FindMe in Bahrain

As the unrest in Bahrain comes to an end after the promulgation of bold reforms and improvements made to the social system, the country continues attracting international investors that choose the Gulf Island as headquarters for their operations in the MENA region. Bahrain has a business-friendly economy with a strong and well-regulated financial system that felled the weight of the global financial crisis but remained solid. With world-class commercial regulations and entities, Bahrain also continues diversifying its economy from oil to downstream industry, tourism, shipping, aviation, and logistics. Its strategic location bordering Saudi Arabia, the biggest consumer market of the region, makes the island an attractive option for international companies interested in the Middle East. FindMe in Bahrain aims to be a recollection of a year of happenings in the country; the answers to the big 5 Ws presented in a book that combines the most important monthly news, updates, and trends with interviews and articles on heritage, culture, or lifestyle. With the Formula 1 coming back to the island, the biggest Islamic bank in the world, and a number of other initiatives to reactivate the economy and showcase the country, we are sure that 2012 will be a year of consolidation and growth for the Gulf state.

FindMe in Bahrain is designed for a new generation of business globetrotters interested in the investment opportunities but also in the culture and traditions of the country. It will be distributed nationally and internationally reaching nearly half a million readers, its final purpose is to become the book of reference for those coming to Bahrain and for those that already live there.

For advertising content please contact:
Ms. Yevgeniya Vygulyar / yevgeniya@globalgulfconsulting.es / +973 39051168 - 39428666

For editorial content, please contact:
Ms. Nayra Delgado / nayra@globalgulfconsulting.es / +973 36532700

***A PUBLICATION PRODUCED BY GLOBAL GULF CONSULTING in collaboration with Bahrain Economic Development Board, Bahrain Chamber of Commerce & Industry, Bahrain Ministry of Culture and Tourism & Mumtalakat

www.globalgulfconsulting.es
Saudia is now a member of SkyTeam, the global airline alliance
On 29 May, 2012 Saudia became a full official member of SkyTeam. SkyTeam is a global airline alliance providing customers from member airlines access to an extensive global network with more destinations, more frequencies and more connectivity. Passengers can earn and redeem Frequent Flyer Miles throughout the SkyTeam network. SkyTeam member airlines offer customers over 520 lounges worldwide. The eighteen members are: Aeroflot, Aerolineas Argentinas, Aeroméxico, Air Europa, Air France, Alitalia, China Airlines, China Eastern, China Southern, Czech Airlines, Delta Air Lines, Kenya Airways, KLM Royal Dutch Airlines, Korean Air, Middle East Airlines, Saudia, TAROM and Vietnam Airlines. SkyTeam offers its 537 million annual customers over 14,968 daily flights to 993 destinations in 186 countries.
6 · W Guides: Find me in Saudi
MOGAREB
MAINTAINS A GEARED UP STRATEGY PROVIDING CUSTOMER ORIENTED, SUSTAINABLE AND AFFORDABLE HOUSES ALIGNED TO THE KINGDOMS HOUSING STRATEGY

WE KNOW WHERE WE ARE, WHERE WE SHOULD BE AND HOW TO GET THERE

OUR SERVICES ARE INTEGRATION SERVICES FOR YOUR PROJECTS
What to find in @findmeinsaudi

TABLE OF CONTENTS

Who we are? 11

Wondering about Saudi? 12

Words of HRH Prince Sultan Bin Salman 16

Country fact file 18

Who rules the Kingdom of Saudi Arabia? 32

Walk through History 36

Websites that will help 38

What, when, where, who & why in Saudi Arabia? 40

Why oil runs the world 48

Why to invest in KSA? 54

Who Build your dream home? 82

When oil became plastic 94

Wedding regions 138
Creating strong partnerships

BankMuscat has been providing world class banking expertise to corporate houses in Oman for over a quarter of a century. Now, with one of the best and most knowledgeable teams in Corporate Banking in Saudi Arabia, BankMuscat is ideally placed to provide financial assistance to businesses, both in commerce and industry.

BankMuscat in Saudi Arabia aims to cater to the needs of small businesses and medium and large corporate houses by offering a wide range of corporate finance products ranging from traditional working capital finance to project finance. The Bank’s clients include multinational and domestic companies engaged in activities across all sectors of the economy such as contracting, trading, power, water, telecommunications, oil & gas, real estate and international trading.

The Corporate Banking group works with the customer in understanding their often-complex business needs and suggests comprehensive and integrated solutions that meet their requirements.

www.bankmuscatsa.com
What to find in @findmeinsaudi

TABLE OF CONTENTS

- Welcome to the Kingdom (p. 286)
- What to eat (p. 291)
- What to see (p. 292)
- Where to stay (p. 300)
- World of Heritage (p. 304)
- Wondering in... 24 hours in Riyadh (p. 310)
- A weekend away in Doha (p. 312)
- A weekend away in Bahrain (p. 320)

- Where money is still available (p. 160)
- Why aren’t you connected? (p. 214)
- Witnessing the hospitality revolution (p. 228)
- Well-being transformation (p. 262)
- Wisdom to develop a nation (p. 286)

@biz: e-Country Economic Guide
@fun: e-Country Leisure Guide
WHO WE ARE

FindMe in Saudi is a production of the Saudi Commission for Tourism and Antiquities (SCTA) and the international communications firm Global Gulf Consulting (GGC).

Management
Nayra Delgado, Managing Director and Editor-in-Chief

Editorial
Nayra Delgado
Nicholas Bruneau
Bonnie Bagger
Ayman Hilal (staff writer who’s who)

Proofreading
Bart Peeters

Editorial Supervision (SCTA)
Najla A. Al-Khilifah
Rabih Shaddad

Production
Roberto Puente
Yevgeniya Vyglyar

Photography
SCTA
Adrian Haddad

Lay out and Design
Azulflojo Diseño & Comunicación

Special Thanks
The team of Global Gulf Consulting would like to thank His Royal Highness Prince Sultan bin Salman, Chairman of SCTA, and his team for the support given to this project. We would also like to thank all our sponsors and interviewees for their time, support and trust.

This guide is dedicated to all the people of KSA in a time of change and expansion.
Wondering about Saudi

Facts & Curiosities

KSA is the 14th largest country in the world.

80% of the population of Saudi Arabia totals around 27 million and are under the age of 30.

KSA’s birth rate is the 2nd in the world with 2.9%, just after Yemen.

KSA is the most generous aid donor in the world, donating 3.4% of its GDP, almost five times the 0.7% asked for by the UN.

MADAIN SALEH

Is an ancient Nabatean city in Saudi Arabia similar to Petra in Jordan and just a few hundred miles away of it.

KSA’s is home to the Empty Quarter, one of the largest sand deserts of the world.

MEMBER OF

WTO

KSA is since 2005.

G20

MEMBER OF

KSA is since 2008.
KSA is a continent on its own with different climates and landscapes, ranging from forested mountains to sandy deserts to green oases to the breathtaking underwater life of the Red Sea.

Saudi Arabia holds the 13th place in the World Bank’s 2010 Ease of Doing Business Report.

The soil of Saudi Arabia contains 28 different mineral deposits and the country will soon become the leading exporter of phosphate and bauxite.

KSA is the world’s leading oil exporter with the largest oil reserves inspired the creation of OPEC and is a founding member of the organisation.
Wondering about Saudi

FACTS & CURiosITIES

KSA is the cradle of

Islam

the birthplace of the prophet
Mohammed and home to the
Two Holy Mosques
in Mecca & Medina

King Abdullah
is also known as “the
Custodian of the Two
Holy Mosques”

HRH Prince Sultan bin Salman,
Chairman of the SCTA, was the
First Arab to Travel in Space

Every year nearly

15,000 People
come to Saudi Arabia as pilgrims to perform Hajj

Islam is the fastest growing
religion in the world with
1.4 Billion Muslims
(one third of the world’s population)

Saudi Arabia owns

$500 Billion
in foreign assets around the world
Greetings.

It is a great pleasure to welcome you to the Kingdom of Saudi Arabia, a changing country headed towards a new future. Many things have changed in our country over the past ten years and much more will still evolve. In a world which is ever more connected and interdependent, Saudi Arabia aims to play a major role in international politics and the global economy.

A member of the World Trade Organization (WTO) since 2005 and the G20 since 2008, Saudi Arabia is witnessing a golden age of development while the global economy is still experiencing a downturn. With large-scale investment in infrastructure, industry, housing, health and education, Saudi Arabia is attracting huge inflows of foreign investment and gaining its rightful place in world trade.

By teaming up with the private sector and working incessantly to facilitate the incorporation of new companies and cut red tape, Saudi Arabia has succeeded in being nominated the 12th country for ease of doing business worldwide in the World Bank’s annual survey, far affront of countries like Germany that figures at number 19th or France at number 29th, and tops the list within the MENA region.

As the world’s first exporter of oil, our country is rich in more than natural resources alone. KSA also has an extraordinarily rich culture and heritage. Overseeing the preservation of our past and working towards a sustainable development of the country is the Saudi Commission for Tourism and Antiquities (SCTA).

In association with international communications company Global Gulf Consulting, the SCTA is proud to present FindMe in Saudi - a guide to the country in its 2013 incarnation, offering a multi-faceted overview that combines business and leisure, economy and heritage.

FindMe in Saudi aims to capture the current development of Saudi Arabia in the words of the people who live and work here. It has the ambition to be an authoritative source of information for investors, businessmen and travellers, providing you with all the information you need to know at your fingertips. It is time to firmly position KSA as an attractive investment destination.

HRH Prince Sultan Bin Salman
Bin Abdul Aziz
Chairman of the SCTA
Seize the Opportunity

Tourism is everyone's business - connecting stakeholders

With over 12 million visitors a year

All this in the largest oil producer of the world with one of the highest economic growth rates

Discover one of the fastest growing sectors in the Saudi economy with almost one hotel opening every month

The uniqueness of the cradle of Islam and the home of the Two Holly Mosques

And nearly 3,000 kilometres of coastline and pristine beaches

Embodying over 2,000 archaeological sites

A market of 27 million people with the fastest birth rates in the world

With billions invested every year in the infrastructure projects such as high-speed trains, highways, airports expansion and renovation and other developments that will allow tourism to flourish

In an incipient market for the MICE industry

Book your space and come to

Saudi Travel & Tourism Investment Market
Riyadh International Exhibition Center
March 31 - April 04, 2013

Discover the investment opportunities, meet the leading tourism companies and institutions, launch your tourism products and listen to international experts on the sector's growing perspectives at STTIM.
**Country name**
Kingdom of Saudi Arabia.

**Local Country Name**
Al-Mamlakah al-Arabiyah as-Saudiyah.

**Flag**
On an agreen background, the Muslim creed in Arabic: “There is no god but God: Muhammad is the Messenger of God.”

**Emblem**
A date palm, representing vitality and growth, and two crossed swords, symbolising justice and strength rooted in faith.

**National day**
September 23th, commemorating the foundation of the modern Kingdom of Saudi Arabia in 1932. The date changes according to the Islamic calendar.

**National anthem**
“Aash Al Maleek” (Long Live Our Beloved King). It was adopted in 1950 and in 1984 a small change in lyrics was made. The instrumental version, known as the Royal Salute, is also the name of the ceremony played to salute senior members of the royal family as well as diplomats.

English translation:
Hasten
To glory and supremacy,
Glorify the Creator of the heavens!
And raise the green flag
Carrying the emblem of God,
Repeat: God is the greatest!
O my country!
My country,
Live as the glory of Muslims!
Long live the King
For the flag
And the homeland!
Population
26,534,504 (July 2012 est.) including 5,576,076 non-nationals. Over 60% is under the age of 30. The total number of homes is 4.6 million.

Population by region
Mecca with 5.4 million including the commercial city of Jeddah; Riyadh Province with a population 4.8 million; Eastern Province including the oil rich cities of Damman & Alkhobar with 3 million; Asir with 1.6 million; Medina with 1.3 million is the spiritual capital of the Muslim world together with Mecca; Jizan in the south bordering Yemen with 1 million and conservative Qassim in the North with 980 million.

Population growth rate
1.523% (2012 est.)

Ethnic groups
Arab 90%, Afro-Asian 10%.

Religion
Islam is the official religion of the country and is also the basis of the legal system.

Language
Arabic, but English is widely spoken in the business environment

Literacy
86.6%

Unemployment rate
10.9% - Unemployment amongst the youth amounts to 28.2% most of them being female.
**GEOGRAPHY, WILDLIFE & NATURAL RESOURCES**

**Location**
Occupying 80% of the Arabian peninsula, bordering the Persian Gulf in the west and the Gulf of Aqaba and the Red Sea in the east. At the crossroads of Europe, Asia and Africa; bordered on the north by Jordan, Iraq and Kuwait, on the south, by Yemen and Oman, and on the east by the United Arab Emirates, Qatar and Bahrain.

**Area**
2,149,690 sq km (14th largest country in the world, approximately the size of Mexico, Congo or Greenland); only 0.7% is arable land.

**Coastline**
2,640 km

**Terrain**
Varied; fairly harsh, with salt flats, gravel plains and sand deserts; a few man-made lakes but no permanent streams; in the south, the Rub Al-Khali (Empty Quarter), one of the largest sand deserts in the world; in the southwest, green mountain ranges of over 3,000 metres high.

**Weather**
Hot and mostly dry, milder in the winter months Hottest month: July, 26-42°C (average daily minimum and maximum); coldest month: January, 8-12°C; driest months: July, September, October, 0 mm average rainfall; wettest month: April, 25 mm average rainfall.

**Capital**
Riyadh

**Provinces**
Saudi Arabia has 13 provinces or administrations: Al Bahah, Al Hudud ash Shamaliyah (Northern Border), Al Jawf, Al Madinah, Al Qasim, Ar Riyad (Riyadh), Ash Sharqiyah (Eastern Province), Asir, Ha’il, Jizan, Makkah, Najran, Tabuk.

**Main cities**
Riyadh, the capital; Jeddah, the commercial city; Mecca & Medina, the Holy Cities and Damman and Khobar as the oil rich cities.

**Natural resources**
Petroleum, natural gas, iron ore, gold, copper, bauxite and phosphate.

**Wildlife**
Despite the harsh desert conditions there is a wonderful variety of wildlife in Saudi Arabia. Camels, Gazelles, Wolves, Sand Cats, Mongoose, Hares, Ruppell’s Foxes, Nubian Ibex, Arabian Leopard and the Arabian Oryx are some of the inhabitants to the country. There is also an array of avian life coronated by the famous arabian falcons and a wealth of easily accessible fossils of prehistoric times. But if reptiles is your thing, Saudi is heaven for you. Saudi Arabia began setting aside land for protection of natural habitats, flora, and/or fauna in 1978. Currently, the National Commission for Wildlife Conservation & Development (NCWCD) manages 15 protected areas, which encompass 85,557 square kilometers (33,033 square miles).

**WORKING CALENDAR**

**Time**
Greenwich Mean Time plus three (GMT+3) = Eastern Standard Time plus eight (seven during Daylight Savings Time).

**Calendar**
Saudi Arabia’s calendar is the Islamic or hijri calendar, based on the lunar year, which is about 11 days shorter than the Gregorian year. The current Islamic year is 1434 AH.

**Public holidays**
Eid al-Fitr/ Djoulde Soumae (End of Ramadan) 23 Sep Saudi National Day Eid al-Adha (Feast of the Sacrifice) All Muslim holidays are observed in accordance with the Islamic or hijri calendar, based on the lunar year, which is about 11 days shorter than the Gregorian year. The weekend is Thursday-Friday. During the month of Ramadan (approximately July 2013), working hours are reduced and commercial centres open only after sunset. During Eid Al-Fitr, the feast of the breaking of the fast, from the evening of the twenty-fifth day of Ramadan to the fifth day of Shawwwal, all offices and schools are closed. The same happens during Eid Al-Adha, the feast of the sacrifice marking the end of the Hajj, from the fifth to the fifteenth day of Dhu Al-Hijjah, The country’s national day is September 23rd and is sometimes a public holiday. Travelling in the kingdom is particularly affected during the haj period, which lasts for about a month, as well as on Eid al-Adha and during the school summer holidays, which last until mid-September. Muslim festivals are timed according to local sightings of various phases of the moon and the dates given above are approximations. During the lunar month of Ramadan that precedes Eid al-Fitr, Muslims fast during the day and feast at night and normal business patterns may be interrupted. Some disruption may continue into Eid al-Fitr itself. Eid al-Fitr and Eid al-Adha may last anything from two to 10 days, depending on the region. During Hajj (when pilgrims visit Mecca) all government establishments and some businesses will be closed for 10 to 14 days.

**Business working hours**
Government offices open Saturday through Wednesday from 7:30 am to 2:30 pm; private businesses from 8:00 am to noon and from 3:00 pm to 6:00 pm; general banking from 8:00 am until noon and from 5:00 pm until 8:00 pm; markets and shops from 8:00 am until 10:00 pm. Shops and offices are mandatorily closed to the public during the five daily prayers. The official weekend days are Thursday and Friday. This is comparable to the Saturday/Sunday weekends in the western world where most families run errands on Saturday (Thursday) and then attend religious services on Friday/Sunday (Jumah prayers at the masjid/church services in the west).
### ECONOMY IN NUMBERS

**GDP (Purchasing Power Parity)**
$691.5 billion (2011 est.) 24th in the world.

**GDP Growth**
6.8 percent (2011 est.).

**GDP per capita**
USD 24,500 (2011 est.) 55th in the world.

**GDP - composition by sector**
Industry 69.1 percent, services 28.9 percent and agriculture 2 percent.

**Budget**
Revenues USD 295.7 bn - Expenditures USD 214.3 bn.

**External debt**
USD 101 bn (2011 est.).

**Public debt**
9.4% of GDP.

**International Reserves**
USD 659.7 bn (2011 est.).

**Electricity**
Production 194.4 bn kwh - Consumption 174.5 bn kwh (2008-2009 est.).

**Oil production**
10.52 mn bbl/day (2010 est.); world's number 1.

**Proved Natural Gas Reserves**
7,807 trillion cu m - world's number 4.

**Natural gas - production**
83.94 billion cu m (2010 est.); World's number 11.

**Exports**
USD 350.7 bn

**Main exports**
90% of the total is petroleum or petroleum products.

**Main exports destinations**
Japan 13.9%, China 13.7%, US 13.4%, South Korea 8.8%, India 10.2%, Singapore 4.9% (2011 est.).

**Imports**
USD 106.5 bn

**Main imports**
Machinery and equipment, foodstuffs, chemicals, motor vehicles, textiles.

**Main imports partners**
China 12.8%, Germany 7.1%, Japan 6.9%, Italy 4.1%, India 5.3%, South Korea 6% (2010).

**Agriculture products**
wheat, olives and olive oil, barley, tomatoes, melons, dates, citrus; mutton, chickens, eggs, milk.

**Industrial products**
Crude oil production, petroleum refining, basic petrochemicals, ammonia, industrial gases, sodium hydroxide (caustic soda), cement, fertilizer, plastics, metals, commercial ship repair, commercial aircraft repair, construction.

---

### Source: EIU CIA Worldfact Book, Saudi Ministry of Economy and Planning

#### Table: Economy in Figures 2012

<table>
<thead>
<tr>
<th>Item</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>#</td>
<td>(1427/28)</td>
<td>(1428/29)</td>
<td>(1430/31)</td>
<td>(1431/32)</td>
<td>(1432/33)</td>
</tr>
<tr>
<td>SR Million</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Expenditure on Gross Domestic Product (1999 constant prices)**
<table>
<thead>
<tr>
<th>Item</th>
<th>802,211</th>
<th>836,133</th>
<th>836,938</th>
<th>879,784</th>
<th>941,849</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Consumption Expenditure</td>
<td>695,141</td>
<td>726,807</td>
<td>757,889</td>
<td>790,187</td>
<td>10.9</td>
</tr>
<tr>
<td>Private consumption</td>
<td>408,163</td>
<td>422,559</td>
<td>450,725</td>
<td>478,531</td>
<td>17.7</td>
</tr>
<tr>
<td>Public consumption</td>
<td>286,976</td>
<td>304,248</td>
<td>307,164</td>
<td>311,656</td>
<td>2.4</td>
</tr>
<tr>
<td>Changes in stock</td>
<td>751</td>
<td>30,191</td>
<td>3,167</td>
<td>9,823</td>
<td>-96.5</td>
</tr>
<tr>
<td>Gross Fixed Capital Formation</td>
<td>251,082</td>
<td>282,820</td>
<td>269,947</td>
<td>281,073</td>
<td>18.8</td>
</tr>
<tr>
<td>Private investment</td>
<td>126,904</td>
<td>140,038</td>
<td>132,277</td>
<td>138,718</td>
<td>39.3</td>
</tr>
<tr>
<td>Public investment</td>
<td>54,639</td>
<td>54,512</td>
<td>43,167</td>
<td>46,794</td>
<td>37.5</td>
</tr>
<tr>
<td>Exports of goods &amp; services</td>
<td>320,928</td>
<td>307,345</td>
<td>284,966</td>
<td>299,711</td>
<td>2.7</td>
</tr>
<tr>
<td>Less: Imports of goods &amp; services</td>
<td>320,928</td>
<td>307,345</td>
<td>284,966</td>
<td>299,711</td>
<td>2.7</td>
</tr>
<tr>
<td>Oil sector investment</td>
<td>251,082</td>
<td>282,820</td>
<td>269,947</td>
<td>281,073</td>
<td>18.8</td>
</tr>
<tr>
<td>Private investment</td>
<td>126,904</td>
<td>140,038</td>
<td>132,277</td>
<td>138,718</td>
<td>39.3</td>
</tr>
<tr>
<td>Public investment</td>
<td>54,639</td>
<td>54,512</td>
<td>43,167</td>
<td>46,794</td>
<td>37.5</td>
</tr>
<tr>
<td>Exports of goods &amp; services</td>
<td>320,928</td>
<td>307,345</td>
<td>284,966</td>
<td>299,711</td>
<td>2.7</td>
</tr>
<tr>
<td>Less: Imports of goods &amp; services</td>
<td>320,928</td>
<td>307,345</td>
<td>284,966</td>
<td>299,711</td>
<td>2.7</td>
</tr>
<tr>
<td>Private consumption</td>
<td>54,639</td>
<td>54,512</td>
<td>43,167</td>
<td>46,794</td>
<td>37.5</td>
</tr>
<tr>
<td>Public consumption</td>
<td>54,639</td>
<td>54,512</td>
<td>43,167</td>
<td>46,794</td>
<td>37.5</td>
</tr>
<tr>
<td>International Reserves</td>
<td>836,133</td>
<td>836,938</td>
<td>879,784</td>
<td>941,849</td>
<td>7.1</td>
</tr>
</tbody>
</table>

**Note**: r revised; p preliminary; e expected.

Source: Central Department of Statistics & Information, and Ministry of Economy & Planning.
**POLITICAL SYSTEM**

**Government type**  
An hereditary Monarchy of the descendants of the founder of Saudi Arabia King Abdulaziz Al Saud.

**Constitution**  
Based on sharia (Islamic law) and the Basic Law (1992) promulgated by royal decree in 1992. There is no written constitution.

**Executive Branch**  
Chief of state and head of Government (Prime Minister): King Abdullah bin Abd al-Aziz Al Saud since 1 August 2005. His Apparent Crown Prince Salman bin Abd al-Aziz Al Saud, since June 2012. The monarchy is hereditary and passed onto the direct descendants of King Abdulaziz. However, King Abdullah created by royal decree in 2006 a commission of princes (Allegiance Commission) that will decide future Saudi kings when Crown Prince Sultan becomes King.

**Council of Ministers:** Headed by the king who also holds the post of Prime Minister. All members are appointed by royal decree. All legislation drafted by the Council must be ratified by royal decree and compatible with the kingdom’s interpretation of Shari’a law.

In February 2012 King Abdullah appointed the first woman in history to the council of ministries. Noor Al-Fayez will serve in a new position as deputy minister for women’s education.

**Legislative Branch**  
There is no elected legislature. Conformed by a Consultative Council or Majlis al-Shura of 150 members and a chairman appointed directly by the King to serve four-year terms. It was created in August 1993 and held its inaugural session in December that year. Although it has been announced that elections to Majlis al Shura will be introduced, no action on this direction has been taken so far.

**Judicial Branch**  
Supreme Council of Justice.

**International Affiliations**  
Founding member of Gulf Cooperation Council (GCC), United Nations, League of Arab States, Organisation of the Islamic Conference (OIC), and Organisation of Petroleum Exporting Countries (OPEC); member of many international organisations, including the G-20, the World Bank, the International Monetary Fund (IMF) and the World Trade Organization (WTO); signatory of the Nuclear Non-Proliferation Treaty.

Qasim, Ar Riyad (Riyadh), Ash Sharqiyah (Eastern), ‘Asir, Ha’il, Jizan, Makkah (Mecca), Najran, Tabuk.

