hitting record highs already in the first half of 2018.

## INTERVIEW WITH FAHAD KHALID AL QAHTANI

### CHAIRMAN OF INKAN HOLDING

When Vision 2030 was announced, Inkan Holding was already ahead of the competition in Saudisation, and its chairman Fahad Khalid Al Qahtani believes that the time to take advantage of the opportunities in the kingdom is now and offers its experience to collaborate with technologically-savvy foreign partners in the Eastern Province



#### In what sectors is Inkan Holding working?

**F.K.Q.-** The core of our business since we started a decade ago is industry, as we are serving the oil and gas, chemical, environment and water treatment industries. We are active in the transportation and construction sectors as well. All these are equally important to us and we try as much as possible to balance them, and each line is headed by highly qualified Saudi manager and that reports to me. We currently have around 300 employees.



#### What was your first impression when you heard about Vision 2030?

**F.K.Q.-** As I see it, Vision 2030 is a very ambitious business and economic plan by which the Crown Prince wants to achieve deep reforms on the economy and to make businesses processing easier. Of course for that many rules are changing, and the government is now focusing on the private sector to take the lead in the economy. I used to be very active in the Chamber of Commerce and we were very involved in the process of reforms leading to Vision 2030, and we were also involved in helping others understand the vision, in changing the old mentality and making things simpler and more open.

#### Do you now believe that Vision 2030 will be positive for the Eastern Province?

**F.K.Q.-** I think much before 2030 we will see positive results. For instance, there were many sectors that were closed to competition, like the defence sector, but they are all opening up. Inkan Holding was recently represented in the AFED 2018 Defence Fair in Riyadh by our mechanical group, and several agreements were reached regarding spare parts.

#### Which sectors do you think are best positioned to take advantage of these changes?

**F.K.Q.-** All of them. The vision has started to take out the bad weeds under the tree, and by that I mean the people working in the streets with no legal documents that are spoiling the businesses in the private sector. So we are growing our market by offering high quality products and complying with all regulations. The government is also trying to make the legal processes for the private sectors a lot easier, and companies are looking at using products with higher local content, such as Aramco and Sabic.

#### Are you open for further partnerships?

**F.K.Q.-** I think that for everyone looking forward to doing some great business, Saudi Arabia is the right place to be. There are still many international products imported into our market, and there is a clear advantage in having them manufactured locally. It is a golden opportunity, since Saudi Arabia is in the heart of the Middle East, and close to Africa, Europe and Asia. Here at Inkan Holding, we have been approached by many international companies for partnership and many dialogues are ongoing.

You would be amazed to find that some of our products are taken to other countries for manufacturing and then sold back to us. I have been working in the oil and gas industries and

I have worked as the chairman for the national industrial committee in the chamber of commerce, and I can tell you that Vision 2030 will indeed increase the industrial growth of the Eastern Province.

#### What would you say are the your challenges in the near future?

**F.K.Q.-** The major challenge is indeed Saudisation, and finding the right local talent in the industrial sector. In fact we started Saudisation long before most companies, with some Saudis that started with low positions and they are now managers. Some of them were studying while working and now these are some of our success stories in Saudisation. We also work with a lot of local learning Institutes to find the right Saudi candidates.

Our other challenges have to do with technology. We do our own R&D, and we are looking for technical partners and international companies. To have a local production you need to deal with three elements, which is workforce, which is a big challenge here in Saudi Arabia; capital, which is not a problem; and raw materials, which are now available locally. Intellectual property is well protected in Saudi Arabia, so we are in the middle of discussions with international firms in order to have joint-ventures and set up local production for the domestic market and exports.

#### Are you optimistic for 2018 and beyond?

**F.K.Q.-** Yes, I am. In fact, many people say that 2017 was a bad year for them but it was the best year for us. Looking at the past few months, we can say will close 2018 on a great note as well. And by 2020, our goal is to launch an IPO. What I would like to transmit to foreign investors is this: come and invest before the opportunities are over. The Saudi economy is growing and you need to act now and catch up with the growth, because if you wait for two or three years the opportunities might be over.



Pioneers in Saudi Rubber, Since 2004.



National Rubber Parts Factory is a member of YOUSIF H. AL-FARAN AL-DOSSARY SONS GROUP and is located at Dammam 2nd Industrial City. NRP was incorporated in the year 2004 and has since been manufacturing quality rubber products to meet the customized needs of its growing client base in all sectors, including Oil & Gas, Automotive, Construction and Public Works.

"At NRP, our main focus is to shift the dependency of the local market on sourcing rubber products from overseas, through supply of products with matching criteria and increased standards at economic prices, locally."

 NRP.YHF - E-mail: [ruber@yhfossary.com](mailto:ruber@yhfossary.com) [www.yhfossary.com](http://www.yhfossary.com)



انكان القابضة  
INKAN HOLDING

# INDUSTRY .. TO SUPPORT THE INDUSTRY



تأهيل  
TA'HEEL

Environmental Services  
Hydrocarbon & Glycol Recycle  
Spent Caustic Treatment  
Incineration



انسبت  
insubit

Ferric Sulphate  
Ferric Chloride  
Admixtures  
Release Agents



موريات  
MORIAT

Transportation Tankers  
Super Suckers  
Flatbed Trailers



كيماويل  
CHEMAOIL

White Spirits & Solvents  
Drilling Oils  
Paraffin Oils  
Transformer Oils



Heat Exchangers, Pressure Vessels  
Reactors, Skid Systems, Flares,  
Wind Towers, Piping, Services  
ASME & NB Certified Shop



INKAN ENGINEERING  
CONTRACTING

Mechanical Works  
Steel Fabrication  
Shutdowns & Repairs  
Maintenance & Commissioning

[www.inkan.com.sa](http://www.inkan.com.sa)



# مجموعة سعيد غدران SAEED GHODRAN GROUP

Since 1940