**Political Parties**  
Political parties are not permitted.

**Administrative Divisions**  
13 provinces (mintaqat, singular - mintaqah); Al Bahah, Al Hudud ash Shamalyah (Northern Border), Al Jawf, Al Madinah (Medina), Al
MONEY MATTERS

Currency
Saudi Arabian Riyal (SAR or SR) = 100 halala; 5 halala = 20 qurush. Notes are in denominations of SAR500, 100, 50, 10, 5 and 1. Coins are in denominations of 50, 25, 10, and 5 halala. Saudi Riyals are pegged to the US dollar at a fixed rate of 3.74 SR.

Banking hours
Sat-Wed 8AM-12PM and 5PM-8PM; Thurs 8AM-12PM. Money-changers stay open longer.

Money exchange
Most foreign currencies can be exchanged at commercial banks and money-changers, which stay open longer.

Credit cards
American Express, Diners Club, MasterCard and Visa are all widely accepted. Some ATMs are available.

TELECOMMUNICATIONS

International Dialling Code
+966

City codes
Abha 7
Abqaiq 3
Al Khobar 3
Al Kharj 1
Al Markazi 2
Al Ulaya 1
Anak 3
Bukayriyah 6
Dammam 3
Dhahran (Aramco) 3
Hail 6
Hawiyah 2
Hawtah 1
Hofuf 3
Jeddah 2
Jubail 3
Khdij 3
Khamis Mushait 7
Layla 1
Makkah (Mecca) 2
Medin 4
Medina Region 4
Mubarraz 1
Najran 7
Qassim Region 6
Qatif 3
Qediyah 3
Rabigh 2
Ras Tanurah 3
Riyadh 2
Safwa 3
Shaqra 1
Sihat 3
Southern Region 7
Tabuk 4
Taif 2
Tarut Island - Mina and Darin 3
Yenbu 4

Fixed lines
4.166 million (2010).

Mobile lines
51.564 million (2010).

Mobile Operators
There are three main mobile operators in Saudi Arabia. Saudi Telecom Company (STC) as the country carrier, Mobily, ZAIN and Bravo.

Internet Country Code
.sa

Internet users

Facebook users
2,575,740 (2010).

Twitter users
1.6% of the Twitter users come from Saudi Arabia and they generate 2.4% of the pageviews on Twitter.

Internet hosts
147,202 (2011).

Proved Natural Gas Reserves
7,807 trillion cu m - world’s number 4.

Internet penetration
38.1%
BEFORE AND AFTER YOU ARRIVE

Health and safety
Although the medical facilities are generally of a high standard, treatment is expensive and is therefore highly recommended to travel with a health insurance. Vaccinations are not compulsory except for those people travelling from infected areas.

Entry Visa Requirements and Extensions
Obtaining a visa entry to Saudi is not an easy task. There are different types of visas including tourism, business and pilgrim (umrah). Tourism visas have been stopped recently and pilgrim (Umrah) visa can only be obtained through an authorised “Umrah Agency,” appointed by the Ministry of Foreign Affairs. As for business visas, an invitation is normally required from either the government or a local sponsor (see Investment section for more information on sponsorship in Saudi Arabia). Women and under-aged children should be accompanied by a Moharram (close male family member), unless they have prior authorisation. There are also restrictions on women travelling by car with men who are not related by blood or marriage (women are not permitted to drive). The passport should be valid for at least six months at the time of issuing the visa. The visa validity starts from date of issue. The visa stay period starts from the first day of entry into Saudi Arabia within the visa’s valid dates. Umrah visas are valid for 30 days for stays of up to two weeks.

GETTING THERE AND AROUND

Saudi Arabia is one of the most restrictive countries regarding the entry visa. All visitors except from nationals from the Gulf Cooperating Countries (GCC) require advance visas. Tourist visas and women visas travelling alone are even more difficult to get with most of the accepted visas being religious or business visas for men.

Although the port of Jeddah is a very famous port of entry to Saudi Arabia especially for pilgrims, the main entries of the kingdom are its airports. There are three main airports of entry Riyadh, Jeddah and Damman served by the national carrier Saudi Arabian Airlines (SAUDIA). The company is currently restructuring and acquiring new planes. However, the airports are served by most of the international and Gulf major airlines.

For domestic travels, besides Saudia there is a low cost airline, Nasair, that serves all the main destinations within Saudi Arabia. Competition for other airlines to serve the national destinations was opened at the end of 2012.

The Saudi Arabian Transportation Company (SATCO) operates both cross-border travels and national services linking the main cities.

Railroads are not existing as for now but there are imminent plans to create a full-fledged railroad system within the country and a light metro in some of the busiest cities, namely Riyadh or Jeddah. Mecca light train is already functioning linking the two Holly Cities of Mecca and Medina.

You can also enter Saudi through any of its land borders by car. The most transited are Bahrain, UAE and Qatar. However, don’t forget your advanced entry visa if you don’t want to be sent back home.

Within the cities the most common means of transportation are the taxis or the car rentals. All major car rental companies and a very high number of local companies serve the huge market. Meters fares only rarely exist and most of them in Riyadh so it is always better to arrange the price in advance. Women cannot drive and have to use either taxis or a private driver.
OVERSEAS EMBASSIES AND CONSULATES OF SAUDI ARABIA

Embassy of Saudi Arabia in Buenos Aires, Argentina
Alejandro M. de Agudo 2881
1425
Buenos Aires, Argentina
City: Buenos Aires
Phone: 54-11-4820375 / 54-11-48203076
Fax: +54-11-4805181
Email: armemb@mofa.gov.sa

Embassy of Saudi Arabia in Vienna, Austria
Formanekgasse 38 1190
City: Vienna
Phone: (0043 1) 367 25 31, 367 25 32
Fax: 0043 1 367 25 40
Website: http://www.mofa.gov.sa/Detail.asp?nServiceID=227&intemplatekey=MainPage
Email: nicemb@mofa.gov.sa
Office Hours: Office Hours Mon-Thurs: 9 am - 3 pm Fri: 9 am - 1 pm

Embassy of Saudi Arabia in Brussels, Belgium
Av. F.D. Roosevelt, 45
1050
City: Brussels
Phone: 32-2-6492044 / 32-2-6495725
Fax: 22187272
Website: http://www.saudiembassy.org.au
Email: bdemb@mofa.gov.sa

Embassy of Saudi Arabia in Damascus, Syria
Bin Gharir St., Riyadh 11693, P.O.B. 5926941 / 5926942
Website: http://www.saudiembassy.org.sy
Fax: 962-6-5926941 / 962-6-5920155
Email: idemb@mofa.gov.sa
Office Hours: From 9 am to 3 pm
Details: Languages Spoken by Staff: Danish, English

Embassy of Saudi Arabia in Brasilia, Brazil
QL 10, conj. 9, casa 20
05007-0471
City: Brasilia
Phone: 32-483525 - 32-483523
32-484915, 32-484916
Fax: 35-61-32-483205 - 32-484112
Website: http://www.mofa.gov.sa/saudi.asp?nServiceID=221&intemplatekey=MainPage
Email: bremb@mofa.gov.sa
Office Hours: Office Hours Mon-Thur: 9 am - 3 pm Fri: 9 am - 1 pm

Embassy of Saudi Arabia, Brunei Darussalam
No. 1, Simpang 570, Kampong Salar
BU 1429
Bandar Seri Begawan
City: Brunei Darussalam
Phone: 673-2-792621 / 673-2-792823
Fax: 673-2-792720
Email: brnemb@mofa.gov.sa
Details: From 9 am - 3 p.m.

Royal Embassy of Saudi Arabia in Canada
201 SUSSEX DR
Ottawa, ON K1N1K1
City: Ottawa, Ontario
Phone: (+1) 613-237 4100
Fax: (+1) 613-237 5067
Website: http://www.mofa.gov.sa/Detail.asp?nServiceID=6075&intemplatekey=MainPage
Email: alemb@mofa.gov.sa
Office Hours: Office Hours 9 AM - 3 PM

Embassy of Saudi Arabia in Beijing, China
No. 1, Bei Xioo Jie, San Li Tun
100000
City: Beijing
Phone: 86-10-65324825 / 86-10-6532625
Fax: 86-10-65325234
Website: http://www.mofa.gov.sa/Detail.asp?nServiceID=259&intemplatekey=MainPage
Email: cnemb@mofa.gov.sa
Office Hours: 9am - 4pm

Embassy of Saudi Arabia in Accra, Ghana
No. 13, No. 1 Fethiye St
Airport-Quarter
City: Accra
Phone: 233-21-177401
Fax: 233-21-177424
Website: http://www.mofa.gov.sa/Detail.asp?nServiceID=375&intemplatekey=MainPage
Email: ghemb@mofa.gov.sa
Office Hours: 9 AM - 5:00 PM Monday through Friday

Embassy of Saudi Arabia in Havana, Cuba
5ta. Ave. No. 8206 e/ 82 y 84
Miramar
City: Miramar Havana
Phone: 53-7-2041045 / 53-7-2041499
Fax: 53-7-2046401

Embassy of Saudi Arabia, Czech Republic
Al Nuzaa District, Saad Bin Gharir St., Riyadh 11638, P.O.B. 94306
City: Praga
Phone: +4991-4503617-9
Fax: +4991-4508679
Email: czemb@mofa.gov.sa
Office Hours: The Embassy is open to the public Monday to Friday from 09.00 to 15.00. Saudi and Hungarian holidays are excepted. The Embassy is open at 10 o’clock. Our Consular and Visa section is open daily between 09.00 and 12.00 from Monday to Friday. Passports are returned after grant of visa on the afternoon between 13.00 and 14.00.

Embassy of Saudi Arabia, Denmark
Lille Strandvejen 27
Hellerup DK-2000
City: Hellerup
Phone: 45 3962 1200
Fax: 45 39626009
Website: http://www.thesaudi.net/saudi-embassies.htm
Email: dkemb@mofa.gov.sa

Embassy of Saudi Arabia in New Delhi, India
2, Paschimnir, Vasant Vihar, New Delhi-110057
City: New Delhi
Phone: 26144102 / 26144073 / 26144083 / 26144093 / 51693225
Fax: 22187272
A hereditary monarchy in which male descendants of founding king Abdul-Aziz ibn Saud succeed to the throne, and an Islamic state based on the principles prescribed by the Koran (Islam’s holy book) and the sharia (Islamic law).

According to the 1992 Basic Law, the Koran and the prophet’s sunna (recorded traditions) are the country’s official constitution. The power of the king is therefore constrained by the sharia and the clerical establishment (the ulema). In practice, the rest of the Saudi royal family, powerful business groups and the country’s intelligentsia exercise varying degrees of influence too. The ulema, or Islamic clergy, who have a centuries-old alliance with the house of Saud, support the royal political project in return for consultation, status, privileges and a strong influence in areas such as justice and education. The Saudi court system has introduced several secular codes next to the sharia. There are special committees to handle commercial disputes and there are attempts to further codify sharia law.

The king appoints the Council of Ministers, which he also heads as prime minister. The Council of Ministers exercises both legislative and executive powers. The more recently created Shura Council or Majlis Al Shura is an advisory organ whose members are also appointed by the king. In 1997, the Council, which was composed of 60 prominent personalities in Saudi social, political, and religious life, was expanded to 90 members and under king Abdullah again to 150 members. The Majlis Al-Shura advises the king and the Council of Ministers on a regular basis on matters pertaining to government programs and policies and assesses, interprets and modifies the Kingdom’s system of laws, contracts, and international agreements. Members serve four-year terms and are directly appointed by the King.

The first elections ever held since the foundation of the kingdom where in 2005 when municipal councils were partly elected by male Saudis. A much expected second round of municipal elections was held on the 29th of September 2011. However any meaningful democratic reform such as the election of a Parliament is not expected to happen any time soon. Suffrage is limited to males over 21 years of age and political parties are illegal. Direct petitioning of high officials through their majlis or public audience is a well-established tradition.

Legislation is by resolution of the Council of Ministers and Royal Decrees. Justice is administered according to the sharia law by a system of religious courts whose judges are appointed by the king on the recommendation of the Supreme Judicial Council, composed of twelve senior Islamic jurists. The law protects the Independence of the judiciary. The king acts as the highest court of appeal and has the power to pardon crimes and criminals.

In 1993, the late king Fahd promulgated new by-laws for the provincial system to aid in the administration of the country’s provinces and to facilitate their development. The kingdom is divided into 13 provinces and the capital, each headed by an emir (governor) appointed by the king. The governor is assisted by a vice governor, a provincial council composed of the heads of the province’s government departments, and a ten-member council of prominent individuals from the community who are appointed to four-year, renewable terms.
King Abdullah & the succession line

King Abdullah bin Abdul-Aziz, Custodian of the Two Holy Mosques born in August 1, 1923 is the King of Saudi Arabia since August 2005 when he succeeded to the throne upon the death of his half-brother King Fahd. In practical terms he was the regent of Saudi Arabia since 1996 as Crown Prince and from 1962 until only 2010 he was Commander of Saudi Arabian National Guard.

Crown Prince Salam bin Abdulaziz Al Saud, 76, is the successor of the King and his half brother. He was elected heir apparent directly by him in June 2012 after the death of Crown Prince Sultan bin Abdulaziz Al Saud and Crown Prince Prince Nayef bin Abdel-Aziz in a matter of only eight months time. Before this he had been appointed defence Minister in 2011. Prince Salman is known to be one of the most influential senior members of the al-Saud family and one of the “Sudairi seven,” –the seven brothers born of King Abdulaziz and his wife Hussa al-Sudairi-. He is the third crown prince named by King Abdullah since he ascended to the throne in 2005.

Prince Salman had been the Governor of Riyadh since 1965 and is perceived as a reformist for his liberalisation efforts. He has overseen the transformation of the Kingdom’s capital from a desert into a modern ever-expanding city. He enjoys a good relation with the religious establishment but is also regarded as an open-minded man ready for change with a conciliatory spirit. His son, Prince Sultan bin Salman, is the Chairman of the Saudi Commission for Tourism and Antiquities.

Since the creation of Saudi Arabia in 1932 by its founder King Abdulaziz Al Saud, his surviving sons, the Al Saud dynasty, have held the throne in Saudi Arabia. Although the King elects directly the Crown Prince, King Abdullah created an Allegiance Commission that will be in charge of electing future crown princes or heirs apparent within the family to avoid future internal disputes. The Commission is formed by the direct descendants of the founder of Saudi Arabia but will only become operational after the death of the current King of Saudi Arabia, King Abdullah.

On February first 2013, King Abdullah bin Abdulaziz al-Saud appointed his half-brother Prince Muqrin bin Abdulaziz al-Saud second deputy prime minister who became therefore second in line to the throne. Prince Muqrin sworn in to office two days after his official appointment filling the vacant left by Prince Nayef since his death in October 2011.

The 67 years old Prince Muqrin is believed to be in good health and has a large experience in politics. He was the governor of Hail province for 20 years until 1999 when he became the Governor of Medina. In 2005 he was appointed head of the General Intelligence Presidency.

Given the fact that all direct descendents of King Abdulaziz are of old ages, there is a generational swift pressure becoming more obvious. Over the past year several changes were made in the Cabinet on this direction. Younger candidates are now holding key positions as Prince Abdulaziz, King Abdullah’s son, who was appointed deputy foreign minister.

However, it is expected that the new crown prince will still be one of the sons of Abdulaziz. The most likely candidate is the recently named interior minister, Prince Ahmed bin Abdulaziz Al Saud who had been deputy interior minister for the past 35 years and who is the brother of the new heir apparent.
A walk through History

Saudi Arabia’s identity is, above all, defined by Islam. It was in Mecca that the prophet Muhammad received the first revelations from God in 610 CE and it was to Medina that he undertook the hijra in 622 CE. The presence of these two holy places in the country means that the history of Islam and that of Saudi Arabia cannot be separated. Likewise, the Kingdom of Saudi Arabia cannot be separated from the house of Saud, the current rulers of Saudi Arabia who struggled for 200 years to create the country, finally succeeding in 1930, after two earlier attempts in 1756 and 1824. Six years after the proclamation of the third Saudi state in 1932, oil was discovered in the kingdom. As the oil started pouring out, foreign companies and western influence poured into Saudi Arabia, marking the beginning end of the long isolated Bedouin nature of the country.

The origins

Over 5,000 years ago, caravans were already plying the ancient trade routes crossing the Arabian Peninsula. Passing through and occasionally settling in the area, they have left behind a rich heritage that speaks of many cultures and civilisations. In the south, Yemen – or Arabia Felix as the Romans called it – was a fertile agricultural area where various empires succeeded each other. The north east of the peninsula and the island of Bahrain were extensions of the Mesopotamian civilisation. By the seventh century CE, Mecca, the cradle of Islam and the annual hajj destination of Muslims, was a prosperous trading hub and a centre of pagan worship. Mohammed had to flee the wrath of the traders to Medina, but later returned triumphantly, establishing the worship of Allah as the only God in Mecca and forging the Arab Bedouin tribes into a formidable united fighting force which was to spread Islam from the Atlantic to the Indian ocean in little more than two hundred years. Mohammed’s successor as the leader of the faithful or caliph was his companion Abu Bakr, who in his turn was succeeded by Umar, Uthman and finally Ali. Together they are known as the four rightly guided caliphs. They were followed by the Umayyad caliphate and later the Abbasid caliphate.

The original unified Muslim empire progressively fragmented into smaller entities, which were consecutively overrun by the Huns and Seljuks (who themselves converted to Islam after conquering parts of the empire) and finally conquered by the Ottoman Empire. Most of the peninsula however, and specifically the central Najd desert area, remained under independent tribal rule for much of this period. By the time the Saudis made their first efforts to conquer the territory and establish a unified state of Saudi Arabia, only the Hijaz in the west, with Mecca, Medina and Jeddah, and the area of Hassa, which is now the eastern province, were under the rule of the Ottomans. The British, meanwhile, had established treaties with the coastal emirates (Bahrain, Kuwait, Qatar, UAE, Oman) that were consequently known as the Trucial States.
Muhammad ibn Saud founded the first Saudi State in 1744. Starting from his stronghold in Ad-Diriyyah on the Nejd plateau of central Arabia, he joined forces with Imam Muhammad ibn-Abd-al-Wahhab, a reformist Islamic scholar, to unify the Arabian Peninsula under the rule of Islam. From the very beginning, then, the support of the clerics and the maintenance of a conservative interpretation of Sunni Islam (often unofficially known as wahhabism) are the traditional cornerstones of the Al Saud family’s legitimacy. This first effort was thwarted by the Ottoman Empire, which did not wish to have a powerful independent ruler on its southern flank and sent in the armies of the semi-independent Egyptian ruler Mohammad Ali. In 1825, the Saud Family seized power again and declared the second Saudi State, only to be defeated by their local rivals, the Rashid clan. Finally, in 1902 King Abdul-Aziz bin Abdulrahman Al-Saud, the founder of the current Saudi State, returned from the family’s exile in Kuwait and re-conquered Riyadh after eleven years of domination by the Rashids. He continued to fight for the unification of what would become the kingdom of Saudi Arabia and finally met with success in 1932. Six years after King Abdul-Aziz’s achievement, the discovery of oil in the soil of Saudi Arabia changed everything, transforming a poor Bedouin state into a rich rentier economy almost overnight. The country’s political and social make-up, however, remained firmly conservative.

King Abdul Aziz died in 1953 and was succeeded by his eldest son Saud and later by Saud’s younger brother Faisal, the former foreign minister and a man known both for his religious devotion and audacious reforms. Faisal’s assassination in 1975 brought his brother Khalid to power, who was in turn succeeded by Fahd and finally, in 2005, by Abdullah, who had been the de facto ruler since 1995 already due to Fahd’s health problems. Abdullah’s accession to full power has allowed him to boost his already ongoing reform and development program to its current dimensions. Up until now, the succession tradition has seen different sons of ibn Saud succeeding each other at the head of the family and the helm of the kingdom, but in 2007 king Abdullah created a succession council, consisting of senior members of the Saud family, to elect the future rulers of the country.

Over the years, under the rule of the house of Saud, the kingdom has gone through many crises and periods of prosperity, usually determined by fluctuations of the Brent price. During the 1973 Arab-Israeli War, Saudi Arabia participated in the OPEC oil embargo that led to a dramatic increase of the oil price and to the kingdom gaining control of its own resources, culminating in the full nationalisation of the Arab-American Petroleum Company (Aramco) in 1980. However, this was soon followed by a period of instability and war in the region, starting with the 1979 Iranian revolution that deposed the Shah, almost immediately followed by Saddam Hussein’s attack on Iran. The Iran-Iraq War ended only in 1989. In 1991, Saddam’s invasion of Kuwait led to the first Gulf War followed by twelve years of crippling sanctions on Iraq. Meanwhile, smouldering border conflicts between KSA and Yemen and civil war inside that country, as well as the ever-festerising Israeli conflict maintained a culture of insecurity and instability. These factors taken together have led to KSA spending much of its newly increased revenues on armaments while maintaining a generous welfare state domestically. Then came the eighties and nineties that saw a dramatic and sustained drop in the oil price. Consequently, much needed renovation and expansion of the infrastructure kept being delayed and the project to diversify the Saudi economy away from its oil dependency failed to take off properly.

On September 11th, 2001, the attacks on the twin towers led to the ‘war on terror’ and ultimately to the 2003 invasion of Iraq. Oil prices immediately rose to unprecedented limits and have remained at high levels until this day, facilitating king Abdullah’s massive modernisation and reform project, which has transformed the country beginning in 2005. The long-term development strategy, most recently formulated in the five-year development investment plan for 2009-2014, focuses on the diversification of the Saudi economy. This is badly needed as oil exports still account for more than 90% of export earnings and nearly 75% of government revenues. Much attention and heavy investments also go to health care, education and job creation. The latter is part of an effort to replace the previously existing – but ultimately unsustainable - welfare state with a regular economy offering employment and career opportunities at home for a young and quickly expanding population.
COUNTRY PROFILE

Saudi Arabia Country Profile UNDATA.

Saudi Arabia Country Profile CIA World Factbook

Saudi Arabia Country Profile Saudi e-government National Portal

SAUDI GOVERNMENT MINISTRIES

www.commerce.gov.sa   (Ministry of Commerce)
www.madmoc.com   (Ministry of Commerce / Madinah Branch)
www.saudinf.com   (Ministry of Information)
www.agrwat.gov.sa   (Ministry of Agriculture and Water)
www.mofa.gov.sa   (Ministry of Foreign Affairs)
www.moe.gov.sa   (Ministry of Higher Education)
www.raj.com.sa   (Ministry of Religion)
www.moj.gov.sa   (Ministry of Justice)
www.moh.gov.sa   (Ministry of Health)
www.mcs.gov.sa   (Ministry of Civil Service)
www.moda.gov.sa   (Ministry of Defense & Aviation, Private information Center)
www.haj.org.sa   (Ministry of Haj)
www.mol.gov.sa   (Ministry of Labor and Social Affairs)
www.planning.gov.sa   (Ministry of Planning)
www.mwpwh.gov.sa   (Ministry of Public Works and Housing)
www.ai-islam.com   (Ministry of Islamic Endowments and Guidance Affairs)
www.mopm.gov.sa   (Ministry of Petroleum and Mineral Resources)

SAUDI GOVERNMENT AGENCIES

www.customs.gov.sa   (Saudi Customs Department)
www.ports.gov.sa   (Saudi Ports Authority)
www.saso.org.sa   (Saudi Arabian Standards Organization)
www.posi.com.sa   (General Organization for Social Insurance, GOSI)
www.pca.gov.sa   (Presidency of Civil Aviation)
www.gdp.gov.sa   (The Directorate General for Passports)
www.shura.gov.sa/englishsite/elindex.htm   (Shura (consultative) Council)
www.mepa.gov.sa/eng_frame.htm   (Meteorological & Environmental Protection Ad.)
www.swcc.gov.sa/default_e.htm   (Saline Water Conversion Corporation)
www.sctsaud.com   (Supreme Commission for Tourism)
www.gab.gov.sa   (The General Auditing Bureau)
www.haras.gov.sa   (Saudi National Guard)
www.haras.gov.sa   (Public Security, Ministry of Interior)
www.gpvw.gov.sa   (General Presidency for Youth Welfare)
www.sagia.gov.sa   (Saudi Arabian General Investment Authority, SAGIA)

www.jc.gov.sa/   (Jubail Industrial City)
www.sama.gov.sa   (Saudi Arabian Monetary Agency)
www.sfd.gov.sa   (The Saudi Fund for Development)
www.isdb.org/english_docs/idb_home   (The Islamic Development Bank)
www.pension.gov.sa   (Public Pension Agency)
www.modon.gov.sa   (Saudi Industrial Property Authority)
www.sar.com.sa   (Saudi Railway Co. (SAR))

SAUDI ARABIAN COMMERCIAL BANKS

www.anb.com.sa   (Arab National Bank)
www.alahti.com   (The National Commercial Bank)
www.riyadhbank.com.sa   (Riyadh Bank)
www.samba.com.sa   (Saudi American Bank)
www.sabb.com.sa   (The Saudi British Bank)
www.alfransi.com   (Al Bank Al Saudi Al fransi)
www.baj.com.sa   (Bank Al-Jazira)
www.shb.com.sa   (The Saudi Hollandi Bank)
www.salb.com.sa   (The Saudi Investment Bank)
www.arrajhibank.com.sa   (Al Rajhi banking & Investment Corp)
www.bankmuscatsa.com   (BankMuscats)

SAUDI BUSINESS LINKS

www.saudichambers.org.sa   (Council of Saudi Chambers)
www.riyadh-chamber.org   (Riyadh Chamber of Commerce and Industry)
www.sedc.org.sa/English/Index.htm   (Saudi Export Development Center)
www.awo.net/commerce/arabcoc/hq.asp   (Jeddah Chamber of Commerce & Industry)
www.hail-chamber.org.sa   (Hail Chamber of Commerce & Industry)
www.taifchamber.org.sa   (Taif Chamber of Commerce & Industry)
www.madcci.org.sa   (Madina Chamber of Commerce & Industry)
www.chamber.org.sa   (Eastern Province Chamber of Commerce & Industry)
www.royalcommission.com   (Royal Commission for Jubail and Yanbu)
www.saudioffset.com   (Saudi Economic Offset Program)
www.aramco.com   (Saudi Aramco)
www.sabic.com   (Saudi Basic Industries Corporation)
www.saudiarlines.com/english   (Saudi Arabian Airlines)
www.nscsa.com.sa/riyadh   (The National Shipping Co. of Saudi Arabia)
www.britishoffset.com   (British Offset)

SAUDI OFFICES ABROAD

www.saudiembassy.net   (Royal Embassy of Saudi Arabia, Washington, DC)
www.saudiembassy.org.uk   (Royal Embassy of Saudi Arabia, UK)
SAUDI EDUCATIONAL INSTITUTES

www.kacst.edu.sa (King Abdulaziz City for Science and Technology)
www.northedu.gov.sa (General Directorate for Girls Education)
www.gpgedu.gov.sa/index_english.htm (General Presidency for Girls Education)
www.gotevet.edu.sa (General Org. for Tech. Edu. & Vocational Training)
www.imamu.edu.sa (Imam University)
www.uqu.edu.sa/english/index.htm (Umm Al-Qura University)
www.kf.edu.sa (King Faisal University)
www.ksu.edu.sa (King Saud University)
www.nadwah1421.org.sa (King Khalid University)
www.iu.edu.sa (Islamic University)
www.kfupm.edu.sa (King Fahd University of Petroleum & Minerals)
www.kaau.edu.sa (King Abdul Aziz University)
www.ipa.edu.sa (Institute of Public Administration)
www.kfni.gov.sa (King Fahd National Library)
www.pnu.edu.sa (Princess Nora Bint Abdul Rahman)

OTHER SAUDI LINKS

www.kishrc.edu.sa (King Faisal Specialist Hospital and Research center)
www.darah.org.sa (King Abdulaziz Foundation for Research and Archives)
www.kff.com (King Faisal Foundation)
www.saudiolympic.org.sa (The Saudi Arabian Olympic Committee)
www.saeif.org.sa (Saudi Arabian Equestrian Federation)

MEDIA

www.saudieconomicsurvey.com (Saudi Economic Survey, a weekly Review)
www.al-jazirah.com (Al-Jazirah Newspaper)
www.asharqalawsat.com (Asharq Al-Awsat Newspaper, Arabic)
alwatan.com.sa (Alwatan Newspaper, Arabic)
www.alriyadh-np.com (Arayad Newspaper, Arabic)
www.ain-al-yaqeen.com (Ain-Al-Yaqeen Newspaper)
www.alhayat.com (Al Hayat Newspaper)
www.arabnews.com (Arab News Newspaper)
www.arabianbusiness.com (On-line magazine about the economy in the Gulf Region)
www.spa.gov.sa (Saudi Press Agency)
http://richlist.arabianbusiness.com/rich-list-2012 (The Arab World’s Rich List 2012)
As the Middle East occupies the world’s theatre front stage with the Arab Spring performing in several countries and spreading to others, the need to reform towards a more democratic society is more acute than ever before. The fast growing unemployed young population in the region is demanding changes that were unthinkable of five years ago. Although Saudi Arabia has remained largely untouched by the Arab Spring it has not been completely isolated from it and King Abdullah, a reformist by nature, is well aware of a problem that if not addressed properly could destabilise the country that holds over 20 percent of the world’s proven oil reserves and the only one capable to stabilise global oil prices.

This is why against the backdrop of the Arab uprisings and amid concerns over Europe’s sovereign-debt crisis King Abdullah announced a $130 billion spending plan in the first quarter of 2011 to expedite measures to address socioeconomic challenges such as unemployment or housing and prevent the spread of discontent in KSA. In a country of 27 million people where over 60 percent are under the age of 30 the problem is intense.

The benefits to Saudi citizens included two months salary as a one-off gift to public sector workers with the private sector “forced” to follow suit; a large investment to build 500,000 affordable housing units with funding earmarked from the SAR 306 billion riyals 2011 fiscal surplus and equivalent to 15 percent of the GDP; and benefits for the unemployed that account for around 10 percent of the workforce. The scheme is the first of its kind in Saudi Arabia and according to the ministry of Labour it has already benefited over one million people with monthly payments of SR2, 000 ($533).

The measures had an immediate effect not only in consumer spending and economic growth but also and more importantly in business confidence and optimism. In 2011 Saudi Arabia grew at 6.8 percent, the highest rate since 2003 partly due to the increase in oil production to cover the Libyan outage but also thanks to the surge in government spending that
contributed to a spectacular growth of the non-oil sector. The Saudi economy slightly slowed its growth in 2012 to 6.8 percent in real terms from 7.1 percent in 2011 according to the Minister of Finance Ibrahim Alassaf. GDP totalled 2.73 trillion riyals—approx. $730 billions—in 2012 with inflation maintained at below 3 percent and public debt of just 3.6 percent of totalling 98 billion riyals—approx. $26 billion. GDP per cápita in a country of 27 million people stands at $27,500.

Oil prices will likely remain high at $100/b or over through 2012-13. If the Iran embargo continues and Saudi Arabia steps in to cover up the world oil needs, growth perspective will remain solid for 2013.

However, and despite the efforts to reduce youth unemployment and create more jobs for Saudi nationals through the “saudisation” program, the 6 million foreign workers in KSA still drive the growth of the private sector while the large local youth population still lacks education and technical skills. According to a recent study, only one out of every 10 employees is a Saudi citizen and the kingdom must create 3 million jobs for Saudi nationals by 2015 and six million jobs by 2030 to meet the demands of the young, male-dominated workforce.

To counter arrest the slow pace of changes in the real education system of Saudi Arabia, King Abdullah Bin Abdul Aziz launched the country’s international scholarship programme when he took the throne in 2005 as the main pillar of a more rapid change in both, mentality and workforce qualifications to match the requirements of a modern kingdom. So far some $20 billion have been invested in sending hundreds of thousands of Saudi students to Universities around the globe. Parallel, in 2012 the government allocated USD45 billion to education & training an increase of 13 percent over 2011 which was already 26 percent higher than the previous year and the largest amount ever invested in the Kingdom history and the highest in the region. Education and health have been the top beneficiaries over the past couple of years with entire education or health cities mushrooming nationwide.

To face the housing problem with a decisive policy and not only with monetary packages 2012 witnessed the long-awaited approval of the mortgage law by the Saudi Arabian Council of Ministers after a decade of thinking and negotiations. The new law will help bridge the gap to home ownership which was the core of the problem that lead to a shortage of accommodation, especially in affordable housing, on the estimated numbers of around 200,000 units per year according to a report by Jones Lang LaSalle. In fact, according to the country’s five years development plan, there is a need to build 1.25 million new homes by 2014. Almost mission impossible, but it is worth trying.

Last but not least, and the boldest measures of all was the increase of political participation with nationwide municipal elections in September 2011 and the announcement that women will be allowed to run for and vote in the future municipal elections. Women in Saudi Arabia now have the biggest female university of the world and although they are still not allowed to drive they are slowly incorporating to the labour force.
A REFORMIST BY NATURE

Since his ascension to power in 2005 the Custodian of the Two Holy Mosques has shown his bold intention to modernise the country distancing himself from the conservative clerics that formed KSA along with the Saud dynasty in its inception in the 1930’s. High oil prices and budget surpluses have helped him throughout his reign in his purpose of bringing Saudi Arabia to the top of the list of global leaders.

When he took the reins of the country in 2005 Saudi Arabia also became a member of the WTO and has experienced a hefty increase on inward investment ever since accelerated with the creation of six so called “economic cities” with regulations and incentives tailor-made for each one of them.

In 2010 the government approved its five years plan (2010-2014), a socio-economic project with over $300 billion expenditure on social development and infrastructure upgrade and connectivity of the vast mass of land that conforms Saudi Arabia, as large as Western Europe. One of the greatest and more visible achievements generated by this plan has been the railroad expansion. From just 50 kilometers to thousands of kilometers of railroads that will link the most important cities of Jeddah, Damman and Riyadh, Mecca and Medina but will also play a major role in the industrial revolution of KSA. A railroad connecting Jubail 1 and 2 with Jeddah, Riyadh or the mineral city of Ras Al Khor is the artery that will further boost Saudi Arabian development, growth and finally change.

Investments to modernise the country’s industrial sector in a bid to diversify the economy and move it away from its oil dependence have created the industrial cities boom. Designated industrial areas have been established in various parts of the country, from north to south and east to west, following the successful model of Jubail, one of the largest industrial cities of the world. Still, the oil & gas sector of Saudi Arabia accounts for roughly 80 percent of the budget revenues, 45 percent of the GDP and 90 percent of the export earnings. And although the non-oil sector has experience a remarkable growth in the last years there have also been large investments in the oil sector to increase production by 2014 to 12mbdp.

But the Saudi Arabian government in its traditional and prudent macroeconomic management and despite the peaks in expenditure has reduced its general debt to about 7 percent of GDP in 2011 and has generated surpluses providing enough cash to cover higher social expenditure and to counter cycle difficult times.

Furthermore, according to Standards & Poors foreign currency assets under management of the Saudi Arabia Monetary Agency (SAMA) have increased significantly to around $570 billion in March 2012 -covering 26 months of current account payments- from around $100 billion in 2003 -covering 14 months of current account payments-. 
**SHARE OF KINGDOM’S IMPORTS FROM TOP 10 TRADE PARTNERS IN 2011 (1432/33)**
(F.o.b. values in current prices)

<table>
<thead>
<tr>
<th>Share of Kingdom’s Imports From</th>
<th>USA</th>
<th>Japan</th>
<th>China</th>
<th>Germany</th>
<th>Bahrain</th>
<th>South Korea</th>
<th>France</th>
<th>Italy</th>
<th>UAE</th>
<th>Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>18.34%</td>
<td>17.29%</td>
<td>15.51%</td>
<td>14.98%</td>
<td>14.6%</td>
<td>13.93%</td>
<td>12.88%</td>
<td>11.05%</td>
<td>10.66%</td>
<td>6.12%</td>
</tr>
<tr>
<td>USA</td>
<td>19.01%</td>
<td>17.29%</td>
<td>16.61%</td>
<td>15.93%</td>
<td>15.56%</td>
<td>13.62%</td>
<td>13.01%</td>
<td>12.5%</td>
<td>12.34%</td>
<td>10.47%</td>
</tr>
<tr>
<td>Japan</td>
<td>19.01%</td>
<td>17.29%</td>
<td>17.03%</td>
<td>17.68%</td>
<td>17.53%</td>
<td>17.29%</td>
<td>17.03%</td>
<td>16.03%</td>
<td>16.04%</td>
<td>10.11%</td>
</tr>
<tr>
<td>China</td>
<td>18.34%</td>
<td>17.29%</td>
<td>16.61%</td>
<td>15.98%</td>
<td>15.56%</td>
<td>14.98%</td>
<td>14.66%</td>
<td>14.01%</td>
<td>13.93%</td>
<td>9.46%</td>
</tr>
<tr>
<td>USA</td>
<td>19.01%</td>
<td>17.29%</td>
<td>16.61%</td>
<td>15.98%</td>
<td>15.56%</td>
<td>15.48%</td>
<td>14.66%</td>
<td>14.01%</td>
<td>14.62%</td>
<td>13.93%</td>
</tr>
<tr>
<td>Japan</td>
<td>19.01%</td>
<td>17.29%</td>
<td>17.03%</td>
<td>17.68%</td>
<td>17.53%</td>
<td>17.29%</td>
<td>17.03%</td>
<td>16.03%</td>
<td>16.04%</td>
<td>10.11%</td>
</tr>
<tr>
<td>China</td>
<td>18.34%</td>
<td>17.29%</td>
<td>16.61%</td>
<td>15.93%</td>
<td>15.56%</td>
<td>14.98%</td>
<td>14.66%</td>
<td>14.01%</td>
<td>13.93%</td>
<td>9.46%</td>
</tr>
<tr>
<td>USA</td>
<td>19.01%</td>
<td>17.29%</td>
<td>16.61%</td>
<td>15.98%</td>
<td>15.56%</td>
<td>15.48%</td>
<td>14.66%</td>
<td>14.01%</td>
<td>14.62%</td>
<td>13.93%</td>
</tr>
<tr>
<td>Japan</td>
<td>19.01%</td>
<td>17.29%</td>
<td>17.03%</td>
<td>17.68%</td>
<td>17.53%</td>
<td>17.29%</td>
<td>17.03%</td>
<td>16.03%</td>
<td>16.04%</td>
<td>10.11%</td>
</tr>
<tr>
<td>China</td>
<td>18.34%</td>
<td>17.29%</td>
<td>16.61%</td>
<td>15.93%</td>
<td>15.56%</td>
<td>14.98%</td>
<td>14.66%</td>
<td>14.01%</td>
<td>13.93%</td>
<td>9.46%</td>
</tr>
<tr>
<td>USA</td>
<td>19.01%</td>
<td>17.29%</td>
<td>16.61%</td>
<td>15.98%</td>
<td>15.56%</td>
<td>15.48%</td>
<td>14.66%</td>
<td>14.01%</td>
<td>14.62%</td>
<td>13.93%</td>
</tr>
</tbody>
</table>

**SHARE OF KINGDOM’S EXPORTS TO TOP 10 TRADE PARTNERS IN 2011 (1432/33)**
(C.i.f. values in current prices)

<table>
<thead>
<tr>
<th>Share of Kingdom’s Exports To</th>
<th>China</th>
<th>USA</th>
<th>Japan</th>
<th>Germany</th>
<th>Bahrain</th>
<th>South Korea</th>
<th>France</th>
<th>Italy</th>
<th>UAE</th>
<th>Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>18.34%</td>
<td>17.29%</td>
<td>18.34%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
</tr>
<tr>
<td>USA</td>
<td>19.01%</td>
<td>17.29%</td>
<td>19.01%</td>
<td>18.34%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
</tr>
<tr>
<td>Japan</td>
<td>19.01%</td>
<td>17.29%</td>
<td>19.01%</td>
<td>18.34%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
</tr>
<tr>
<td>China</td>
<td>18.34%</td>
<td>17.29%</td>
<td>18.34%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
</tr>
<tr>
<td>USA</td>
<td>19.01%</td>
<td>17.29%</td>
<td>19.01%</td>
<td>18.34%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
</tr>
<tr>
<td>Japan</td>
<td>19.01%</td>
<td>17.29%</td>
<td>19.01%</td>
<td>18.34%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
</tr>
<tr>
<td>China</td>
<td>18.34%</td>
<td>17.29%</td>
<td>18.34%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
</tr>
<tr>
<td>USA</td>
<td>19.01%</td>
<td>17.29%</td>
<td>19.01%</td>
<td>18.34%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
</tr>
<tr>
<td>Japan</td>
<td>19.01%</td>
<td>17.29%</td>
<td>19.01%</td>
<td>18.34%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
</tr>
<tr>
<td>China</td>
<td>18.34%</td>
<td>17.29%</td>
<td>18.34%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
</tr>
<tr>
<td>USA</td>
<td>19.01%</td>
<td>17.29%</td>
<td>19.01%</td>
<td>18.34%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
<td>17.29%</td>
</tr>
</tbody>
</table>

**SHARE OF KINGDOM’S IMPORTS BY NATURE OF ITEMS IN 2011 (1432/33)**

<table>
<thead>
<tr>
<th>Nature of Items</th>
<th>Total (SR Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Materials</td>
<td>1,156,035</td>
</tr>
<tr>
<td>Semi-finished Products</td>
<td>133,823</td>
</tr>
<tr>
<td>Finished Products</td>
<td>128,462</td>
</tr>
<tr>
<td>Total</td>
<td>1,367,320</td>
</tr>
</tbody>
</table>

**SHARE OF KINGDOM’S EXPORTS BY NATURE OF ITEMS IN 2011 (1432/33)**

<table>
<thead>
<tr>
<th>Nature of Items</th>
<th>Total (SR Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Materials</td>
<td>493,449</td>
</tr>
<tr>
<td>Semi-finished Products</td>
<td>322,973</td>
</tr>
<tr>
<td>Finished Products</td>
<td>143,754</td>
</tr>
<tr>
<td>Total</td>
<td>963,176</td>
</tr>
</tbody>
</table>

**Imports by Nature of Items in 2011 (1432/33)**

<table>
<thead>
<tr>
<th>Nature of Items</th>
<th>Total (SR Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Materials</td>
<td>26,722</td>
</tr>
<tr>
<td>Semi-finished Products</td>
<td>143,754</td>
</tr>
<tr>
<td>Finished Products</td>
<td>322,973</td>
</tr>
<tr>
<td>Total</td>
<td>493,449</td>
</tr>
</tbody>
</table>

Source: Central Department of Statistics & Information, Import Statistics.
The past two years have been particularly difficult for the rulers of Saudi Arabia. The pressure on them came not only from their own social problems namely youth unemployment and affordable homes shortage or the Arab Spring and its ramifications in the region and in their own country, it also suffered from the loss of two appointed heirs in a period of less than eight months and faces now, arguably, one of its greatest future challenges: succession.

King Abdullah, who will be 90 in a couple of years, lost aging Prince Sultan, his first choice for heir apparent and minister of defence and aviation in November 2011. In June 2012 his second choice, Prince Nayef who was on his 70s also died. There was not time to waste in the mid of a global and regional crisis and almost immediately King Abdullah announced a brand new candidate to the throne: Prince Salman.

The 1992 basic law stipulates that the king must be a direct descendant of the kingdom’s founder and King Abdullah has named directly his three heirs to the throne. However in 2007 he changed the kingdom’s succession rules and created the Allegiance Council, a group of princes who will be in charge of naming the next crown Prince replacing current Prince Salman. Prince Salman, also Defense Minister and long lasting governor of Riyadh, is also in its 70’s and although is perceived more of a follower of King Abdullah reform’s than his predecessor, objectively he is also aging. However, the Allegiance Councils mandate does not begin until after King Abdullah’s reign has ended.

Since the Kingdom was created in 1932, six Kings have ruled KSA -with King Fahad previous to King Abdullah ruling for a period of 23 years- and successions have been mostly clear. The same month the last of the successors died, Prince Salman was appointed heir apparent and on February first 2013, King Abdullah bin Abdulaziz al-Saud appointed his half-brother Prince Muqrin bin Abdulaziz al-Saud second deputy prime minister who became therefore second in line to the throne. The 67 years old Prince Muqrin had been the head of the General Intelligence Presidency since 2005.

The appointment of Prince Muqrin, one of the youngest remaining sons of the founder of Saudi Arabia, is seen by many as an effort of King Abdullah to start transferring powers to the third and younger generation of Saudi royals.

However, the new line remains uncertain. The only certain thing about it is that it will surely bring a generational shift with power passing to a younger generation better connected to the outside World. Moving to key positions of the government are already the sons of King Abdullah, Prince Sultan and Prince Nayef. Anything can happen at anytime to the ruling house of the top oil exporting country and whatever happens could affect the rest of the World.
### GDP in Purchaser’s Prices (1999 constant prices)

#### Gross Domestic Product in Purchaser’s Prices (current prices)

<table>
<thead>
<tr>
<th>Year</th>
<th>Oil Sector</th>
<th>Non-oil Sectors</th>
<th>Services Sectors</th>
<th>Producing Sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>13,142</td>
<td>39,466</td>
<td>585,556</td>
<td>802,211</td>
</tr>
<tr>
<td>2000</td>
<td>13,142</td>
<td>39,731</td>
<td>57,699</td>
<td>836,133</td>
</tr>
<tr>
<td>2001</td>
<td>13,142</td>
<td>39,536</td>
<td>66,893</td>
<td>810,374</td>
</tr>
<tr>
<td>2002</td>
<td>13,142</td>
<td>39,986</td>
<td>71,212</td>
<td>829,967</td>
</tr>
<tr>
<td>2003</td>
<td>13,142</td>
<td>41,086</td>
<td>75,822</td>
<td>857,842</td>
</tr>
<tr>
<td>2004</td>
<td>13,142</td>
<td>40,796</td>
<td>72,992</td>
<td>879,784</td>
</tr>
<tr>
<td>2005</td>
<td>13,142</td>
<td>40,468</td>
<td>79,190</td>
<td>897,579</td>
</tr>
<tr>
<td>2006</td>
<td>13,142</td>
<td>40,161</td>
<td>84,792</td>
<td>912,422</td>
</tr>
<tr>
<td>2007</td>
<td>13,142</td>
<td>40,518</td>
<td>90,063</td>
<td>941,849</td>
</tr>
<tr>
<td>2008</td>
<td>13,142</td>
<td>40,874</td>
<td>95,840</td>
<td>972,257</td>
</tr>
<tr>
<td>2009</td>
<td>13,142</td>
<td>41,218</td>
<td>101,509</td>
<td>1,006,104</td>
</tr>
<tr>
<td>2010</td>
<td>13,142</td>
<td>41,659</td>
<td>107,342</td>
<td>1,040,897</td>
</tr>
<tr>
<td>2011</td>
<td>13,142</td>
<td>42,109</td>
<td>113,254</td>
<td>1,076,739</td>
</tr>
</tbody>
</table>

#### Gross Domestic Product in Purchaser’s Prices (1999 constant prices)

<table>
<thead>
<tr>
<th>Year</th>
<th>Male population</th>
<th>Female population</th>
<th>Non-oil Sectors</th>
<th>Services Sectors</th>
<th>Producing Sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
</tr>
<tr>
<td>2000</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
</tr>
<tr>
<td>2001</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
</tr>
<tr>
<td>2002</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
</tr>
<tr>
<td>2003</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
</tr>
<tr>
<td>2004</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
</tr>
<tr>
<td>2005</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
</tr>
<tr>
<td>2006</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
</tr>
<tr>
<td>2007</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
</tr>
<tr>
<td>2008</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
</tr>
<tr>
<td>2009</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
</tr>
<tr>
<td>2010</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
</tr>
<tr>
<td>2011</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
<td>1200</td>
</tr>
</tbody>
</table>

#### Public Revenues & Growth Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>SR Billion</th>
<th>Oil Revenues</th>
<th>Other Revenues</th>
<th>Annual Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>1420/21</td>
<td>1421/22</td>
<td>1422/23</td>
<td>1423/24</td>
</tr>
<tr>
<td>2000</td>
<td>1424/25</td>
<td>1425/26</td>
<td>1426/27</td>
<td>1427/28</td>
</tr>
<tr>
<td>2001</td>
<td>1428/29</td>
<td>1429/30</td>
<td>1430/31</td>
<td>1431/32</td>
</tr>
<tr>
<td>2002</td>
<td>1432/33</td>
<td>1433/34</td>
<td>1434/35</td>
<td>1435/36</td>
</tr>
<tr>
<td>2003</td>
<td>1436/37</td>
<td>1437/38</td>
<td>1438/39</td>
<td>1439/40</td>
</tr>
<tr>
<td>2004</td>
<td>1440/41</td>
<td>1441/42</td>
<td>1442/43</td>
<td>1443/44</td>
</tr>
<tr>
<td>2005</td>
<td>1444/45</td>
<td>1445/46</td>
<td>1446/47</td>
<td>1447/48</td>
</tr>
<tr>
<td>2006</td>
<td>1448/49</td>
<td>1449/50</td>
<td>1450/51</td>
<td>1451/52</td>
</tr>
<tr>
<td>2007</td>
<td>1452/53</td>
<td>1453/54</td>
<td>1454/55</td>
<td>1455/56</td>
</tr>
<tr>
<td>2008</td>
<td>1456/57</td>
<td>1457/58</td>
<td>1458/59</td>
<td>1459/60</td>
</tr>
<tr>
<td>2009</td>
<td>1460/61</td>
<td>1461/62</td>
<td>1462/63</td>
<td>1463/64</td>
</tr>
<tr>
<td>2010</td>
<td>1464/65</td>
<td>1465/66</td>
<td>1466/67</td>
<td>1467/68</td>
</tr>
<tr>
<td>2011</td>
<td>1468/69</td>
<td>1469/70</td>
<td>1470/71</td>
<td>1471/72</td>
</tr>
</tbody>
</table>

Note: * Including refining, petrochemicals and other manufacturing; 1/ Excluding bank service charges; r revised; p preliminary.
After the release of the Kingdom’s 2013 budget, the rating agency Fitch Ratings concluded that “an expansionary 2013 budget based on a conservative oil price will support another year of healthy economic growth for Saudi Arabia and a further strengthening of the sovereign’s net creditor position. However, overall growth will slow due to a decline in oil production that was already evident in recent months.”

The agency continued its overview on Saudi’s Budget saying that the FY13 (31 December 2012 to 30 December 2013) budget unveiled on December 29 projects with a record spending of USD219bn (34% of GDP), up by almost 20% on the 2012 budget. Budgeted capital spending is 28% higher than in 2012, though the government has struggled to achieve its capital spending targets in recent years. Education and healthcare remain the focus of spending, accounting for 37% of the total. Defence and security tends to be the largest single item, constituting around one-third, but is not disclosed in the budget.

Revenues are based on unstated oil price and production assumptions, with the former well below prevailing market prices. An 18% jump in revenues is projected. With no new revenue-raising measures announced and little scope for higher oil revenues (Fitch anticipates Saudi production and prices will be lower in 2013 than 2012), the revenue projection appears less cautious than usual. However, actual revenues generally substantially exceed budget revenues (by an average of 82% over the past five years) and should do so again in 2013.
A USD2.4bn (0.4% of GDP) surplus is budgeted for 2013. Fitch expects a larger surplus, of 7.6% of GDP. The budget is consistent with an oil price (Brent) of around USD60/b and production of 9.7 million barrels per day, compared with Fitch’s forecast of an average USD100 per barrel for Brent.

Spending is also expected to surpass the budgeted level; actual spending has exceeded budget by an average of 24% over the past decade. With pension funds expected to post modest surpluses, the general government surplus is forecast at 8.3% of GDP.

Fiscal performance in 2012 was strong. The central government surplus rose to 14.2% of GDP, as greater oil production and high oil prices pushed total revenues to an all-time high. Spending growth slowed to 3%, the lowest since 2002, though this followed a significant one-off spending package in 2011. In absolute terms spending is up by 43% since 2009.

Central government gross debt fell to 3.6% of GDP at the end of 2012. With government deposits at the central bank rising in 2012 (data is available to end-October), Fitch estimates that the general government was a net creditor by 65% of GDP, compared with an ‘AA’ median net debt position of 5% of GDP.

Although the fiscal position is exceptionally strong, it is heavily dependent on oil revenues (around 90% of total revenues) and the breakeven oil price needed to balance revenues with actual spending has risen in recent years. Fitch projects that the breakeven oil price will rise to USD74/b in 2013 (assuming oil production of 9.7 million b/d) up from USD68/b in 2012 and just over USD40/b in 2008.

The budget statement provided the first official estimate of full year economic data for 2012. Real GDP growth was 6.8%, down from a revised 8.5% in 2011. Although a breakdown was not available, it appears this moderation was due to slower growth in the oil sector. Non-oil private sector growth was a robust 7.5%, lifting the five-year average to 5.7%.

Government spending has been the main impetus behind the strength of the private sector (construction was the fastest growing sector in 2012) and with policy remaining expansionary in 2013, further healthy private sector growth is anticipated. Bank lending and strong consumer and corporate confidence should also support the private sector. Overall growth will slow, however, due to a decline in oil production that was already evident in recent months.

Link to Fitch Ratings’ Report: 
www.reuters.com/places/saudi-arabia
WHY TO INVEST IN KSA?
Why to invest in KsA

Guides: Find me in Saudi · 49
PAYING THE COSTS OF THE REGIONAL TURMOIL ...AND THE GLOBAL FINANCIAL CRISIS

Although Saudi Arabia remains the most attractive economy of the MENA region to foreign direct investment, the global financial crisis coupled with the Arab Spring is making the country pay its toll. These are the main reasons why in 2011 Saudi Arabia dropped out of the world’s top ten most attractive economies for foreign investment in the world and fell to 12th place according to United Nations Conference on Trade and Development (UNCTAD) FDI Attraction Index (http://www.unctad-docs.org/files/UNCTAD-WIR2012-Full-en.pdf), which measures countries’ success in attracting FDI over a rolling three-year period.

As the country was recovering from the project finance dry up in the wake of the global financial crisis, the Arab uprising across the region during 2011 brought back uncertainties and projects started again to face delays. The direct result was a drop of 42 percent on FDI in 2011 to $16 billion.

According to UNCTAD as of October 2011, the cancelled or suspended construction projects in the Middle East and North African market were estimated at $1.74 trillion with $354 billion in Saudi Arabia alone. And although optimism is not the word for the short-term statistics in inward FDI to Saudi Arabia which UNCTAD predicts will decline for 2012, the long-term curve remains attractive due to the concentration of oil wealth and the business opportunities that the diversification process is bringing to foreign investors.

Simultaneously, in the World Bank’s “Ease of Doing Business” index for 2012 (http://www.unctad-docs.org/files/UNCTAD-WIR2012-Full-en.pdf) Saudi Arabia dropped from the 10th position in 2011 to the 12th position in 2012 of the 183 economies ranked. However, some of the top ten economies of the index more than double the population and GDP of Saudi Arabia which has climbed over 50 places since 2005 and for several consecutive years, the kingdom has been nominated as the best place to do business in the Middle East.
DIVERSIFICATION, THE SOURCE OF OPPORTUNITIES IN SAUDI ARABIA

Since oil prices started to surge in the early 2000s Saudi Arabia grabbed the cash flow opportunity to implement measures leading to diversify its economy from oil and gas to more elaborate and added value products. It opened doors to foreign investors that started to participate in petrochemicals and petroleum refining projects as well as in the creation of new economic zones and cities specifically created for this purpose where Saudi government provides the infrastructure and the tenants technologies and market experience.

Following the trend, in 2001 the six GCC economies signed an agreement that opened a wider range of activities to FDI -with restrictions to the oil and gas upstream industries- increasing annual inflows of FDI, specially in services, from $1 billion on average during 1990-2000 to $28 billion during 2001-2011 reaching a record $60 billion in 2008, according to UNCTAD. Since then more than 55 such cities or zones have been established in the region or are under way, generally targeting knowledge-intensive industries.

Saudi Arabia also opened door wider to international oil companies which projects, built or under way, have made significant impact in the diversification of the Saudi economy. Recent projects are Petro Rabigh, an integrated oil refinery and petrochemical complex between Saudi Aramco and Sumitomo Chemical from Japan; Al Jubail, France’s Total biggest refinery in Saudi Arabia or Fujian Refining and Ethylene Joint Venture Project with ExxonMobil from United States and Sinopec from China among others.

SAGIA has been a key player in upgrading the investment environment in the kingdom. The agency has been executing the government scheme to increase private sector participation in development, acting both as a mediator between government and investors and as a strategic planner. Currently it is directing the bulk of foreign investment toward four new economic cities, part of a wider plan to transform the country into a “knowledge society” in order to reduce its dependency on oil. “Leveraging the kingdom’s resources to turn it into the energy capital of the world, and building on its ideal location to make it a major regional hub connecting east and west – this is the essence of our strategy.”

According to SAGIA the key sectors to invest in Saudi Arabia are: Energy, Transport & Logistics, ICT, Health, Life Sciences and Human Capital.

Indeed, improvements in the business environment, greater foreign access to local opportunities and the relative attractiveness of the Kingdom compared to other investment destinations caused the total value of foreign direct investment to surge by 132 percent from 2008 to 2010.

In the ninth Five-Year Development Plan (2010-2014) the government announced expenditures of US$373bn (SR1.4 trillion), sixty times more than its predecessor plan with priorities set at infrastructure, industry, education and health care. The goal is to increase the non-oil sector as a proportion of the economy and to reduce by four points the current unemployment rate of 11%. At the same time, government budgets have been steadily increasing over the years with 2012 budget total expenditures budgeted at $184 billion (SR690 billion) an increase of 19 percent over the budgetary figure for 2011.

At $576 billion (SR2.16 trillion), the Saudi economy is the largest it has ever been, and the International Monetary Fund ranks the Kingdom as the 25th largest economy in the world.

And although the dependence on the hydrocarbons in real GDP and export revenues remains and the unemployment in non-oil activities is still high with national still relying on government posts in 2011 non-oil private sector growth at 8.3 percent, the highest since the early 1980s lead by manufacturing (15 percent), construction (11.6 percent), and transport and telecommunications (10.1 percent).

According to the CIA World Fact Book, the oil sector still accounts for some 80% of government revenue, 45% of GDP and 90% of export earnings meanwhile the unemployment rate in the country stands at 11 percent.
Higher oil prices since the end of 2010 have caused a drop in FDI into Saudi Arabia but at the same time made more funds available in the region boosting the FDI outflows by 54 percent in 2011 after bottoming out at a five-year low in 2010.

The Saudis themselves have been busy investing abroad in markets that have become attractive exactly due to the financial crisis. According to the last data released by the Saudi Arabian Monetary Agency (SAMA) in its international investment position index http://www.sama.gov.sa/sites/samaen/ReportsStatistics/Investment%20Position/IIP.pdf foreign assets owned by government, companies and individuals in Saudi Arabia have grown rapidly in recent years to stand at $707 billion at the end of 2010 and prospects for 2011 show that the number is increasing by at least $100 billion to $800 billion minus liabilities (about $200bn) in 2012. Only direct investment by Saudi companies abroad grew by 56 percent from 2008 to 2010 to stand at $26.5 billion

Of the $707 billion of total foreign assets at the end of 2010, reserves totaled $445 billion, foreign assets of local banks $51 billion and independent government organizations’ (such as the pension funds) deposits with foreign banks and investment in foreign securities $79 billion.

As of today, Saudi Arabian Sovereign Wealth Fund is the 4th largest of the world, only surpassed by China, UAE and Norway in that order. The Saudi Arabian Monetary Agency (SAMA), the central bank of the Kingdom that was established in 1952, manages most of the funds.
Investment opportunities in KSA are everywhere. It feels as if the country has woken from a very long sleep and is frantically making up for lost time. Its sound economy, always protected by the government’s umbrella of oil revenues, has seen investment in the kingdom steadily climbing for decades. But the ascension to the throne in 2005 of King Abdullah, a determined economic reformer, has greatly accelerated matters.

The $556.2 billion international reserves of Saudi Arabia makes the country the third with the largest reserves in the world accounting for about 100 percent of its GDP and growing at a steady pace. The trend remains so even in times of crisis. In 2009, when the government drew down its reserves to finance spending during the global recession, the Kingdom’s total foreign assets still rose due to a jump in private sector and the increase of the price of these assets over the year. The same happened in 2011. Despite the government increased its spending plan by $130 billion to counter the Arab Spring an increase in oil prices and production to help meet rising demand after exports from Libya collapsed was enough to more than offset the extraordinary government spending.

The kingdom remains the world’s leading oil exporter and holds the largest proven reserves. Pumping more than 10 percent of the global oil supply with prices hovering above $120 a barrel, in reality does not need any immediate foreign direct investment. But additionally it has become an important global player in petrochemicals, minerals and gas increasing its attractiveness to investors. Moreover, KSA is well on the way to become the number one global producer and exporter of petrochemicals and soon of minerals as bauxite or phosphate.

Saudi Arabia is strategically located between Africa, Asia and Europe. A crossroads of trade routes since time immemorial, it has access to the Gulf and the Indian Ocean in the east, and to the Red Sea and the Mediterranean in the west. As a brochure by SAGIA (Saudi Arabian General Investment Authority) points out tersely: “From Saudi Arabia you can reach 400 million consumers within a three-hour flight.” The availability of low-cost fuel remains one of the main attractions - for energy-intensive industries as well as those requiring feedstock. Unskilled labour is easily imported and locally available skills are improving thanks to a sharp increase in the government’s education expenditure. The opening of many new universities and training institutions, including the King Abdullah University of Science and Technology (KAUST) and Princess Noora University, the largest women’s university in the world, are vivid examples of the government’s drive to boost education and job training.

Then again, the size of the domestic market is in itself a decisive element. The population of Saudi Arabia stands at around 27 million and is growing at a rate of 2.9% per annum. The CIA World Fact Book puts per capita GDP for 2011 at $24,500. Credits and loans, currently available skills are improving thanks to a sharp increase in the government’s education expenditure. The opening of many new universities and training institutions, including the King Abdullah University of Science and Technology (KAUST) and Princess Noora University, the largest women’s university in the world, are vivid examples of the government’s drive to boost education and job training.

Then, again, the size of the domestic market is in itself a decisive element. The population of Saudi Arabia stands at around 27 million and is growing at a rate of 2.9% per annum. The CIA World Fact Book puts per capita GDP for 2011 at $24,500. Credits and loans, currently available skills are improving thanks to a sharp increase in the government’s education expenditure. The opening of many new universities and training institutions, including the King Abdullah University of Science and Technology (KAUST) and Princess Noora University, the largest women’s university in the world, are vivid examples of the government’s drive to boost education and job training.
Saudi pockets very high annual oil revenues. The country’s membership of the World Trade Organisation (WTO) since 2005 and of the G20 since 2008 have provided it both with stronger international links and a better negotiating position.

Since December 2005 more than $200 billion has been attracted from other countries and in 2011 alone, some $34 billion of outside funds were committed to Saudi projects although overseas investors are still unable to invest directly in the Saudi Stock market (see Saudi Arabian Stock Market box). SAGIA is looking to double investment flows, meaning $70 billion a year. The United States remains the largest foreign direct investor in Saudi Arabia followed by France and Japan.

On the other hand, as the GCC approaches its 30th birthday, the economic integration of the six member countries has not progressed as much as had been expected but freedom of movement, work, residence, economic engagement, capital movement and real estate ownership of GCC countries citizens progress intra GCC-FDI have spurred in the region. Cross-border FDI in GCC countries was minimal through the 1990’s standing at $3.6 billion. However, since the surge in oil prices in 2003, the amount of cross-border investments has increased to an estimated $74 billion until the end of 2008.

The country’s main entry points, Riyadh and Jeddah airports, are being expanded and upgraded, as are the seaports. New ports are being constructed as required, one of them a minerals port to serve the new Ras Al-Zur Industrial City - reportedly poised to become “the next phosphate capital of the world”. A railway line has been put in place to connect Ras Az-Zur to the new port and another is expected to link the two industrial cities of Yanbu by the Red Sea and Jubail on the Gulf coast, both of which are also being expanded.

Another major source of foreign investment is the privatization process that has been going on for some years now. Some key sectors remaining under state control will soon be privatized, including the ports, the transport sector and power generation. National carrier Saudi Airlines is one of a number of state-run companies already in the process of privatization.

And although a significant amount of current FDI is still earmarked for oil and gas projects, the remarkable SR1.4 trillion Ninth Development Plan has opened up new opportunities to foreign investors in non-oil sectors helping the country in its strategic plan to diversify its economy.
WHO IS WHO

DALLAH AL-BARAKA GROUP

Dallah Albaraka was founded in Riyadh by Sheikh Saleh Kamel in 1969 as a small proprietorship and has evolved over a period of forty years into a diversified international conglomerate. Incorporating investments in billions in over 40 countries worldwide, the group impacts on almost every sector of economic life, including trade, real-estate, finance, healthcare, transportation and maintenance, and operation.

Palasteen str. Dallah Tower
P.O. Box: 430, Jeddah 21411
Phone: +966 2 671 0000, Fax: +966 2 671 3603
www.dallah.com

PRESIDENT & CEO
Mr. Abdulla Saleh Kamel

• Serves as Chairman of Al Baraka Banking Group of Al Baraka Bank Pakistan & of Algeria.
• Chairman of the Board of Aseer Trading Tourism & Manufacturing Company.
• Chairman of Egyptian Saudi Finance Bank.

KINGDOM HOLDING COMPANY

KHC is one of world’s largest and most diversified private investment companies with holdings in a large number of Saudi Arabian, Middle Eastern and International companies. In particular, KHC is one of the world’s leading hotel investors, with a portfolio of hotels and majority interests in international hotel management companies. It is a public holding company headquartered in the Kingdom Centre, Riyadh and controlled by billionaire Prince Al-Waleed bin Talal. Although it is publicly listed in the Saudi Stock Exchange, most of the shares belong to Prince Alwaleed

The assets of KHC are valued at SR 92.4 billion (USD 25 billion) as of 31 December 2006. For the year ending 31 December 2006, on a pro forma basis, the company had total operating revenue of SR 4.6 billion. The company is a diversified investment company, whose interests include banking, real estate, telecommunications, broadcasting and media, entertainment, hospitality, computers and electronics, agriculture, restaurants, upscale fashion, retailing, supermarkets, tourism, travel and automotive manufacturing. Some of the companies included in its international portfolio are Four Seasons Hotels and Resorts, News Corporation, Time Warner, eBay, EuroDisney, City Group, Savoy Hotel (London), Plaza Hotel (NYC), Samba Financial Group, Saudi Research and Marketing Group and Savola Group among others.

P.O. Box 1, Riyadh 11321
Phone: +966 1 211 1111, Fax: +966 1 211 1112
media&info@kingdom.com.sa
www.kingdom.com.sa

CHAIRMAN
H.R.H Prince Al-Waleed Bin Talal

“Although we are out of the intensive care unit, we’re not out of the woods yet,” – Prince Al-Waleed Bin Talal said about the global economic environment.

• Saudi Arabian Business Tycoon and Investor.
• The Founder & Chairman of Kingdom Holding Company.
• Arabian Business ranked him as the most influential Arab in the world and it is in the top ten list of Forbes world’s richest people.

A. A. TURKI GROUP

The A.A. Turki Group of Companies (“ATCO”) is a leading, 3,000-employee strong, conglomerate that has successfully operated since the mid-1950’s in Saudi Arabia’s governmental, industrial and consumer sectors. ATCO is ranked among the largest firms in Saudi Arabia. It is owned by Abdulrahman Ali Al-Turki. ATCO is comprised of twenty-three different divisions, joint ventures and standalone companies. The group offers a wide range of products and services in virtually every sector of the economy.

P.O. Box 718, Dammam 31421
Phone: +966 3 833 5588, Fax: +966 3 834 7693
info@elajougroup.com
www.atco.com.sa

CHAIRMAN
Sheikh Abdulrahman Ali Al-Turki

• Sheikh Abdulrahman is a Shareholder of: Honeywell Turki Arabia, Keller Turki, Larsen and Tubro ATCO, Arabian Equipment Rentals and others.
• Sheikh Abdulrahman is Chairman of all: Al-Sagr Company for Cooperative Insurance, Al-Sagr Al-Bayda’a for trading agencies, Abraaj Capital limited, Dhafran International Exhibitions, Bahrain Specialist Hospital, Golden Pyramids Plaza Company - Cairo.
The Aggad Investment Company is a diversified Saudi investment-holding company which was established in 1975 by Sheikh Omar Aggad with three major objectives in mind: to play a significant part in industrializing the Kingdom of Saudi Arabia and developing its manpower, and, in pursuit of these two objectives, to generate adequate profits for expansion. Some of the company’s affiliates include Bravo, NASCO, ARTIC, United Motors Companies, Sanad Cooperative Insurance or Riyadh Pharma.

The IKK Group is above all else a cohesive family unit and each and every member of the Group contributes to its success. We are part of the Saudi economy and put into it as much as we receive from it.”

Founded in the 1970’s, IKK is a manufacturing, trading and construction group active both in Saudi Arabia, where it stands within the top 50 companies and internationally. Some of the companies of the group are Kabbani for Real Estate, Cellinet, Sintec, BMC Qatar, Abuild Lebanon & Egypt, KCG Emirates.

Founded in 1977, Al Tuwairqi Holding is a privately held company and one of the leading business groups in the Kingdom of Saudi Arabia. It is a well-known name due to its monolithic steel manufacturing activities, the largest in the Middle East. It is rated as one of the fastest growing groups in KSA and has recently expanded to other areas of the Middle East, South Asia & Europe.

“We are committed to our valued clients and customers to provide our best quality products and services, which would bring more profitable benefits for them and us in the years to come”.

King Khaled Road, Mina Area Beside Ministry of Hajj, Jeddah Phone: +966 2 627 8888 Fax: +966 2 627 8000 www.ikk-group.com/en

Rakah Area 2705 P.O. Box: 2705, Dammam 31461 Tel: +966 3 857 9922, Fax: +966 3 857 9014 info@altuwairqi.com

www.altuwairqi.com

P.O. Box 2256, Riyadh 11451 Phone: +966 1 476 7911 Fax: +966 1 476 7895 info@aico.com.sa

www.aico.com.sa

www.albayan.com.sa

World Finance’s Man of the year, 2011.

W Guides: Find me in Saudi - 57
The Al-Hamrani Group of Companies is one of the top diversified groups of KAS with extensive operations in various businesses such as Automotive (Nissan Distributors), Lubricants & Greases, financial services, integrated technology solutions, building materials & systems, Drums & industrial packaging, and real estate.

Mr. Abdullah Abahsain

Mr. Abdullah A. Al-Hamrani

“The Group’s subsidiaries enjoy leading positions in a wide range of key markets. The Group’s commercial interests now extend well beyond Saudi Arabia to include the Gulf Cooperation Council states, other Arab Middle Eastern countries, and Asia.”

From its inception in 1947, it began as an electrical contractor and grew to a power distribution company. The Group has been able to foresee market trends and react to them, creating a diverse business entity, spanning Industry, trading, manufacturing, services & investment, it is one of the Top 50 companies in Saudi Arabia.

Mr. Abdullah Abahsain

“The Group’s subsidiaries enjoy leading positions in a wide range of key markets. The Group’s commercial interests now extend well beyond Saudi Arabia to include the Gulf Cooperation Council states, other Arab Middle Eastern countries, and Asia.”

Safari Group is one of Saudi Arabia’s major leading companies in the field of facility management, construction, trading and investment. The group started its activities in 1984, focusing primarily on all areas of operation and maintenance. The main companies of the group include Safari Hypermarket, Safari Shopping Complex, Safari Trading, Safari Mobile Centre, Oscar Advertising, Oscar Trading, Hi-Power Transport & Rent-A-Car, Hi-Power Engineering and Power Waste Management.

Mr. Saleh Al-Sagri

“Our remarkable ability to achieve value is driven by our focused strategy and rigorous attention to operational efficiency” – Mr. Saleh Al-Sagri
BUILDING A KNOWLEDGE SOCIETY

"Forget everything you know about ‘industrial parks’ and ‘free zones’. Saudi Arabia’s four new economic cities – fully planned and under construction – are exactly that: new cities, where up to five million residents will live, work and play.” Such is SAGIA’s description of the kingdom’s new investment magnets. Building on the success of existing industrial cities in Jubail and Yanbu dating from the 1970s, SAGIA has started to develop new economic cities in different regions of the country in an effort to reduce geographically-based economic inequalities by providing job opportunities in strategically located areas. With 80% of the population under 40 years of age, employment is one of the major issues the government needs to tackle. SAGIA calculates that the total cost of the cities will amount to $50 bn. This should result in more than a million new job opportunities, homes for 4 to 5 million residents and a $150 bn boost to the country’s GDP. Built according to strict environmental regulations, each city will feature modern building design, world-class services and infrastructure and ubiquitous connectivity. These built-in advantages, combined with attractive investment incentives and a supportive regulatory environment will create significant competitive business advantages. We are starting from scratch to build an integrated system of economic cities from the ground up. One of these cities will be the size of Washington DC, and each will provide the ultimate in competitive investment and living environment. As the sole regulator, SAGIA’s Total Service Centres will supply everything from A to Z, including commercial and residential land, visas, work permits, the ultimate in entertainment and healthy living – everything to provide the best quality of life for inhabitants and investors,” says Mr. Abdullah al-Dabbagh.

Following the common believe that asset managers will transfer their money to emerging markets over the next few years, Saudi Arabia is looking to improve its stock market regulations to allow Saudi-listed stocks to benefit from foreign investors that will transfer knowledge and new ideas.

Although overseas investors are still unable to invest directly in the Saudi Stock market the country is opening up its $400 billion equity market as the largest stock exchange of the Gulf - equal to the combined value of the other members of GCC- and the entire Arab world, the Saudi stock Exchange (Tadawul), is drafting a law on Qualified Foreign Investors to attract institutional fund managers with assets under management of $5 billion or more – mainly to limit access to companies with long-term investment plans.

Until 2008, non-resident foreign investors were permitted to buy Saudi stocks only through mutual and since 2008 through the purchase of Saudi shares via swap agreements with authorized entities.

In 2010 Saudi Arabia introduced the exchange-traded funds, index-based investment products that are traded like stocks, and allows non-resident foreigners to trade in them.
**KING ABDULLAH ECONOMIC CITY**  
www.kingabdullahcity.com

**Area**  
168 million sq m located by the Red Sea close to Makkah, Medina and Jeddah

**Investment size**  
$8 billion

**Jobs**  
1 million

**Population**  
2 million

**Zones**  
Sea Port, Industrial Zone, Central Business District, Waterfront Resort Area, Education Zone, and Residential Zones

**Focus**  
Ports, logistics, light industry and services

**Key Business Sectors**  
Saudi Arabia’s petroleum resources will provide low-cost feedstock for a range of derivatives including high-end plastics manufactured in the planned Plastics Valley for automotive, biomedical, construction and food packaging applications

---

**PRINCE ABDULAZIZ BIN MOUSAED ECONOMIC CITY**

**Area**  
156 million sq m located in the northern region of Hail, rich in minerals and agricultural land, at the crossroads of key Middle Eastern trade and transportation routes

**Investment size**  
$56 billion

**Jobs**  
55,000

**Population**  
300,000

**Zones**  
Logistics & Transportation Centre, Dry Port, International Airport, Petrochemical Industries Centre, Business Centre, Knowledge Centre, Agricultural Industries, Mining Centre, Entertainment Area

**Focus**  
Logistics, agribusiness, minerals, and construction materials. PABMEC will be designed on cluster-based principles with an emphasis on transportation, logistics and supply chain centres for one of the Middle East’s most advanced transport hubs

---

**KNOWLEDGE ECONOMIC CITY**  
www.madinahkec.com

**Area**  
4.8 million sq m situated east of Medina, KEC will be a cultural landmark for visitors and a national centre for knowledge-based industries

**Investment size**  
$7 billion

**Jobs**  
20,000

**Population**  
150,000

**Zones**  
Taiba Complex for Technology and Knowledge-based Economy, Technological and Administrative Colleges, Theme Parks, Islamic Civilization Studies Centre, Complex for Medical Studies, Biological Sciences and Health Services, Complete Business Centre, Residential Areas, Passengers Station, Commercial Area, King Abdul Aziz Mosque

**Focus**  
Knowledge-based industries, tourism and services. Designed in classic Islamic style, this will be a city of unique character and heritage. Its development will complement the research of the King Abdullah Foundation and play a crucial role in transforming Saudi Arabia into a global force in the knowledge-based industry

---

**JIZAN ECONOMIC CITY**  
www.jazanecity.com

**Area**  
100 million sq m. Located 60km northwest of Jizan City, Saudi Arabia’s most important port on the Red Sea

**Investment size**  
$27 billion

**Jobs**  
100,000

**Population**  
300,000

**Zones**  
Industrial Park (will occupy 2/3 of the City), Sea Port, Agriculture repackaging and distribution, Fisheries, Business and Cultural Centre, Health & Education Areas

**Focus**  
The city offers an unparalleled environment for energy intensive industries, heavy industries, lifestyle, agro industries and people development
SAUDI ARABIA IS RANKED 4TH IN THE WORLD FOR “FISCAL FREEDOM” AND IT’S THE 6TH MOST REWARDING TAX SYSTEM IN THE WORLD

7TH FREEST LABOR MARKET IN THE WORLD ACCORDING TO THE WORLD ECONOMIC FORUM

ONE OF THE WORLD’S 25 LARGEST ECONOMIES (23RD ) AND THE LARGEST ECONOMY IN THE MENA REGION

ONE OF THE WORLD’S FASTEST GROWING COUNTRIES: PER CAPITA INCOME IS FORECASTED TO RISE FROM $20,700 IN 2007 TO $33,500 BY 2020

IT’S THE WORLD’S FASTEST REFORMING BUSINESS CLIMATE

IT’S THE LARGEST FREE MARKET IN THE MENA

REPRESENTS 25% OF TOTAL ARAB GDP

IT HAS 25% OF WORLDS OIL RESERVES

12TH OUT OF 181 COUNTRIES FOR THE OVERALL EASE OF DOING BUSINESS GLOBALLY. 10TH IN TERMS OF EASE OF PAYING TAXES

1ST FOR EASE OF REGISTERING PROPERTY AND IT’S THE LARGEST RECIPIENT OF FOREIGN DIRECT INVESTMENT IN THE ARAB WORLD
The KSA's most prominent sector is poised for unprecedented growth, diversification, and profitability.

The outlook for Saudi Arabia's energy sector has never been brighter or more secure. The high oil revenue environment has spurred a boom in both oil and non-oil development projects. Unlike previous investment cycles, the current round of investment projects is marked by heavy private sector participation with US$79 billion in private-sector energy projects under development. Private investment is expected to grow even further as the economy expands and the Saudi business environment continues to improve.

Activity in the world’s premier energy economy will develop rapidly as large-scale capital spending is applied to building new capacity and expansion of existing facilities. For example, the Arab Oil and Gas directory forecasts major new energy investments in KSA, including:

- **Petrochemical Projects**: US$90 billion
- **Power Generation**: US$90 billion
- **Water Desalination Plans**: US$88 billion
- **Natural Gas-Related Projects**: US$50 billion

Refining projects by private investors are also under consideration. In addition to direct energy-related investments the sector will be supported by an estimated US$140 billion in general infrastructure outlays including the Economic Cities and transport links.

**Investment opportunities**

With the world’s largest oil reserves supported by a highly developed energy infrastructure, Saudi Arabia offers investment opportunities across the value chain in a number of energy and energy-related subsectors. These include:

- **Crude Oil Refining**
- **Petrochemicals**
- **Fertilizers**
- **Power and Water**
- **Mining and Metals Processing**
**TRANSPORT & LOGISTICS**

Saudi Arabia’s strategic location and large-scale infrastructure development will position KSA as one of the world’s leading transport and logistics hubs. The Transport and Logistics (T&L) Sector in Saudi is supporting a population of 27.14 millions (2010), and within only 3 hours flying radius, the T&L sector can serve both cargo and passengers more than 250 million inhabitants.

SAGIA’s T&L mission is to develop the globally most competitive multimodal, integrated transportation infrastructure & systems, led by a comprehensive supply chain and logistics network. With its unique strategic location straddling the markets of east and west, KSA is recognizing its potential as a leading global transport and logistics hub. The nation already boasts numerous land and sea routes to Eastern Europe, the Indian subcontinent, the Middle East and North Africa plus East Asia. However, SAGIA, in collaboration with domestic and international partners, is now making substantial investments in a sophisticated transportation network that will leverage KSA’s competitive advantages.

**Strong demand for sector growth**

The future logistics demand in the Kingdom can be divide into three main areas, boosting today’s cargo flows from around 1 Mil tons a day to more than 2.5 Mil tons by 2020; 60% of expected growth is based on basic demand, 10% of expected growth is based on additional demand from leveraging additional logistics “launch pads”. Finally Saudi’s rapid domestic development spearheaded by the planned Economic Cities will capture a stronger demand for sector growth; the cities alone will contribute an additional 86-129 million tons per annum (or approximately 30% of the expected growth in cargo flow through KSA). Saudi Arabian domestic cargo demand is expected to grow by a 4-5% compound annual rate through 2020, while international flows are expected to grow at 5% and 7-8% for air and sea cargo, respectively.

**Improved efficiencies and speed to market**

The development of a world-class, multi-modal transportation system in Saudi Arabia will improve operating efficiencies and speed to market for businesses looking for strategically located transportation systems for distribution and/or supply chain networks. Naturally, the availability of low-cost fuel is a key factor making it an ideal site to centralize energy intensive logistical activities, such as Refueling.

**Large-scale project opportunities**

Saudi Arabia’s investment initiative offers large-scale project opportunities for contractors, builders, and operators of transport facilities. Not only that, lucrative opportunities for constructing and operating advanced transportation and logistics infrastructure will continue to open up. Current infrastructure projects include airport renovations and a number of massive rail developments, such as the Mecca monorail, Haramain High Speed Rail, the Land Bridge and the North-South Mineral Line.

**Good reasons to invest**

- Unparalleled land and sea lane access, with close links to Europe, Africa, South and East Asia.
- Substantial cost advantages due to the low domestic cost of energy.
- Large-scale, mutually reinforcing investments in road, rail, sea, and aerial transportation.
- Strong domestic growth, supported by massive capital spending and rising personal wealth.
- A highly stable, competitive and increasingly liberal business environment.
**Investment areas**

SAGIA has identified numerous investment opportunities within Transportation & Logistics Sector between the Base Economy & Economic Cities. An overall of US$100 Billion investment is anticipated over the next 10 years. These include:

- **Sea Ports:** Studies indicate several opportunities for capacity expansions and operational enhancements with attractive opportunities for qualified port operators. Jeddah Islamic Port alone could increase capacity by 30-50%. Some of the opportunities include 2 ports construction and operations in King Abdullah Economic City and Jizan Economic City, the development & administration of Logistics Park adjacent to Yanbu Commercial Port, and a 2nd Container Terminal in Jubail Commercial Port.

- **Air:** Major air aviation developments are taking place; air operators are sought to drive expansions to KSA's air transport infrastructure. For example, significant upgrades are currently underway at Medina Airport, a new Cargo Village is being planned for Dammam airport. As part of promoting the private sector, the first planned private airport is currently in progress in Prince Abdul Aziz bin Musa’ed Economic City.

- **Rail:** The rail infrastructure in Saudi is in need of major expansion, creating significant investment opportunities for railway operators and related industries. Planned projects include the 950 km rail link between Jeddah-Damman known as the Land Bridge Project, a 2,400 km Mineral Line Project running north to south; connecting Riyadh, Raz Azour, Hazm Al-Jalamid and Qurayyat. Finally, Light Rail Transit Systems within Cities such as Riyadh, Jeddah and Medina are being planned and developed.

- **Road:** SAGIA seeks to invest in roads to accommodate basic demand growth, in addition to traffic resulting from the establishment and evolution of the Economic Cities. According to the 9th 5 year development plan, the Ministry of Planning has announced government spending to increase from the 8th Five-Year Development plan by 97.5% (from SR 51.4 BN to SR 101.5 BN). Some of the opportunities include the design and supervision of new connections and expansions, and road services including but not limited to Public Transportation services.

- **Logistics:** Rising demand and deliberate public investment in Transportation infrastructure will drive development of world-class capabilities and critical need for Supply Chain Management. Hence, many opportunities such as Logistics Centers & Warehouse Service Facilities across the country including the Economic Cities are in great demand.

ICT

The region’s largest market is embarking on a historic ICT investment program that will make the KSA a regional technology landmark.

With over 27 million consumers and a number of global enterprises, Saudi Arabia is the largest ICT market by far in the Middle East. For example, the Saudi Arabian telecommunications and information technology industries represent over 55% and 51% of the total Middle East markets, respectively.

Yet, while many of the world’s ICT markets are maturing, the Saudi Arabian market remains substantially under-developed by global standards and remains on a rapid growth trajectory. ICT spending has grown at over 10% per year since 2001 to reach US$7.3 billion in 2006. Liberalization is occurring across the telecom industry, driving increases in competition, service levels, and usage. Numerous Saudi Arabian IT industries show clear signs of rapid growth, driven by the committed presence of major multinationals, and by the expanding skills and confidence of local companies.

***A large, emerging market***

The size of the Saudi Arabian ICT market provides excellent operational scale, as well as the advantages of locating in a technology hub catering to over 350 million Arabic-speakers in the region. Because Saudi society is young and growing rapidly, its consumer market is weighted heavily towards technologically literate early adopters. Arabization (digital content, software) activities enjoy strong growth prospects due to this large emerging market and the increasing supply of qualified software engineers coming available due to public and private training initiatives.

***Leaders in connectivity and ICT***

ICT adoption is also increasing rapidly thanks to rising personal wealth and an unprecedented commitment on the part of the public sector to achieving leadership in connectivity and information technology. Saudi Arabia has embarked on a twenty-year ICT plan that will support widespread technology and telecommunications adoption across KSA’s households and enterprises. A combination of deregulation and substantial public investments will create attractive investment opportunities for the private sector. Recent examples of such participation include a US$100 million investment by a venture capital firm in Saudi-based technology companies.

***State of the art communications infrastructure***

KSA’s unique access to energy makes it an attractive location for a range of activities across the ICT value chain. For example, ICT-enabled services providers (such as data centers) will be able to leverage Saudi Arabia’s unique access to low-cost power and state-of-the-art communications infrastructure to efficiently service global customers. Equipment and component production are also highly energy-intensive and require significant use of petroleum derivatives such as chemicals and plastics. Combined with KSA’s attractive setup incentives, these advantages translate into considerable cost savings for hardware manufacturing and assembly activities. Meanwhile, software and other content providers enjoy a secure environment for commercialization, thanks to significant progress on intellectual property rights (IPR) laws by the Ministry of Commerce and the CITC.
Good reasons to invest

- Saudi Arabia is the region’s largest ICT market with strong growth in consumer and enterprise end markets.
- Deregulation, privatization and WTO accession promoting private-sector opportunities—supported by significant investment incentives.
- Public-private funding partnerships such as KACST’s R&D co-funding initiatives by KACST.
- Public-private partnerships supporting venture capital funding such as recent collaboration between SAGIA and Intel.
- Strong commitment to e-commerce and e-governance initiatives (including IP protection).
- Significant unmet demands for web-based and mobile services; increased enterprise and government usage of web-based services provide large-scale opportunities for contractors and service providers.
- Massive public investment in connectivity for Economic Cities provides unique opportunities for green-field projects covering millions of users.
- Public investment in computer and Internet literacy programs.
Saudi Arabia is the Middle East’s largest market of healthcare consumers. What’s particularly attractive about it is that although it’s a large market, it’s far from mature. With KSA’s aging, yet affluent population, there’s an unprecedented opportunity for investors to benefit from new developments in healthcare.

In 2005, KSA spent US$13 billion on healthcare, 25% of which was supplied by the private sector. Public healthcare spending saw a compound annual growth rate of 7.2% between 1999 and 2005; spending is expected to reach US$20 billion by 2016.

High spending, increased value

The challenge is on to dramatically change the care that’s being provided. High levels of spending and increased focus on value mean the quality of care is set to improve dramatically. The imminent need for a comprehensive information management system, for example, will provide extensive private sector opportunities to contribute to its development and benefit from the flow of information it generates.

Millions of new healthcare consumers

As Saudi Arabia’s population continues to expand rapidly and urbanization continues, millions of new healthcare consumers will be added to KSA’s existing cities as well as the new Economic Cities. Aided by large budget surpluses, the public sector is set to make unprecedented investments to support healthcare provision and complementary sectors such as scientific research. Such investments will require strong private sector partnerships as well as a strong private sector presence overall, to sustain and capitalize on expected demand.

Good reasons to invest

- Brisk growth in market size, eg demand for hospital beds is expected to rise from 51,000 today to 70,000 by 2016. The number of hospitals will rise from 364 to 502.
- Large increases in healthcare consumption supported by increasing private wealth and public sector investments.
- Opportunity to cater to unmet demand across the healthcare value chain including medical education, research, facilities, provision and reimbursement.
- Structural changes in service provision and recent moves towards a compulsory, insurance-based system that will extend to include all Saudis.
- Exceptionally high incidence of major disease categories in KSA including diabetes, heart disease, and congenital disorders.
- Private hospitals, pharmaceutical companies and medical device manufacturers seeking international partners.
- An unfulfilled need for a comprehensive, national health information system.
Saudi Arabia is determined to become a regional leader in life science industries such as pharmaceuticals, medical devices and agrochemicals.

Saudi Arabia offers a variety of impressive opportunities across the life sciences sector including specific areas for investment along the value chains for pharmaceuticals, medical devices and agrochemicals.

Building a life sciences industry in KSA is one of the government’s top economic priorities. In addition to transforming the economy and its infrastructure to support knowledge-based industries, the government is supporting the sector’s development through a variety of direct and complementary investments.

Supporting research and development

To encourage R&D activities, KSA offers significant development finance and research grants through institutions such as the King Abdulaziz Center for Science and Technology (KACST) and the King Abdullah University for Science and Technology (KAUST). The ample funds available for R&D in Saudi contrasts sharply with the tight financial conditions prevailing in Europe, North America, and elsewhere. In addition, with its unique disease and climate, KSA presents attractive R&D opportunities for makers of pharmaceuticals, medical devices and agrochemicals. For example, the nation’s rates of diabetes and heart disease are among the world’s highest. Similarly, KSA faces a unique set of agricultural and environmental challenges; scientists developing products in these areas are protected by the nation’s world-class IP protections. Meanwhile, as the world’s 8th highest spender on education, Saudi is committed to supporting a burgeoning life sciences industry with an abundant supply of highly qualified graduates in scientific and technical / manufacturing fields.

An excellent location for manufacturing

Saudi Arabia provides an excellent location for manufacturing activities in the sector. Local operators enjoy low-cost access to feedstock, one of the most significant and volatile cost components for pharmaceuticals and agrochemicals manufacturers. Similar operating efficiencies derive from the local presence of complimentary industries such as plastics, packaging, and formulation. For example, nine pharmaceutical companies are currently leveraging these advantages, as well as around twenty players focusing on plastic consumables and intravenous solutions.

Domestic and regional end markets present an attractive investment profile. Investors in Saudi Arabia’s pharmaceuticals and medical devices sectors enjoy exposure to the surging public and private healthcare demands of KSA and its neighboring economies. The largest market in the Arab world, Saudi Arabia also provides an excellent export platform to the vast healthcare and agrochemical markets of Europe and Asia.

Good reasons to invest

- Surging healthcare demand in Saudi Arabia and the surrounding region.
- Low utilities costs, land rents and tax rates create an economical investment platform.
- The easiest place in the MENA region to do business.
- Attractive incentives, strong IP protection and massive financial support for R&D, provided by a government that is firmly committed to developing the life sciences sector.
- Major supportive investments completed and in the pipeline, such as the recent launch of a Biotech Park in Jeddah.
- Low-cost local access to feedstock for intermediate chemicals and other inputs into pharmaceuticals and agrochemicals production.
- Complementary industries such as plastics, chemicals, and formulation and packaging provide substantial operating efficiencies.
- Heavy public investment in science and technology training to furnish a skilled workforce, along with other supportive investments in infrastructure and facilities.
EDUCATION

With a young, expanding population and a blossoming knowledge-based industry, Saudi Arabia’s education sector is facing a new, exciting era.

Already the world’s 8th highest education spender, Saudi Arabia has recently initiated a complete overhaul of its educational system at a cost of US$3.1 billion. Increasingly prosperous families in traditionally underserved parts of the country have very strong demands for high-quality education. Meanwhile, for foreign investors, the new Economic Cities create a unique opportunity for private-sector involvement.

A potential to develop home-grown talent

Today, over 90% of Saudi students are educated in public schools, with only the wealthiest Saudi and expatriate children attending some 840 private schools. There is clearly substantial room for the private sector to participate more fully at the primary and secondary levels of Saudi Arabia’s education system.

While tertiary education enjoys greater private participation, this clearly remains an underserved market. Many students must pursue scholarships overseas to gain the highest-quality higher education; some 80% of engineers, doctors and scientists are foreigners.

In the past, foreign organizations have not been permitted to directly educate Saudi students. Now, for the first time, the Economic Cities are allowing students to benefit from outside skills and knowledge. In addition to traditional educational institutions, there is a clear need for a full range of educational and training services, including vocational programs, e-learning, content development, seminars, etc.

Good reasons to invest

- Significant unmet demands exist at every level of the Saudi educational system.
- Demographically, Saudi Arabia’s population is extremely young and growing rapidly, with millions of school-age children.
- Fast-rising personal wealth is bringing world-class education within reach of many Saudi families.
- The Economic Cities are being constructed as part of an ambitious public investment campaign to bring knowledge-intensive industries to KSA, providing foreign organizations with an opportunity to enter the market.

SAGIA

Working in partnership with the world’s most prestigious developers and investors, SAGIA is planning four spectacular Economic Cities in key locations around the nation, Through these large-scale, state of the art developments, SAGIA is offering ambitious businesses an amazing opportunity. Companies that set up here will benefit from exceptional services and facilities, giving them the perfect conditions to maximize their efficiency and grow their business yet further.

HE ABDULLATIF A. AL-OTHMAN
Governor and Chairman of the Board of Directors SAGIA

Appointed as SAGIA Governor in May 2012 he is a graduate from KFUPM with a B.A. in civil engineering. He has a master’s degree in business administration from the Massachusetts Institute of Technology (MIT) as a Sloan Fellow in 1998.

He began his career with Saudi Aramco in 1981 as an engineer and moved up the ladder holding positions as manager of Crude Oil Sales and Marketing, executive director of Saudi Aramco Affairs and vice president of Saudi Aramco Affairs in September 2001.

In 2003, Al-Othman was named vice president of Finance then was later named senior vice president of Finance, in May 2005.

In 2003, Al-Othman was named vice president of Finance then was later named senior vice president of Finance, in May 2005.

Al-Othman served as president for the Project Management Institute (PMI) Arabian Gulf Chapter and was a member of the International Association of Energy Economics.

MORE INFORMATION:
Riyadh SAGIA Headquarters
Imam Saud Bin Abdulaziz Road (University Road)
P.O. Box 5927
Riyadh 11432
Kingdom of Saudi Arabia
T +966 1 203 5555
F +966 1 263 2694
info@sagia.gov.sa
www.sagia.gov.sa
The right place to perform

As a G20 economy Saudi Arabia is a regional champion. To help you to succeed in this market you need an advisor who has extensive knowledge of the Kingdom. We provide from our three offices in Riyadh, Jeddah and Al Khobar teams providing Audit, Tax & Zakat and a full suite of Advisory services to local and international organisations.

Contact us through:
www.kpmg.com.sa
Setting up business
The Foreign Investment Act allows foreign companies to invest in all economic activities other than those listed on the so-called “negative list”. Broadly, the Foreign Investment Act also allows foreign companies to own 100% of local companies with the exception of certain activities like trade that require minimum 25% local shareholding. A Saudi sponsor or local partner is no longer required for most business activities.

The Saudi Arabian General Investment Authority (SAGIA) is responsible for dealing with all matters relating to investment regulations, including issuing licenses to foreign investors.

Commonly used business entities
The main company types are Limited Liability Companies (LLC), Joint Stock Companies (JSC), general partnerships and limited partnerships. Foreigners generally conduct business through either a LLC or a branch office of a foreign company.

Main legal formalities for the formation of a company or registration of a branch
The establishment of a Branch or LLC (which has foreign ownership) requires a license from the Saudi Arabian General Investment Authority (SAGIA). In addition, a Branch or LLC requires a Commercial Registration Number from the Ministry of Commerce & Industry (MOCI). There are certain restrictions related to minimum amount of share capital, number of shareholders and business sectors, which need to be observed when there is foreign participation.

Currency/monetary restrictions
Saudi Riyals is the currency of exchange. There are no foreign currency restrictions.

Regulatory requirements for financial services
Financial service companies are generally governed, licensed and regulated by the Saudi Arabian Monetary Agency (SAMA). The Capital Market Authority (CMA) regulates and monitors the activities of entities broadly carrying on capital market activities.
Accounting/finance for companies and Saudi branches of foreign companies

Financial statements
Annual financial statements must be prepared under the accounting standards issued by the Saudi Organization for Certified Public Accountants (SOCPA), except for banks and insurance companies, which are allowed to prepare their financial statements under International Financial Reporting Standards (IFRS).

Audit requirements
Foreign companies subject to income tax in Saudi Arabia are required to submit tax returns based on audited financial statements.

Book year/accounting currency
Generally, the taxable year for taxpayers of all activities is the state’s fiscal year (i.e. January to December). However, a taxpayer may use a different fiscal year after obtaining approval from the Department of Zakat and Income Tax (DZIT). The taxpayer’s first fiscal period will start from the date of its commercial registration or license and can be for less or more than 12 months (generally up to 18 months) if the company’s Articles of Association provide for a long first fiscal period. A Branch’s first fiscal period, under no circumstances, can exceed 12 months.

Companies must maintain a book of accounts in Saudi Riyal and in the Arabic language. Gross revenue and taxable profits must be calculated in Saudi Riyal. Where the calculation of income involves an amount in foreign currency, the amount is converted at the exchange rate published by SAMA on the date of the transaction.

Approval requirements
Approval is not required from the DZIT for setting up a business. However, an application for registration with DZIT should be submitted before the end of the first fiscal year. Failure to register is subject to a penalty ranging from SR 1,000 to SR 10,000.

Advance tax rulings/Advance Pricing Agreements (APA)
There is no formal tax advance ruling system. Obtaining rulings on principle issue is possible in certain circumstances.

Income tax compliance
Saudi Arabia has a system, which includes corporate income tax, withholding tax and Zakat. Corporate income tax is assessed on the share of the profits of the foreign partner in the local company or the non-resident who conducts business in Saudi Arabia through a permanent establishment. The corporate tax rate is generally 20%, apart from activities related to natural gas investment and oil and hydrocarbon production, where the tax ranges from 30% to 85%. Zakat is a religious levy on Saudi and Gulf Cooperation Council (GCC) nationals and Saudi companies that are wholly owned by Saudi or GCC nationals. The Zakat rate is 2.5% of the higher of the adjusted taxable profits or the Zakat base, which in general comprises equity, loans and provisions, reduced by deductible investments and fixed assets. A taxpayer is required to submit his Tax/ Zakat return to the DZIT within 120 days from the end of the taxable period of the incorporated body.

The Saudi Arabian tax law provides for actual withholding tax at different rates on payments made to non-resident parties by a resident or a PE of a non-resident from a source of income in the Kingdom of Saudi Arabia. Accordingly, any payment for services provided by a non-resident enterprise from a source or deemed source in the Kingdom is subject to withholding tax. Services are defined to mean anything done for consideration other than the purchase and sale of goods and other property. In accordance with the provisions of the tax law and by-law, the amount of withholding tax is calculated at the following rates:
Calculation of Withholding Tax
A person withholding tax under the tax law is required to pay to the DZIT the amount withheld during the first 10 days of the month following the month of payment to the non-resident. Furthermore, the person withholding tax is required to file with the DZIT an annual withholding tax report within 120 days from the end of his financial year. This form will be a consolidation of all the monthly withholding tax forms filed by the person during the financial year.

Indirect tax compliance
Saudi Arabia does not impose any sales tax or Value Added Taxes (VAT), however customs duty is payable on importation of certain goods and products into Saudi Arabia. According to the Foreign Investment Act (2000), companies licensed for industrial projects in the Kingdom are afforded the same benefits as national industries based on “The National Industries Law” and are able to qualify for certain exemptions. The National Industries Law provides that industrial projects in Saudi Arabia may import machinery, tools, equipment and spare parts free from customs duties. Semi-manufactured materials, raw materials, and packaging materials may also be imported duty-free by industrial projects but only to the extent that such materials are not available in Saudi Arabia. Furthermore, equipment and spare parts may qualify for exemption from customs duties if they are purchased from GCC states (Kuwait, UAE, Qatar, Oman or Bahrain) and if certain requirements are met. The Uniform GCC customs union provides for a customs duty rate of 5% for most products, and a rate of 12 to 20% for certain products in order to protect national interest.

Currently, social insurance contributions, commonly known as GOSI, are levied on salaries at the following rates:

Other tax compliance
Generally, tax liability is due with the filing of the tax return. However, certain taxpayers may be required to remit advance tax payments if 25% of previous year’s tax liability less taxes withheld at source is more than SR 500,000. In such case, the taxpayer must remit three advance payments on or before the last day of the sixth, ninths and twelfth month of the tax year. Failure to file tax return or pay due amount in time, results in a fine amounting to the greater of:

- 1% of the gross revenue to a maximum penalty of SR 20,000, or
- According to the following rates:
  a. 5% of the underpayment of tax if the delay is for up to 30 days after the due date;
  b. 10% of the underpayment of tax if the delay is more than 30 and no more than 90 days after the due date;
  c. 20% of the underpayment of tax if the delay is more than 90 and no more than 365 days after the due date;
  d. 25% of the underpayment of tax if the delay is more than 365 days after the due date.

In addition to the penalties mentioned above, 1% of underpayment of tax for each 30 days of the delay shall be added in the following cases:
- Delay in payment of tax payable per the return.
- Delay in payment of tax payable per the DZIT assessment.

Director’s liability to tax
Saudi Arabia does not impose personal income taxes on wages and salaries. From a corporate tax point of view, salaries and wages paid to a Director who is also a shareholder of the company will not be deductible for tax purposes.
Many new hospitals and universities are being established and education for women is specifically prioritized.

Entrepreneurship.

established in partnership with established in investment exploring the specialized in school that is a leading U.S. business school.

A new pillar of economic and social development in the Kingdom of Saudi Arabia.

**ECONOMIC OFFSETS PROGRAM**

- Government initiative to realize economic benefits from expenditures on foreign procurement contracts
- Aims to establish long-term mutually beneficial strategic partnerships with foreign contractors
- Objectives include creation of new investment and job opportunities with a focus on technology transfer, know-how and high-value-added projects
- Open to other non-committed foreign investors
- Foreign investors can benefit from incentives offered by the Saudi Government as well as those offered by the EOP and its Offset contractors

**BENEFITS**

- Availability of offset funds
- Help and support in obtaining government approval
- Advice on appropriate Saudi partners
- Market information
- Plots of land available in the Economic Offset Industrial Complex

**ACHIEVEMENTS**

- Modern industries with leading-edge technologies
- Joint investment totaling more than 21 Billion SR.
- 7200 job opportunities

**Economic Offset Secretariat**

Sreco, Salahuddin Road, P.O. Box: 27040, Riyadh 11417, Kingdom of Saudi Arabia
Phone: 966 1 478 4330  Fax: 966 1 478 4123  E-mail: info@offset.org.sa  Website: www.offset.org.sa
**WHO IS WHO**

**HAJI HUSEIN ALI REZA & CO**

Haji Husein Alireza & Co. Ltd. (HHA) was established as a general trading company in 1906 with diverse interests in foodstuffs, building materials, and jewelry. Haji Husein Alireza today represents four of the world's leading automobile and truck manufacturers: Aston Martin, Mazda, Peugeot, Geely, Geely Emgrand, Yuejin and MAN Trucks. HHA is the exclusive Kingdom-wide distributor for the manufacturers it represents. HHA is non-exclusive distributor of Peugeot.

P.O. Box: 40, Jeddah 21411
Phone: +966 2 604 9444
Fax: +966 3 873 8190
contact@hha.com.sa
www.hha.com.sa

**CEO**

**Ali Hussein Alireza**

“We are working to bring the highest levels of customer satisfaction and quality in our processes, products and services.”

- Chairman of Gulf One Investment Bank B.S.C.
- Serves as Chairman of Al Alamiya for Cooperative Insurance Company.
- Director and Member of Executive Committee at Samba Financial Group.
- Former member of the Makkah Region Governor's Council
- Chairman of the Board of the National Computer Systems Company (NATCOM).

**JARIR GROUP**

Founded by the Al-Agil Brothers Jarir Group comprises mainly of Jarir Bookstore, Jarir Marketing, Jarir Furniture, Jarir Real Estate, Kite Arabia Ltd. and Kids Kingdom. Jarir Marketing Company is listed in Saudi Stock Exchange (Tadawul) with a market capitalization of more than US $1.2 billion, presently. Jarir Investment has been investing worldwide in Hedge Funds, Private Equity and also guiding families second generation through family constitution, career planning and legal structuring. Jarir Bookstore is a Saudi Arabian company with over 26 locations in Saudi Arabia, 2 locations in Qatar, and 1 location in both UAE and Kuwait. The company mainly specializes in books and electronic retail.

Olaya St. 3196, Riyadh 11471
Phone: +966 1 462 6000
Fax: +966 1 465 6363
jarir@jarirbookstore.com
www.jarirbookstore.com

**CHAIRMAN**

**Mr. Mohammed Al Agil**

- Chairman of Jarir Group.
- CEO of Jarir Investment.
- Earned a Masters of Engineering from University of California, Berkley in 1975.
- B.S. in Engineering from KFUPM in 1974.
- Completed the OPM program at Harvard University in 1987.

**EL-AJOU GROUP**

El-Ajou Group is one of the top 100 companies of KSA with a history that dates back some 50 years. El-Ajou Group currently holds 3 companies El-Ajou Systems which provides office automation and systems solutions, El-Ajou Canon for canon products for home and office solutions, and Al-Jeel medical equipment and lab supplements.

King Fahad Road, Olaya District,
P. O. Box: 78, Riyadh 11411
Phone: +966 1 216 8222
Fax: +966 1 216 8566
info@elajougroup.com
www.elajou.com.sa

**PRESIDENT**

**Mr. Abdulghani El-Ajou**

“We are now in connection with further expansion and development, to support our work in all regions of the Kingdom to maintain our leadership and our role in the market.”

- Founder of El-Ajou Group in 1958.
JERAISY GROUP

Jeraisy Group specializes in office equipment, furniture, and ergonomic design. The Jeraisy Group is a one stop source for office collectivity.

King Fahd Road
P.O. Box: 317, Riyadh 11411
Phone: +966 1 419 8000
Fax: +966 1 419 7052
jrsygrop@jeraisy.com

www.jeraisy.com

MAHMOOD SAEED COLLECTIVE COMPANY (MSCC)

The Company was first formed in year 1948 by Sheikh Mahmood Saeed. During the 1970’s the company was diversified horizontally into the core business as a diversified group with manufacturing and trading activities as well as a Food and Beverage and a Shopping Centers and real estate division. In 1988 the new MSCC Group came into existence expanding beyond Saudi Arabia’s boundaries.

Some of the companies under their umbrella are Saudi Perfume and Cosmetics Industry, Mahmood Saeed Plastic Company, Mahmood Saeed Furniture Division, Oasis Mall and Relais de Paris and Waleeli restaurants.

CHAIRMAN
Mr. Mahmood Saeed

• Founded the company in 1948, then formed the group in 1988.

www.mssc.com.sa

ALI ZAID AL-QURAISHI & BROTHERS

Ali Zaid Al-Quraishi & Brothers Co Ltd. (AZAQ) was founded in 1958 as a family owned diversified company. Today, with more than 615 employees on its payroll, prolific market activities all over the Kingdom, and long established associations with a several world-class brands and international corporations, AZAQ is a leading business group in the region.

The Group today is firmly based in the marketing and distribution field, representing top brand names in leisure goods, household products, watches, office furniture, telecommunications, electronics, electrical equipment and motor vehicles. It is also involved in manufacturing of electrical products and transformers and switchgears.

King Fahd Road
P.O. Box: 317, Riyadh 11411
Phone: +966 03 833 3339
Fax: +966 03 834 3402
info@alquraishi.com

www.alquraishi.com

AL-AZIZIA PANDA UNITED COMPANY (APU)

APU is a Saudi Arabian grocery retailing company. APU is one of The Savola Group’s subsidiaries. The Savola Group is ranked ninth amongst the top 100 companies in the Saudi Arabian market and ranked second amongst the industrial sector after SABIC. The Savola Group has recently listed its Oils and Fats division in the Saudi Stock market under the name Afia International.

Amir Sultan Street, Zahra Area 21448
Phone: +966 2 691 6644, Fax: +966 2 692 6159
info@panda.com.sa

www.panda.com.sa

PRESIDENT & CEO
Mr. Mohammed Amin Kashgari

“We are one of the top 10 companies in the Kingdom and one of the most diversified conglomerates in the Middle East with interests from oil and sugar refinery to packaging as well as retail”.

www.alquraishi.com

Jeddah
Phone: +966 2 636 0020
Fax: +966 2 637 9093

www.panda.com.sa

_HEIGHT: 1000_WIDTH: 1000

PRESIDENT
Abul Rahman Bin Ali Al Jeraisy

“Our Objective is to provide our Customers unique means through our pioneering and leadership allowing them to be our partners in success. We are willing to provide our customers with information enabling them to process it in a way that serves common goals”.

• Holds a Master of Science Degree (MS) in Business Administration & Management from the American College of Switzerland. (1979 – 1985).

www.mssc.com.sa

CONTACT
CONTACT

CONTACT
CONTACT

CONTACT
CONTACT
**THE SAVOLA GROUP**

The Savola Group is a Saudi public listed company and one of the largest diversified conglomerates in MENACA region (Middle East, North Africa and Central Asia) managing a wide portfolio of businesses. The company was established in 1979 with an initial SR 40 Million Capital & grew significantly in subsequent years to SR 5 Billion. It is now one of the most successful and fastest growing multinational food groups in the MENACA region and has a wide portfolio of businesses including three core sectors: Foods comprises of Edible Oils, Sugar and Noodles/Pasta, Retail and Plastics. The Group also has significant investments in leading publicly-listed Saudi companies, investment funds and real-estate businesses.

Savola currently has market shares of 62% of the Edible Oils market and 68% of the Sugar market in the Kingdom as well as 166 Retail outlets (Supermarkets/Hypermarkets).

The Savola has major investment in Almarai Dairy Company (30%), Herfy Foods Company (49%), 29.99% of Kinan Real Estate Co., Jordanian Tameer Company (5%), Founding Shareholder of Knowledge Economic City in Madinah and Founding Shareholder of King Abdullah Economic City in Rabigh, Saudi Arabia.

**CEO**

H.E. Dr. Abdul Raouf Mohammed Manna

- Appointed as Chief Executive Officer of the Savola Group, effective July 1, 2010.
- He also serves as Managing Director of Afia International Company, a subsidiary of Savola Group.

**CHAIRMAN & OWNER**

Mr. Abdulla Al-Othaim

- Chairman & Owner of Abdulla Al-Othaim Markets.
- Son of Saudi Business Man Saleh Al-Othaim.

**ALMARAI**

Almarai began operating in Saudi Arabia in 1976 and has grown and expanded till it reached its status today as the one of the world's largest vertically integrated dairy company and the leading food and beverage manufacturing and distribution company operating across the GCC.

**CEO**

Mr. Abdulrahman A. Al-Fadley

*“Almarai is very keen to play its social role in the Kingdom and its society”*

- Promoted to Chief Executive of Almarai in 2001
- Joined AlMarai as General Manager of its central processing unit.
- Graduated from King Saud University in 1982 to work at petrolobe for 13 years reaching the position of Vice President of International Business.

**SAUDIA DAIRY AND FOOD STUFF COMPANY (SADAFCO)**

Sadafo was originally established in 1976 as joint venture project between some Saudi and Kuwaiti businessmen, in percentage of 48% each and 4% owned by Danish Turn Key Diaries Co. (DTD), SADACO Manufactures and distributes Saudia Dairy, Food Stuff, Ice Cream and Juices in different sizes in the Saudi Arabian Markets.

**CEO**

Mr. Wout Matthijs

*“The continued strong performance and consumer demand for key product groups along with the success of new products have contributed immensely to our growth,”*

- Managing Director FrieslandFoods West Africa. (FMCG food)
- Managing Director SPMetalWavin The Netherlands (FMCG) (1996 – 1997)
- Managing Director for Royal Van Ommeren Ceteco in the Netherlands, Nicaragua, Ghana, and Mozambique.
The Company owns four giant frms in Haradh, Hail, Wadi Al Dawaser and Al-Jouf, in addition to the Hafouf Dates Packing Factory. NADEC shows an interest in many integral activities such as vegetable production, wheat, yellow corn, forages, potatoes, onions and other vegetable products, fruit, olive oil and pure honey. NADEC owns a number of distribution centers that covers most of the Kingdom and the GCC area, with 33 centers that distribute and sell NADEC products.

CEO
Abdulaziz Mohammed AlBabtain
“We, at NADEC, strongly believe in the importance of communication with consumers and in taking care of them to the fullest according to logistic services with the purpose of meeting many of the humanitarian benefits reflecting on our performance in general”

ARAB SUPPLY & TRADING COMPANY (ASTRA)
ASTRA is a Saudi group of companies with a history that goes back to the late sixties, when first founded by Mr. Sabih Taher Masri. ASTRA has grown steadily into a diversified Group with operations in fields ranging from agriculture to trading, manufacturing, contracting services, medical & healthcare and real estate, with subsidiaries and affiliates in other Middle East and Gulf countries. The Group is currently ranked 21 among the top 100 Saudi companies and is the second largest privately owned Group in the Kingdom and employs more than 5,000 employees.

The company was established in 1988 as L.L.C and converted to close joint stock company in 2008 with capital of SR 630,000,000 which was increased to SR 741,176,470 following the transfer of the company to a listed joint stock company.

MANAGING DIRECTOR
Mr. Kamel Sadeddin
• Director at Jordan Express Tourist Transport Company.
• Mr. Sadeddin obtained a Higher National Diploma (HND) in Civil Engineering from Portsmouth Polytechnic, England in 1976.

Contact
Al Bayt Building No 3 Salahudin St
P.O. Box: 1560, Riyadh 11441
Phone: +966 1 475 2002, Fax: +966 1 475 2001
info@astraindustrial.com.sa
www.astraindustrial.com.sa

ARASCO
ARASCO was founded in 1983 by local Saudi Engineers and Farmers who collaborated together during the booming of the Kingdom of Saudi Arabia’s Agriculture sector. Its business consists of Six Business Units (Feed, Foods, Corn Products, Logistics, Al Emar & IDAC Labs) dedicated in producing compound feed, poultry, agricultural inputs, raw food supplies as well as logistic, technical, analytical and advisory services.

Contact
Olaya Street, P.O. Box: 53845, Riyadh 11593
Phone: +966 1 419 1933, Fax: +966 1 419 1520
info@arasco.com
www.arasco.com

AUJAN INDUSTRIES
Aujan Industries is the leading beverage company in Saudi Arabia. Ranked among the top 100 companies in Saudi Arabia, holds a top three market position in every country in which it operates. The company’s core markets are the Gulf Cooperation Council (GCC) countries of Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman, while its operations also extend to Iran, Iraq, the Levant, North Africa, South East Asia and Europe.

Aujan’s Brands are present in over 70 countries around the World. In 2011, Aujan’s turnover exceeded US$850 million, more than double its revenues of 2007. Following the recent announcement of a nearly US$1 billion partnership agreement with The Coca-Cola Company, Aujan is now poised for accelerated growth across the Middle East and internationally.

The company has 2,500 employees and manufacturing facilities in Dammam, Saudi Arabia, where Aujan is headquartered; Dubai, UAE; and Tehran, Iran.

Contact
P.O. Box 990, Dammam 31421
Phone: +966 3 857 0777, Fax: +966 3 857 7923
www.aujan.com
The Saudi British Economic Offset Programme brings together overseas companies with local Saudi partners to develop new profitable business opportunities. British Offset offers a unique package of advice, support and project financing to companies interested in starting new joint ventures in Saudi Arabia."
What is the main objective of the British Economic Offset Programme in Saudi Arabia?

The Saudi British Economic Offset Programme has been in operation for more than twenty years and continues to attract inward investment into Saudi Arabia in the form of high technology joint ventures. The Offset programme originated following the purchase of military equipment and associated support services by the Saudi government in the mid 1980’s. The prime contractor for the sale was and still is BAE Systems (formerly British Aerospace).

What opportunities do you offer through the program?

The Saudi British Economic Offset Programme offers unprecedented opportunities for international companies to take part in lucrative joint ventures in Saudi Arabia. The British Offset Office manages the Saudi British Economic Offset Programme on behalf of the UK Government and is part of the UK Ministry of Defence’s Saudi Armed Forces Project.

What are the projects that originated in Saudi Arabia?

Early successes of the programme included the United Sugar refinery and the Glaxo SmithKline pharmaceutical facility both located in Jeddah. The past two years have been particularly busy resulting in a number of projects implementing under the Offset programme including a SR2.4bn ($640m) seamless gas and oil pipe manufacturing facility which currently employs in excess of 700 staff with an impressive Saudisation rate of approximately 60%. The facility, a joint venture between the local Saudi firm Taqa and the Swiss company Durferco is located in Jubail Industrial City which is reputed to be the largest industrial complex of its kind in the world. The industrial city is also home to Arabian Amines, which is a joint venture between the Al-Zamil Group and the US Huntsman Corporation, and manufactures a wide range of ethyleneamines for use in a variety of applications from asphalt additives to fabric softeners.

What is the British Offset overall strategy?

During the initial years, British Offset focussed on attracting investment only from British companies, but after a period of time and with the agreement of the Saudi side, the scope of the Offset programme was expanded to allow investment from companies from most countries around the world. British Offset is currently dealing with companies from the UK, the United States, Canada, France, Germany, Italy, Japan, and Switzerland. British Offset is able therefore to widen its net globally to attract foreign joint venture partners from around the world and assist companies to plan joint venture projects from first concepts through to formal proposals and implementation.

What are the British Offset investment priorities?

Although British Offset is interested in all market sectors (except the extraction of oil and gas), we are particularly interested in pursuing opportunities in downstream petrochemicals, and with an increasing population currently at 28million, pharmaceuticals and healthcare offer attractive opportunities. With an estimated 80% of the population under 23 and 40% under 15, education and training are major growth markets. It is also the largest free market economy in the Middle East and North Africa holding 25% share of the total Arab GDP. The Kingdom’s geographic location also provides easy access to export markets in Europe, Asia and Africa.

What would you qualify as the main competitive advantage of the British Offset?

Over a period exceeding two decades British Offset has build up considerable experience of assisting with the setting up of joint ventures in Saudi Arabia and its links with the key decision makers in the Saudi Government can bring early resolution of problems standing in the way of joint venture agreements.

What are the advantages that an Offset program offers?

A project facilitated through the Offset programme offers many advantages, including free investment bank advice in the early stages of a project and help and support in obtaining the necessary Saudi Government approvals. But perhaps the major incentive offered to the foreign partner of a JV is access to non-recourse equity finance know as the BAE SYSTEMS Project Finance Initiative (BPFI). In a typical joint venture project supported by British Offset, 50% of its capital requirement will be sourced through a loan from the Saudi Industrial Development Fund (SIDF), a minimum of 25% will be equity (shared between the Saudi and foreign partners (with the foreign partner securing up to 50% of his equity share from BPFI)), with the remaining capital funded through loans from (local) banks. Many projects facilitated through the Offset programme have taken advantage of this BPFI facility.
WHY OIL RUNS THE WORLD
No fears, oil for all

As the world’s largest exporter of oil Saudi Arabia has also played a major role over the past two years leveraging global oil prices as it has stepped in to cover the shortfalls in supply created by the cut downs in Libya and the European and US sanctions on Iranian oil.
Indeed, Saudi Arabia is one of the few producers of oil that can significantly boost its output at a short notice and shield Western consumers against new oil shocks. During the worst months of 2012, OPEC produced oil well above its quota to 31.7mbd, 2mbd above projected demand, and most of the heavy lifting came from Saudi Arabia, pumping in excess of 10mbd from Saudi wells.

However, the country’s capacity and reserves are gradually decreasing due to the increase of domestic demand as both, population and industrial capacity threaten to erode Saudi Arabia’s status as the world’s biggest oil exporter. According to BP Statistical Review, domestic consumption of Saudi combined oil and gas production in 2000 stood at 24 percent in year 2000. In 2010 consumption sharply rose dumping the ratio up to 37 percent of the country’s production.

A report published by Citigroup in August 2012 warned that Saudi Arabia could become a net importer of oil by 2030 if domestic energy consumption continues to grow at its current rate. Oil demand for use in domestic electricity consumption is currently rising by about 8 percent annually, with around 3m barrels per day or a quarter of total output currently serving national energy requirements. Local consumption of oil is expected to rise to eight million barrels a day by 2030. On the other hand, all of Saudi Arabia’s natural gas is currently allocated for domestic consumption.

However, the Kingdom dissipates fears on its capacity to meet any increase in demand and hasn’t changed its preferred oil price at $100 a barrel. “Saudi Arabia will, as always, take all necessary steps to ensure the market is well supplied and help moderate prices meeting any additional demand from our customers,” said Minister of Petroleum and Mineral Resources of Saudi Arabia, Ali Al-Naimi during the peak oil prices of 2012 adding that the high price of crude was not justified by market fundamentals as demand and supply were balanced.

Due to the increasing oil supply, Saudi Arabia in March 2012 became the world’s largest oil producer with 9.923 million barrels per day, topping Russia’s output of 9.920 million. The country’s average production for 2012 was 9.6 mbpd. However, KSA’s spare capacity decreased 12 percent from 2011 when Libya’s output was virtually shut down.

Saudi Arabia, the world’s leading oil exporter, has total oil production capacity of 12.5 mbpd. Saudi Arabia has been producing an average of between 9.4 mbpd and 9.8 mbpd.

The International Energy Agency forecast global oil demand of 89.8 million barrels a day in 2012 and of 90.6 million barrels in 2013.

And although gas production has been steadily increasing over the past years with the huge Karan gas field now yielding 1.8 billion cubic feet of gas a day and looking up to 2.5 billion feet by 2014 and new extraction techniques and discoveries have also increased oil production, concerns about local consumption have prompted Saudi Arabia to start renewable energy projects and even to start considering its subsidised domestic pricing policy as a key to conserve energy and reduce consumption.

**CRUDE OIL PRODUCTION & GROWTH RATES 1999 - 2011 (1419/20 - 1432/33)**

![Production and Growth Rates Chart](chart.png)
In order to preserve its valuable crude exports that account for over 86 percent of its annual revenues, Saudi Arabia is accelerating exploration for natural gas and has set up plans to develop solar and nuclear power.

In May 2012 Saudi Arabia announced plans to start harvesting solar energy with the introduction of power plants that will generate up to 41,000 MW within two decades at an estimated cost of over $100 billion. As for today, less than 1 percent of its energy comes from renewables.

Within the National Energy Plan Saudi Arabia is set to build the King Abdulaziz City for Atomic and Renewable Energy which plans to generate 25 GW of electricity through solar energy plants. With twice as much the sunshine of anywhere in Europe the first tender for a 2,000 MW power plant is expected to be announced in early 2013 followed by a second tender for a 2,500 MW plant in 2014. According to a research from the King Fahd University of Petroleum & Minerals, Saudi solar radiation stands at between 4.5 to 7 kilowatts per square meter a day.

Following the country’s renewables turn, in September 2012 Osama al-Bar mayor of Mecca city announced a tender to build and operate renewable facilities producing 385 gigawatt-hours per year of power including 100 megawatts of solar capacity in order to save about SAR2.2bn off the electricity bill. The US$640m solar energy project capable of producing around 100MW of electricity will be established on an area of about 2m sqm.

The same month, a consortium led by ACWA Power International, the Saudi water and power giant in partnership with Aries Ingeniería y Sistemas and TSK Electrónica y Electricidad was awarded a bid to develop the $1 billion 160 MW Quarazate CSP Independent Power Project in Morocco that will generate power by using Concentrating Solar Power (CSP) parabolic trough technology and which represents a milestone in the development of Saudi Arabian renewables ambitions.

“KSA has the potential to produce enough solar power to meet four times current world electricity demand”, said oil and gas minister, Ali Al-Naimi in a recent speech.
The kingdom is the largest oil exporting country by a considerable margin in an already oil-rich region. It boasts proven reserves of 260 billion barrels – 20% of global oil reserves and sufficient to last almost a century at 2010 production levels. Add to this large undiscovered reserves widely presumed to lay dormant, as well as the country’s capacity – alone among OPEC member states – to deploy a large reserve production capacity to smooth price surges when necessary, and it takes no genius to see the kingdom is set to keep on dominating the world oil market for the foreseeable future.

Crude oil sales have historically accounted for 90% of the country’s overall export earnings and roughly 75% of its budget revenues. The state-owned oil company Aramco, one of the largest companies of the world and the largest employer in the kingdom with payrolls of 45,000 Saudi nationals, currently delivers about 45% of Saudi Arabia’s GDP, as compared to 40% which originates in the private sector. However, this proportion is gradually decreasing as ever more projects designed to diversify the economy come online, starting with but not limited to downstream petroleum industries. The objective in this is not only to create additional sources of income, but also to make the country less dependent on imports and to increase employment opportunities for a young and rapidly growing population.

Petroleum, when extracted, comes with associated gas from layers covering the oil deposits. This gas is released under pressure as a by-product of the oil extraction process. Whereas initially, producers worldwide would just burn this gas off, creating massive air pollution, the more environmentally conscious late twentieth and early twenty-first century has found solutions to prevent this waste and create additional profits in the process. Thus, Saudi Arabia’s national oil company Aramco has been putting this side effect to good use as feedstock for a downstream petrochemical industry.

As part of the program to increase Saudi Arabia’s crude output capacity to 12.5 mbpd from the 11 mbpd, Saudi Aramco is well ahead on plans to develop the world’s fifth largest oilfield which is expected to pump nearly 900,000 barrels per day of heavy crude and 90 million cubic feet per day of sour gas and 65,000 bpd of hydrocarbon condensate.

The project will include 41 kilometres of causeways, three kilometres of bridges, 27 drilling islands, 13 offshore platforms, 15 onshore drill sites, water supply wells, injection facilities, multiple pipelines and a 420 megawatt heat and electricity plant. Two refineries with a combined output capacity of 800,000bpd will be also built.

The Manifa field is estimated to host some 10 billion barrels of crude reserves and is the second largest single crude increment project of Saudi Aramco after Khurais.
Mining to diversify

With the biggest proven reserves of oil it is fair to state that petroleum is synonymous of Saudi Arabia. However, the kingdom’s soil also contains a wealth of mineral resources other than oil and the associated gas. In fact, tens of thousands of square kilometres of hard rock and mountainous regions in the country contain minerals ranging from gold, silver, lead, zinc and uranium to iron ore, copper, phosphates, bauxite, coal and tungsten.

To exploit the reserves, the kingdom has started implementing a major development plan that includes the construction of a 1,400-kilometer railroad network to transport bauxite and phosphate from the north all the way down to Ras Al Khair a new mineral city developed at an estimated cost of $31 billion in the Gulf sea following the example of the successful petrochemical cities of Jubail and Yanbu.

The kingdom’s plans for an integrated mining programme to utilise phosphate and bauxite deposits in the production of fertilisers and aluminium will involve investments of more than $10 billion. The Al Jalamid deposit will supply raw materials for a $2 billion fertiliser production complex to be built at Ras al-Khair, sixty kilometres north of the industrial city of Jubail on the Gulf coast which will include plants to produce ammonia, sulphuric acid and phosphoric acid to provide feedstock for a 3 million-tonnes-a-year di-ammonium phosphate plant.

Indeed, Saudi Arabia has some of world’s largest phosphate reserves, while estimated bauxite deposits could feed the planned 620,000 tonnes-a-year capacity of the $10.8 billion aluminium smelter located in the new Ras Al Khair industrial mineral city for more than 30 years. The area already has a $5.5 billion phosphate joint venture between Maaden and the state-run petrochemical producer Saudi Basic Industries Corporation.

The state-owned mining firm Maaden’s major phosphate and bauxite projects will place the kingdom firmly on the world stage as a producer of downstream value-added fertiliser and aluminium products. Maaden is also exploring for phosphates in the northern areas of Wadi Sirhan and Turaiif and is developing magnesium deposits in the central area of the Kingdom.

Ras Al Khair thus marks the first serious attempt by KSA to exploit its non-oil mineral deposits. As part of the general ongoing infrastructure investment, it will be connected by rail not only to the bauxite mines at Zabirah and the phosphate deposits near Jalamid, but also to the nearby industrial city of Jubail — which is itself being expanded with a Jubail 2 section - as well as to the deep water seaport built by the Chinese Harbor Contracting and Engineering Co which won the SR 2.2 billion ($586.7 million) construction contract. The Saudi Landbridge railway line will later also connect the new port to Dammam. Ras Al Khor will comprise a phosphate fertilizer plant, alumina refineries, a SAR 22.5 billion aluminium smelter, a SAR 13.1 billion di-ammonium phosphate (DAP) fertiliser plant, an ammonia plant and facilities to produce phosphoric and sulphuric acid. Annual production forecasts are to the tune of 6 million tons of granular diammonium phosphate, 440,000 tons of liquefied ammonia, 1 million tons of caustic soda, 1 million tons of alumina and 70,000 DWT.
Ras Al Khair will eventually also have its own combined power station and desalination plant, for which a SR59.9 million ($16 million) engineering contract was awarded in July 2010 to a consortium led by consultancy firm WS Atkins International. When completed by the end of 2013 the plant, estimated to cost $6 billion in all, will likely be the world’s largest, generating 2.400 megawatts of electricity and producing 1.025 million cubic meters of desalinated water per day. The plant will be part of a network of new IPP (independent power producer) projects planned by the Saudi Electricity Company (SEC) worth SR300 billion ($80 billion). In all, 6 IPPs will supply an additional 20,000 megawatts to the energy-starved country by 2018. Beside Ras Al Khair, plants will be constructed in Rabigh, Riyadh, Qurayyab, Dheba and Shuqaiq. Said Amer Al-Swaha, the head of IPP at SEC, “Of the total investment of $100 billion, some $46 billion will go to power generation, and $30 billion will be spent on transmission and $20 billion on distribution.”

Finally, an entire residential city will complete Ras Al Khair. A residential village containing 500 housing units has already been constructed for Maaden’s own employees. “In the first instance, we are aiming to export raw minerals and ores as well as fertiliser and aluminium products to the nearby high-growth markets in Asia, where demand is high and keeps increasing,” says Al Otaibi, head of the Royal Commission for Jubail and Yanbu Indeed, the gigantic and growing economies of India, China are easily reached from the eastern shore of the Arabian peninsula. Korea and Japan are just one stop further away. The Saudi government has also given the green light for $7 billion for Promise of the North City for Mining Industries. The project will be led by Maaden and is close to phosphate and natural gas resources in the north of the country. Among the Gulf countries, only Saudi Arabia has an established mining industry. It has been mainly focused on Maaden’s production of precious metals as well as minerals for the cement industry. Maaden now plans to more than double production of gold, and is building a 500-kilometer pipeline to bring water to its gold mining centre in central Arabia.

A Mining Investment Service Centre has been set up to provide information and assistance to those interested in obtaining mineral concessions. The centre has been conceived as a one-stop shop also providing access to mineral maps and technical reports.

In a sign of the growing willingness of the Saudi government to give up state control over the sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

In a sign of the growing willingness of the Saudi government to give up state control over the sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.

Minister of Petroleum and Mineral Resources Ali Naimi has said that liberalising the solid minerals sector, it has indicated that all of the company’s activities will in the longer term be transformed into self-supporting business units ripe for privatisation.
### Crude Oil Production & Reserves

<table>
<thead>
<tr>
<th>Year</th>
<th>Crude Oil Production</th>
<th>Share of world production</th>
<th>Average production/day</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>3,069.7</td>
<td>12.5</td>
<td>8.4</td>
</tr>
<tr>
<td>2004</td>
<td>3,256.3</td>
<td>12.6</td>
<td>8.9</td>
</tr>
<tr>
<td>2005</td>
<td>3,521.2</td>
<td>13.4</td>
<td>9.6</td>
</tr>
<tr>
<td>2006</td>
<td>3,360.9</td>
<td>12.9</td>
<td>12.3</td>
</tr>
<tr>
<td>2007</td>
<td>3,369.9</td>
<td>12.3</td>
<td>8.8</td>
</tr>
<tr>
<td>2008</td>
<td>2,987.3</td>
<td>10.6</td>
<td>8.2</td>
</tr>
<tr>
<td>2009</td>
<td>2,980.4</td>
<td>9.4</td>
<td>8.2</td>
</tr>
</tbody>
</table>

### Crude Oil Reserves

<table>
<thead>
<tr>
<th>Year</th>
<th>Crude Oil Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>262,730</td>
</tr>
<tr>
<td>2004</td>
<td>264,310</td>
</tr>
<tr>
<td>2005</td>
<td>264,211</td>
</tr>
<tr>
<td>2006</td>
<td>264,251</td>
</tr>
<tr>
<td>2007</td>
<td>264,209</td>
</tr>
<tr>
<td>2008</td>
<td>264,063</td>
</tr>
<tr>
<td>2009</td>
<td>264,590</td>
</tr>
<tr>
<td>2010</td>
<td>264,516</td>
</tr>
</tbody>
</table>

### Production of Refined Products

<table>
<thead>
<tr>
<th>Year</th>
<th>Production of Refined Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>1,760.6</td>
</tr>
<tr>
<td>2004</td>
<td>1,907.4</td>
</tr>
<tr>
<td>2005</td>
<td>1,974.4</td>
</tr>
<tr>
<td>2006</td>
<td>1,960.1</td>
</tr>
<tr>
<td>2007</td>
<td>1,905.1</td>
</tr>
<tr>
<td>2008</td>
<td>1,976.3</td>
</tr>
<tr>
<td>2009</td>
<td>1,911.0</td>
</tr>
<tr>
<td>2010</td>
<td>1,893.4</td>
</tr>
</tbody>
</table>

### Domestic Consumption of LPG and Natural Gas

#### LPG Consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumption of LPG</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>13,328</td>
</tr>
<tr>
<td>2004</td>
<td>12,913</td>
</tr>
<tr>
<td>2005</td>
<td>13,235</td>
</tr>
<tr>
<td>2006</td>
<td>13,138</td>
</tr>
<tr>
<td>2007</td>
<td>14,905</td>
</tr>
<tr>
<td>2008</td>
<td>15,570</td>
</tr>
<tr>
<td>2009</td>
<td>15,847</td>
</tr>
<tr>
<td>2010</td>
<td>2,076</td>
</tr>
</tbody>
</table>

#### Natural Gas Consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumption of Natural Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>339,796</td>
</tr>
<tr>
<td>2004</td>
<td>376,140</td>
</tr>
<tr>
<td>2005</td>
<td>416,897</td>
</tr>
<tr>
<td>2006</td>
<td>422,905</td>
</tr>
<tr>
<td>2007</td>
<td>439,960</td>
</tr>
<tr>
<td>2008</td>
<td>477,665</td>
</tr>
<tr>
<td>2009</td>
<td>466,242</td>
</tr>
<tr>
<td>2010</td>
<td>521,784</td>
</tr>
</tbody>
</table>

### Desalinated Water

<table>
<thead>
<tr>
<th>Year</th>
<th>Production capacity of desalination plants</th>
<th>Water supply from desalination plants</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>726.59</td>
<td>711.38</td>
</tr>
<tr>
<td>2004</td>
<td>763.65</td>
<td>768.63</td>
</tr>
<tr>
<td>2005</td>
<td>746.57</td>
<td>741.89</td>
</tr>
<tr>
<td>2006</td>
<td>743.64</td>
<td>748.46</td>
</tr>
<tr>
<td>2007</td>
<td>775.67</td>
<td>791.03</td>
</tr>
<tr>
<td>2008</td>
<td>772.52</td>
<td>795.49</td>
</tr>
<tr>
<td>2009</td>
<td>737.18</td>
<td>749.46</td>
</tr>
<tr>
<td>2010</td>
<td>639.05</td>
<td>944.56</td>
</tr>
</tbody>
</table>

### Electricity

#### Actual capacity available

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual capacity available</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>30,091</td>
</tr>
<tr>
<td>2004</td>
<td>30,526</td>
</tr>
<tr>
<td>2005</td>
<td>32,301</td>
</tr>
<tr>
<td>2006</td>
<td>35,000</td>
</tr>
<tr>
<td>2007</td>
<td>36,949</td>
</tr>
<tr>
<td>2008</td>
<td>39,242</td>
</tr>
<tr>
<td>2009</td>
<td>44,485</td>
</tr>
<tr>
<td>2010</td>
<td>49,138</td>
</tr>
</tbody>
</table>

#### Rate of increase in actual capacity available

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate of increase % p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>5.0</td>
</tr>
<tr>
<td>2004</td>
<td>5.8</td>
</tr>
<tr>
<td>2005</td>
<td>6.4</td>
</tr>
<tr>
<td>2006</td>
<td>6.2</td>
</tr>
<tr>
<td>2007</td>
<td>13.4</td>
</tr>
<tr>
<td>2008</td>
<td>10.5</td>
</tr>
<tr>
<td>2009</td>
<td>4.1</td>
</tr>
</tbody>
</table>

### Average consumption per subscriber

<table>
<thead>
<tr>
<th>Year</th>
<th>Average consumption per subscriber</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>33,481</td>
</tr>
<tr>
<td>2004</td>
<td>32,386</td>
</tr>
<tr>
<td>2005</td>
<td>32,425</td>
</tr>
<tr>
<td>2006</td>
<td>32,921</td>
</tr>
<tr>
<td>2007</td>
<td>32,668</td>
</tr>
<tr>
<td>2008</td>
<td>33,408</td>
</tr>
<tr>
<td>2009</td>
<td>33,933</td>
</tr>
<tr>
<td>2010</td>
<td>34,641</td>
</tr>
</tbody>
</table>

#### Rate of increase in average consumption rate per subscriber

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate of increase % p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>4.9</td>
</tr>
<tr>
<td>2004</td>
<td>-3.3</td>
</tr>
<tr>
<td>2005</td>
<td>0.1</td>
</tr>
<tr>
<td>2006</td>
<td>1.5</td>
</tr>
<tr>
<td>2007</td>
<td>0.8</td>
</tr>
<tr>
<td>2008</td>
<td>2.3</td>
</tr>
<tr>
<td>2009</td>
<td>1.6</td>
</tr>
<tr>
<td>2010</td>
<td>4.3</td>
</tr>
</tbody>
</table>

### The Top Eight Energy Risks for 2013

1. Risk: MENA Unrest & Secession Struggles
2. Risk: Producer States Overreact To Falling Prices
3. Rouse: Iranian Nuclear Position Comes To A Head
4. Rumbler: Russia Goes To Internal Energy War
5. Rumbling Risk: American Schizophrenia Sets In
6. Risky Rumble: G2 Failure, EU Bind
7. Rumbler: Unconventional Contradictions
8. Risk: Renewables Takes Major Hits


**Notes:**
- Preliminary, “e” expected.
- In thousand barrels of oil equivalent.
- Includes electricity generated by Saline Water Conversion Corporation, and from 2000 also includes other producers.
- From 2008 water supply includes private sector production. From 2000 also includes capacity imported from Saline Water Conversion Corporation and other producers.

**Summarized World Oil**

<table>
<thead>
<tr>
<th>Year</th>
<th>World Oil Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>83.7</td>
</tr>
<tr>
<td>2004</td>
<td>84.6</td>
</tr>
<tr>
<td>2005</td>
<td>85.9</td>
</tr>
<tr>
<td>2006</td>
<td>85.74</td>
</tr>
<tr>
<td>2007</td>
<td>84.54</td>
</tr>
<tr>
<td>2008</td>
<td>87.00</td>
</tr>
<tr>
<td>2009</td>
<td>87.77</td>
</tr>
<tr>
<td>2010</td>
<td>88.67</td>
</tr>
</tbody>
</table>

**World Oil Price**

<table>
<thead>
<tr>
<th>Year</th>
<th>World Oil Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>48.5</td>
</tr>
<tr>
<td>2004</td>
<td>48.9</td>
</tr>
<tr>
<td>2005</td>
<td>50.5</td>
</tr>
<tr>
<td>2006</td>
<td>50.41</td>
</tr>
<tr>
<td>2007</td>
<td>51.13</td>
</tr>
<tr>
<td>2008</td>
<td>52.31</td>
</tr>
<tr>
<td>2009</td>
<td>52.39</td>
</tr>
<tr>
<td>2010</td>
<td>53.02</td>
</tr>
</tbody>
</table>

**World Oil Supply**

<table>
<thead>
<tr>
<th>Year</th>
<th>World Oil Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>84.2</td>
</tr>
<tr>
<td>2004</td>
<td>84.4</td>
</tr>
<tr>
<td>2005</td>
<td>84.7</td>
</tr>
<tr>
<td>2006</td>
<td>85.75</td>
</tr>
<tr>
<td>2007</td>
<td>84.19</td>
</tr>
<tr>
<td>2008</td>
<td>86.54</td>
</tr>
<tr>
<td>2009</td>
<td>87.46</td>
</tr>
</tbody>
</table>

**Balance (stock change)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Balance (stock change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>0.5</td>
</tr>
<tr>
<td>2004</td>
<td>-0.2</td>
</tr>
<tr>
<td>2005</td>
<td>-1.2</td>
</tr>
<tr>
<td>2006</td>
<td>0.01</td>
</tr>
<tr>
<td>2007</td>
<td>-0.35</td>
</tr>
<tr>
<td>2008</td>
<td>-0.45</td>
</tr>
<tr>
<td>2009</td>
<td>-0.31</td>
</tr>
</tbody>
</table>

### Notes:

- Preliminary, “e” expected.
- In thousand barrels of oil equivalent.
- Includes electricity generated by Saline Water Conversion Corporation, and from 2000 also includes other producers.
- From 2008 water supply includes private sector production. From 2000 also includes capacity imported from Saline Water Conversion Corporation and other producers.
- Saline Water Conversion Corporation (SWCC), and Ministry of Water and Electricity.
WHO IS WHO

SAUDI ARAMCO

The Saudi Arabian national oil and natural gas company based in Dhahran. Saudi Aramco was estimated to be worth $781 billion in 2005, making it the world’s most valuable company.

Saudi Aramco has both the largest proven crude oil reserves, at more than 260 billion barrels, and the largest daily oil production. Saudi Aramco operates the world’s largest single hydrocarbon network, the Master Gas System. Its yearly production is 7.9 billion barrels, and it managed over 100 oil and gas fields in Saudi Arabia, including 279 trillion standard cubic feet of natural gas reserves. Saudi Aramco owns the Ghawar & Shaybah fields, the world’s largest oil fields.

CEO
Mr. Khalid A. Al Falih

“He have to invest wisely.” Stanford Business


ALDREES PETROLEUM AND TRANSPORT SERVICES COMPANY LTD

One of Saudi Arabia’s petroleum retailers and commodity hauling companies. The company was established in 1957, by selling its oil products stored in barrels and tanks. In 1963 the Company rented its first Petrol Station at Al-Rail Street in Riyadh. The year 1965 brought real prosperity to the Petroleum Services Division of the Company by having owned its first Petrol Station at Al-Dhahran Street, Malaz located at the center area of Riyadh. During the past forty-five years of continuous effort, the Petroleum Services Division has firmly expanded its operations in the Kingdom, winning over contracts both from the Government institutions and Private companies. To date the company’s service stations strategically located kingdom wide to serve its network of clients. Aldrees mainly specializes in the industry of Petroleum & Transport, and distribute the products of Gas & Diesel.

CHAIRMAN & DIRECTOR
Mr. Hamad Mohammed Aldrees
Since February 2, 2009

CEO
Abdulelah Saad Aldrees

CHEVRON

Saudi Arabian Chevron operates on behalf of the Kingdom of Saudi Arabia the Kingdom’s interest in the petroleum resources of the 5,000 square-kilometer onshore area of the Partitioned Zone (PZ) between the Kingdom and the State of Kuwait.

The Company works in partnership with Kuwait Gulf Oil Company, the operator for Kuwait’s equal interest in the area, through Joint Operations. This organization, staffed and funded equally by Saudi Arabian Chevron and Kuwait Oil Company, explores for, develops and produces oil in the PZ. It operates three fields: Wafra, South Umm Gudair and South Fuwaris. A fourth field, Humma, is under long-term evaluation for potential development.

A sole Main Gathering Center is located at Wafra with many subcenters throughout the three main fields. The Company also independently operates a storage and marine export facility at Mina Saudi (Al-Zour), where its head office and residential camp are located.

Saudi Arabian Chevron is a subsidiary of Chevron International Exploration and Production. In addition to developing the human and natural resources of the onshore PZ, Saudi Arabian Chevron also identifies and develops new business opportunities in the Kingdom, the PZ, and elsewhere.

PRESIDENT
Ahmed Al-Omer

“Our mission encompasses building on our equally long standing relationship with Saudi Aramco, to promote the transfer of technology and technical services to it through the activities of Saudi International Services Company (SISCO).”

P.O. Box: 6
Mina Al-Zour (Mina Saud) 66051
Kuwait
sniffkd@chevron.com
www.sachevron.com
**PetroSaudi International Ltd**

Founded in 2005, PetroSaudi International is a privately owned oil exploration and production company, with offices in Saudi Arabia, England, and Switzerland. The company is involved in oil and gas projects in energy-producing regions around the world.

**FOUNDER & CEO: Mr. Tarek Essam Ahmad Obaid**

- A graduate of Georgetown University’s School of Foreign Service and a partner of the Renault F1 Team

**CEO: Mr. Samir Nawar**

“Every structure is supported by pillars and Petromin’s pillars are its valued distributors and clients”. - Mr. Samir Nawar.

**P.O. Box: 58640, Riyadh 11515**

Phone: +966 1 248 0752, Fax: +966 1 248 0381, rayyanr@bp.com

**www.petromin.com**

**BRITISH PETROLEUM**

Operating Since 1983 in Saudi Arabia with main business of supplying and trading petroleum products such as lubricants and aviation fuel to wholesale and retail customers.

BP's Integrated Supply and Trading (IST) team purchase and supply a wide range of crude oil and refined products, destined for BP’s vast refining and marketing networks, as well as to other international petroleum markets.

The BP Representative Office in Riyadh helps to direct, coordinate and assist all BP activities in the Kingdom. The office is responsible for supporting BP business development activities and expanding relationship networks within the local business community.

**CEO: Rupert "Bob" Dudley**

“It is impossible to say what price exactly will affect the economic recovery but we do know which regions will be affected most.” – Robert Dudley

- Born September 14, 1955
- The Group Chief Executive and a director of BP
- He had served as President and Chief Executive of TNK-BP and on June 18, 2010.
- Was assigned to be BP executive in charge of the Gulf Coast Restoration Organization responding to the Deepwater Horizon oil spill.

**PETROMIN CORPORATION**

Petromin Corporation is a privately owned Saudi Arabian corporation specializing in lubricant oils including manufactural, industrial, and automotive oils and lubricants. The company was established in 1968 as a joint venture between Saudi Aramco and Mobil investments and started production at its first blending plant in Jeddah. This plant is now one of the biggest oil and mobilization plants in the Middle East and Petromin Corporation is the largest maker of lubricants in Saudi Arabia.

**CEO**

Mr. Khalid G. Al-Buainain

“We are a company with global reach and a global outlook, and we are creating a generation of Saudis who can thrive on the global stage”. - Khalid Al-Buainain

- Mr. Khalid G. Al-Buainain serves as Senior Vice President of Downstream Operations at Saudi Arabian Oil Company and previously held the post of Senior Vice President of Refining Marketing at Saudi Arabian Oil Company.

**MANAGING DIRECTOR**

Mr. Saad Abdulla Al-Saab

“During the global economic recession, The revenue of ADC exceeded SR 1.2 billion in 2009, the highest ever achieved during the company’s 47 years”.

**PETRO RABIGH**

Rabigh Refining & Petrochemical Company (Petro Rabigh) is a Saudi Arabia-based company which produces and markets refined hydrocarbon and petrochemicals. The company was a joint venture between Saudi Aramco and Sumitomo Chemical which is now publicly held. It is traded on the Saudi Stock Exchange. Petro Rabigh operates a 400,000-barrel (64,000 m³) capacity refinery located in Rabigh, Saudi Arabia, which produces naphtha, kerosene, gasoline, diesel and fuel oil.

The company held its initial public offering in January 2008. Ownership of the company is 37.5% to Saudi Aramco, 37.5% to Sumitomo Chemical, and 25% to the public. A feasibility study for a second phase for the plant is underway.

**MANAGING DIRECTOR**

Khalid G. Al-Buainain

“We are a company with global reach and a global outlook, and we are creating a generation of Saudis who can thrive on the global stage”. - Khalid Al-Buainain

- Mr. Khalid G. Al-Buainain serves as Senior Vice President of Downstream Operations at Saudi Arabian Oil Company and previously held the post of Senior Vice President of Refining Marketing at Saudi Arabian Oil Company.

**MANAGING DIRECTOR**

Mr. Saad Abdulla Al-Saab

“During the global economic recession, The revenue of ADC exceeded SR 1.2 billion in 2009, the highest ever achieved during the company’s 47 years”.

**ARABIAN DRILLING COMPANY (ADC)**

Established in 1964, the Arabian Drilling Company (ADC) is a Limited Liability partnership between the Industrialization & Energy Services Company (TAQA) which owns 51% and Services Petroliers Schlumberger S.A. A global leader in oilfield services which owns the remaining 49%.

ADC has operated Onshore and Offshore drilling Rigs in Kingdom of Saudi Arabia, the Partitioned Zone with Kuwait and in the past in Yemen & UAE.

**MANAGING DIRECTOR**

Mr. Saad Abdulla Al-Saab

“During the global economic recession, The revenue of ADC exceeded SR 1.2 billion in 2009, the highest ever achieved during the company’s 47 years”.

**www.arabdrill.com**
94 · W Guides: Find me in Saudi
WHEN OIL BECAME PLASTIC
During the past three years the industrial sector of Saudi Arabia has experienced a major push by the government with huge investments in infrastructure to develop the already in place industrial cities but also creating new industrial hubs in remote areas of the vast kingdom in an overwhelming effort to diversify the largely oil-based Saudi economy.
The greatest of all investments is with no doubt the railroad project that will connect not only people but also and more importantly the industrial and mineral cities with the exportation hubs and amongst each other.

The expansion of the Saudi economy at a time when the rest of the world is struggling has its own reasons. The oil revenues amassed during the period of high oil prices in the early years of the century have created a boom in every sector of the economy, but specifically in the non-oil industry.

Within this field, the petrochemical sector is one of the fastest growing in the economy and the largest non-oil sector of KSA that will quadruple over the next ten years, positioning Saudi Arabia as the sector’s leader. According to SAGIA, “Saudi Arabia is the world’s 11th largest petrochemicals supplier, accounting for 7-8% of total supply. Simultaneously, Saudi Arabia has increased its global market share in petrochemicals to 13-14%.” Judging by the profile of the 80-plus petrochemical facilities in place, however, Saudi Arabia could easily become the world’s third largest producer by 2015.

The accession of Saudi Arabia to the WTO in 2005, the kingdom’s strategic position as an exporting country – a natural geographical hub connecting Europe, Asia and Africa – the low-cost feedstock, energy and labour and the development of new infrastructure particularly rail around the industrial cities have also helped to create a shift in the source of the investment. Whereas in the past most of the industrial projects were heavily financed by the government, they now tend to be carried by private investors taking note of the country’s advantages.

But Saudi Arabia will also become an important global player in minerals soon. KSA has enough mineral deposits of phosphate and bauxite to catapult the kingdom to a place among the top exporting countries. It is estimated that phosphate exploitation and fertilizer production when optimized will produce 2.92 million tons per year of diammonium phosphate (DAP) fertilizer for export to high growth markets, in particular nearby Asian nations.

Ras Al Khair industrial mineral city will be crucial to the success of the kingdom’s ambitious downstream oil and gas project: a SAR 13.1 billion fertilizer plant and a SAR 22.5 billion aluminium smelter, both to be run by Saudi Arabian Mining Co. (Maaden).

This acceleration of industrial development in Saudi Arabia brings along dramatic changes for both the nation and its inhabitants. “Any development takes a lot of change,” says his Royal Highness Prince Saud bin Abdullah bin Thunayan, Chairman of the Royal Commission for Jubail and Yanbu “and the change needs to follow what is happening in the world and use the knowledge and education of qualified people. We need tools. We have a vision and there is a mission for that vision according to that we develop. King Abdullah has caused a lot of change in the kingdom to help us develop the country and we use our principles as tools to improve our system and regulations and eliminate obstacles to investment.”
Since Dr. Taufiq bin Fauzan Al-Rubaiah, director general of the Saudi Industrial Property Authority “Modon,” took also the reins at the front of the Ministry of Industry and Commerce industrialisation in the Kingdom has come to another turn, this time technological. In October 2012 the Ministry launched a new website in both Arabic and English to follow its strategy to cope with accelerating changes in the Kingdom and to provide with new content in regard of information, easy access and diverse e. services. One of them, which is a landmark within Saudi Arabian well-known bureaucracy, is the new online service to issue final industrial licenses. MCI now provides a host of online related services such as booking a business title (trade name), issuance of a commercial register, customs’ tariffs exempt and issuance of preliminary industrial licenses.

“The rate of the industrial growth has doubled in the last 15 years due to our hard work on enhancing the highly-valued industries,” he stated recently during the ceremony that unveiled the first “made in KSA” truck in Dammam that will be built Isuzu plant staffed by young Saudi engineers that have studied in Japan under the King Abdullah Scholarship Program.

Investment in manufacturing in KSA, even outside the traditionally strong downstream petrochemical industries, is at an all-time high – that much is clear. Much of the funding for the multiple new projects has been provided directly by the government, specifically through the agency of the Saudi Industrial Property Authority, generally known as MODON. Some simple figures illustrate the increased expansion drive: MODON has developed over 28.5 million square meters of industrial zones, equivalent to 67% of the total area developed during the preceding four decades. In the same period (2008-2010 Q1), 1,446 factories have been allocated land in these industrial cities. But 2012 saw a revamp in the expansion of new industrial cities. The 200 sq kilometres Salwa Industrial City in Al Ahsa will accommodate over 10,000 factories, provide around 60,000 jobs and attract millions in investments. Earlier in the year, MODON also announced the development of the first industrial city for women workers in the Kingdom, also in Hofuf, near Al Ahsa airport. With an estimated cost of 500 million riyals or about $133 million, the new city is expected to create only about 5000 new jobs.

Low interest loans are available from the Saudi Industrial Development Fund, low cost land is offered by MODON, energy and transport costs are reasonable - electricity rates are as low as 4 cent per KW. Export tariffs are kept low too and are moreover secured by an export insurance programme and export financing loans,” underlines the Minister of Commerce and Industry. “In general,” Al-Rubaiah continues, “the cost of operation for industrial manufacturing here is very low. There are few hidden costs and for industrial companies, the workforce is allowed to consist for up to 90% of expatriates. This means you can use low cost labour and easily import expertise which is not yet available in the kingdom.”

Additionally KSA boasts a huge top class internal consumer market. “There is plenty of local demand on every level, even down to the educational sector where massive amounts of books and teaching aids are needed.” And the incentives are working too: products manufactured in KSA are now being exported all the way to the USA, Canada and Australia. “We have to publicize this fact for people to adjust their image of the KSA as a non-producing country.”
The miracle of Jubail

A cool sea breeze brings solace to evening walkers along the Corniche lining the northernmost tip of the Gulf coast. Children play and men sit around chatting, whiling the evening away. Green lawns, flowerbeds and lines of trees complete the pretty picture. An idyllic image unperturbed by any smells or smokestacks, it seems strangely incongruous, seeing as it actually lies in the world’s largest dedicated industrial city and its biggest ongoing civil engineering project: Jubail Industrial City (JIC).

Since the JIC’s establishment in 1975, the old fishing village of Jubail has been transformed several times over and evolved into a major player in the global petrochemicals market. Once an uncertain dream, today it is the largest industrial complex of its kind, housing world-class petrochemical companies such as SABIC (the world’s 4th largest petrochemical company) and the world’s largest desalination plant, Marafiq, which provides most of the drinking water of the country’s 27 million inhabitants.

Located on the Gulf, about 100 kilometres north of the Dammam metropolitan area, the continuous development of the city and its industry keeps attracting bright engineering minds and top investors from around the world. Over 100,000 people live in Jubail Balad, currently in a SAR 22 billion refurbishment program involving a full-service residential community with schools, hospitals, clinics, hotels, mosques and last but not least one of the world’s most advanced training centres, the Jubail Technical Institute.

The city occupies a territory of 1,016 sq km - only 200 less than New York City. The site’s preparation for the construction of the city involved moving 370 million cubic meters of earth, more than needed to build a road around the world. The city is now home to 17 major primary industrial facilities covering 80 sq km, and about 150 secondary operations – support and light manufacturing industry – occupying another 16 sq km. Today, 35 years after its conception, it provides fully 7% of the country’s GDP.

A hesitant beginning

It all started way back in the mid-1970s, when a nationwide program was developed to gather the previously wasted gases that are continually released by Saudi Arabia’s oil wells. Put to good use as fuel and feedstock, they would henceforth serve as the basis for a new industry, one of the earliest efforts to diversify the country’s economy. From this seed grew the more ambitious vision of KSA as a strong industrial nation, a major future exporter and a leading economy. This vision has remained the inspiration over the years, and has continued to produce wealth and benefits for the nation. It has created an entire industry from scratch and transformed the country into one of the most influential powers of the twenty-first century.

The Kingdom stopped being a mere exporter of raw materials and began transforming its hydrocarbon reserves into petrochemical products such as ethylene, which were then exported at much higher prices than the raw materials, and later in turn transformed into literally thousands of by-products destined for export or consumption by a growing population at home. In one stroke, the challenge of employing a very young and fast-growing population was getting tackled too.
The vision involved selecting the most cost-effective locations providing access to the sea at spots appropriate for deep-water ports, and transforming what were essentially stretches of inhospitable coastal desert into huge industrial cities. The entire infrastructure was built according to the highest environmental standards, resulting in Jubail Industrial City winning many green awards throughout its history.

On September 21st, 1975, the Royal Commission for Jubail and Yanbu (RCJY) was established as an autonomous organ within the Saudi government, and investment started in the first two industrial cities of Saudi Arabia, Jubail and Yanbu, located respectively on the eastern Gulf coast and the western Red Sea board.

Dr. J. Michael Cobb, who has carried out extensive research on JIC, wrote in 2002: “Almost 20 years ago, a July 1982 Time magazine article in seeking to describe the unfolding project stated: ‘The search for historical comparisons with Jubail is daunting... In all the expansive sweep of civil engineering, from the pyramids of the Nile to the construction of the Panama Canal, nothing so huge, or costly, as Jubail has ever before been attempted by anyone.’” Indeed, the only historical experience coming close to KSA’s current drive is probably the wholesale industrialization of Russia in the first decades of the Soviet regime.

The projects at Jubail and Yanbu laid the foundations for an economic diversification that would diminish the country’s reliance on oil exploitation by increasing domestic industrial production. The overall development of Jubail and Yanbu - accomplished with an investment of SAR 84 billion - involved the creation of over 233 industrial facilities, which in turn have invested over SAR 244 billion and currently employ more than 107,000 workers. Investment has mainly flowed in from America, Europe and Asia. Its impact has been so extensive that the country’s petrochemical output rose from a paltry two million tons in the 1970s to almost 60 million tons today. Production is expected to hit the 100 million ton mark by 2015 - a projected annual growth rate of about 12 percent.
"As you know," affirms Prince Saud bin Abdullah bin Thunayan, Chairman of the Royal Commission for Jubail and Yanbu, Saudi Arabia has a high potential. Our economy is very strong and we have a strategic plan to develop the country and produce added value using our resources. We believe we have been successful in building industrial cities in Jubail and Yanbu and accommodating huge investments. I am sure we can accommodate yet more investment in both cities. We have extensive lands and a long-term vision. We started with the oil industry, and then moved into the petrochemical sector and now we will begin exploiting our mineral wealth. Additionally, we will focus on developing tourism and other resources in the kingdom."

Prince Saud's particular concern lies with the future employment of Saudi Arabia's young people. "We have to maximize our resources," he says. "King Abdullah is the leader of the kingdom and has the vision to take us to pole position in the region. I think that the new mega-projects in Saudi Arabia, such as the King Abdullah University for Science and Technology (KAUST) and the economic cities, will help put the kingdom in the position we aim for. We want to get maximum added value for our resources." The figures seem to indicate that the vision is working: the original investment flow of $500 million in the 1980s had swelled to $20 billion by 2000.

Since the launch of the industrial development plan in the 1970s, more than a dozen industrial cities have been built in various locations throughout the kingdom, which are strategically close to raw materials or to local and international markets. However, Jubail remains the flagship project and has grown bigger than any of the others, now reaching the stage where Jubail II is added to the original project.
After the success of Jubail Industrial City (JIC) in exceeding all expectations when attracting foreign investment, the government of Saudi Arabia decided to expand the industrial city and create Jubail II - only three kilometres west of the existing city. The new development is projected to double the size of Jubail by adding 6,200 hectares. While JIC was the largest ongoing civil engineering project for the past 30 years, JIC II, construction of which is currently in the last phases, has already exceeded its predecessor. Jubail II has been commissioned to Bechtel, known locally as Saudi Arabian Bechtel Company (SABCO), a partner of the Royal Commission since the inception of Jubail I.

Jubail II will house up to 22 new primary industries including petrochemical industries, aluminium and other smelting plants plus areas to accommodate secondary and support industries and is expected to receive its natural gas feedstock from the Saudi Aramco Uthmaniyah project area. Currently one primary industrial facility is under construction and three more under design. Two secondary facilities are under construction and four more under design.

Together, these four primary industrial facilities - one of them a Dow Chemicals plant - represent an investment of SAR 130.43 billion, almost half the investment value of all 30 primary facilities at Jubail I. "The higher figure in investment money illustrates the larger budgets at our disposal now and the priority given to industrialisation by King Abdullah," says Al Otaibi. Out of this total investment, 87% comes from the private sector. The Royal Commission has only contributed some SAR 65 billion for infrastructure and services.

The site preparation for Jubail II includes an extension of the seawater cooling system and the desalinated water and electricity supply as, well as an up-to-date fibre optics communications infrastructure. The seaport will be expanded to meet the new demand, as will the highway and railway systems. Next to the industrial development, the Royal Commission plans to develop a new area of Jubail city to accommodate about 50,000 additional inhabitants. Jubail II is expected to generate some 55,000 jobs directly and an additional 330,000 indirectly.

The total cost of Jubail Industrial City II will be in the area of SAR 14 billion. This is expected to generate over SAR 200 billion in investment mainly from international sources. Construction of the city is currently in the third phase, which will end in 2018. The final phase will be accomplished in 2022. To give an idea of the monumental efforts, Bechtel states "Jubail took project management to a grand scale. At peak, the workforce reached 50,000. Total installed cost exceeded $40 billion".
### Operating Factories by Manufacturing Activity (cumulative)

<table>
<thead>
<tr>
<th>Items</th>
<th>2001 (1422)</th>
<th>Number</th>
<th>Capital (SR Million)</th>
<th>Labor % Share of Number</th>
<th>2011 (1432)</th>
<th>Number</th>
<th>Capital (SR Million)</th>
<th>Labor % Share of Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Factories</td>
<td>3,610</td>
<td>3,610</td>
<td>343,526</td>
<td>445,838</td>
<td>5,061</td>
<td>5,061</td>
<td>509,455</td>
<td>639,218</td>
</tr>
<tr>
<td>Foodstuffs &amp; beverages</td>
<td>586</td>
<td>586</td>
<td>32,149</td>
<td>86,016</td>
<td>787</td>
<td>787</td>
<td>41,875</td>
<td>122,355</td>
</tr>
<tr>
<td>Textiles</td>
<td>74</td>
<td>74</td>
<td>3,867</td>
<td>13,376</td>
<td>94</td>
<td>94</td>
<td>5,491</td>
<td>16,566</td>
</tr>
<tr>
<td>Wearing apparel</td>
<td>55</td>
<td>55</td>
<td>549</td>
<td>5,917</td>
<td>87</td>
<td>87</td>
<td>1,000</td>
<td>10,322</td>
</tr>
<tr>
<td>Leather products</td>
<td>43</td>
<td>43</td>
<td>644</td>
<td>3,866</td>
<td>46</td>
<td>46</td>
<td>643</td>
<td>4,017</td>
</tr>
<tr>
<td>Wood &amp; its products</td>
<td>48</td>
<td>48</td>
<td>618</td>
<td>3,720</td>
<td>65</td>
<td>65</td>
<td>3,066</td>
<td>8,323</td>
</tr>
<tr>
<td>Paper &amp; paper products</td>
<td>120</td>
<td>120</td>
<td>6,778</td>
<td>13,954</td>
<td>168</td>
<td>168</td>
<td>8,441</td>
<td>25,196</td>
</tr>
<tr>
<td>Publishing and printing</td>
<td>112</td>
<td>112</td>
<td>3,708</td>
<td>10,210</td>
<td>114</td>
<td>114</td>
<td>3,922</td>
<td>10,466</td>
</tr>
<tr>
<td>Refined petroleum products</td>
<td>69</td>
<td>69</td>
<td>147,708</td>
<td>23,751</td>
<td>101</td>
<td>101</td>
<td>204,281</td>
<td>28,555</td>
</tr>
<tr>
<td>Chemicals &amp; its products</td>
<td>325</td>
<td>325</td>
<td>33,969</td>
<td>33,057</td>
<td>557</td>
<td>557</td>
<td>79,308</td>
<td>63,908</td>
</tr>
<tr>
<td>Rubber &amp; plastic products</td>
<td>370</td>
<td>370</td>
<td>11,170</td>
<td>37,602</td>
<td>542</td>
<td>542</td>
<td>12,743</td>
<td>49,265</td>
</tr>
<tr>
<td>Non-metallic mineral products</td>
<td>594</td>
<td>594</td>
<td>42,354</td>
<td>65,605</td>
<td>814</td>
<td>814</td>
<td>54,736</td>
<td>91,012</td>
</tr>
<tr>
<td>Base metals</td>
<td>265</td>
<td>265</td>
<td>32,369</td>
<td>39,927</td>
<td>313</td>
<td>313</td>
<td>43,783</td>
<td>46,277</td>
</tr>
<tr>
<td>Structural metal products</td>
<td>251</td>
<td>251</td>
<td>3,674</td>
<td>24,792</td>
<td>424</td>
<td>424</td>
<td>13,369</td>
<td>49,252</td>
</tr>
<tr>
<td>Machinery &amp; equipment</td>
<td>188</td>
<td>188</td>
<td>4,711</td>
<td>21,597</td>
<td>216</td>
<td>216</td>
<td>6,440</td>
<td>28,302</td>
</tr>
<tr>
<td>Electrical machinery &amp; apparatus</td>
<td>88</td>
<td>88</td>
<td>8,256</td>
<td>17,828</td>
<td>147</td>
<td>147</td>
<td>12,377</td>
<td>26,865</td>
</tr>
<tr>
<td>Motor vehicles and trailers</td>
<td>101</td>
<td>101</td>
<td>2,145</td>
<td>10,989</td>
<td>132</td>
<td>132</td>
<td>2,119</td>
<td>11,559</td>
</tr>
<tr>
<td>Furniture</td>
<td>270</td>
<td>270</td>
<td>5,110</td>
<td>27,257</td>
<td>347</td>
<td>347</td>
<td>11,155</td>
<td>34,412</td>
</tr>
<tr>
<td>Others</td>
<td>51</td>
<td>51</td>
<td>1,790</td>
<td>6,378</td>
<td>107</td>
<td>107</td>
<td>4,706</td>
<td>12,506</td>
</tr>
</tbody>
</table>

#### Top 10 export commodities 2007 to 2009

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3901</td>
<td>Polymeric materials; plastics</td>
<td>3,968</td>
<td>4,053</td>
<td>4,146</td>
<td>4,286</td>
<td>4,429</td>
<td>4,563</td>
<td>4,762</td>
<td>4,873</td>
<td>5,061</td>
</tr>
<tr>
<td>3903</td>
<td>Chemicals &amp; its products</td>
<td>24,110</td>
<td>25,515</td>
<td>26,063</td>
<td>27,053</td>
<td>30,209</td>
<td>32,888</td>
<td>37,842</td>
<td>48,064</td>
<td>49,516</td>
</tr>
<tr>
<td>3904</td>
<td>Rubber &amp; plastic products</td>
<td>88</td>
<td>249</td>
<td>251</td>
<td>252</td>
<td>254</td>
<td>256</td>
<td>258</td>
<td>259</td>
<td>260</td>
</tr>
<tr>
<td>3905</td>
<td>Electrical machinery &amp; apparatus</td>
<td>22,261</td>
<td>23,845</td>
<td>24,409</td>
<td>24,741</td>
<td>26,823</td>
<td>27,032</td>
<td>28,555</td>
<td>30,066</td>
<td>31,270</td>
</tr>
<tr>
<td>3906</td>
<td>Export (Cement)</td>
<td>2,672</td>
<td>2,672</td>
<td>2,672</td>
<td>2,672</td>
<td>2,672</td>
<td>2,672</td>
<td>2,672</td>
<td>2,672</td>
<td>2,672</td>
</tr>
<tr>
<td>3907</td>
<td>Wearing apparels</td>
<td>124,923</td>
<td>13,359</td>
<td>14,834</td>
<td>16,514</td>
<td>18,861</td>
<td>21,949</td>
<td>24,950</td>
<td>28,540</td>
<td>32,425</td>
</tr>
<tr>
<td>3908</td>
<td>Total investment (SR Million)</td>
<td>179,928</td>
<td>202,282</td>
<td>259,410</td>
<td>414,697</td>
<td>570,451</td>
<td>603,476</td>
<td>688,587</td>
<td>724,828</td>
<td>748,450</td>
</tr>
<tr>
<td>3909</td>
<td>Total growth in total investment % p.a.</td>
<td>7.4</td>
<td>8.4</td>
<td>9.6</td>
<td>11.3</td>
<td>14.2</td>
<td>16.4</td>
<td>13.7</td>
<td>14.4</td>
<td>13.6</td>
</tr>
<tr>
<td>3910</td>
<td>Total growth in capital of factories % p.a.</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
</tr>
</tbody>
</table>

Note: Percentages are rounded to one decimal point.
1/ Revised estimates as per source.
* Clinker.
Source: Ministry of Commerce and Industry.
Your Global Polypropylene Specialist

National Petrochemical Industrial Company (NATPET) is a Saudi Polypropylene Company using State-of-the-art technology offering distinguished resins and premium services to customers.

- LyondellBasell’s Spheripol Technology
- Full range of Homopolymer & Copolymer
- 400,000 metric tons per year
- Offering top quality technical assistance to customers
- King Khalid SRC Award – 2010 (2nd Position)

www.natpetpp.com
It is no coincidence that Dr. Mosleh Al Otaibi, CEO of Jubail Industrial City and Ras Al Khair, has a professional background in education. He worked as director of Jubail Technical Institute — teaching the hands-on skills needed in the industry — and then as dean of Jubail Industrial College. In 2010, Al Otaibi was appointed head of the Royal Commission of Jubail & Ras Al Khair by HRH Prince Saud and he has ever since developed a new strategy with new people, “who are not living in ‘the middle ages’ any more”. The revamped Royal Commission under Al Otaibi’s leadership now concentrates on developing Jubail II and the new structures at Ras Al Khair mineral city, as well as expanding and improving the residential area of Jubail and its facilities. The project under construction at Ras Al Khair marks the first serious attempt by KSA to exploit its non-oil mineral deposits with a road that will link it to Jubail and the railroad connecting the city with the seaport at Jubail.”
The railway, like much of the industrial development, has been planned long ago – in 1975 – and is part of the strategic master plan to diversify the Saudi economy away from its dependence on oil production. Jubail I now has 25 primary operating facilities, two more under construction and another three in the design phase. Together, these 30 plants represent an investment of SAR 253.52 billion. Eight of the existing facilities have designated expansion areas.

In fact, Jubail I counts with 40 industries in the secondary and downstream sectors (representing SAR 15.37 billion) as well as a supporting and light industries counting 277 companies and representing an investment of SAR 4.24 billion. “But our emphasis is on the primary sector, which does not generate enough jobs yet,” says Al Otaibi, who goes on to explain the strategic vision of the Ministry of Petroleum that prefers to generate downstream industry, both to diversify the economy and to reduce the country’s dependence on imported products based on the raw materials the country itself exports.

The construction of new housing and the development of the city itself are meant to solve a few pressing problems that prevent Jubail’s growth. “The lack of affordable housing in Jubail is a problem, especially in light of the saudization of the workforce,” explains Al Otaibi. “The Royal Commission employs 3,525 people, 2,944 (83%) of them Saudis. The overall housing shortage including the contractors’ workers is 19,000 units. “In the earlier phase, we were mostly making sure the needs of industry were met, but now we need to take care of the needs of workers and of the population of a city that grew around the industry.

As for the purely industrial aspects of the infrastructure, Al Otaibi confirms that the deep-water seaport is now ready as will the railway linking. The environmental aspect is becoming a key issue in the kingdom. In Jubail, for example, the Royal Commission is continually monitoring - in various stations, some of them located inside plants - the quality and composition of the air, the seawater and the irrigation water. All these data are compiled and processed in a brand new, state-of-the-art laboratory. “We have spent SAR 700 million this year to improve our set-up. We have built a new monitoring station in Jubail Balad, the residential city 10 km from the industrial zone, where we measure ozone, CO2 and the like,” explains Al Otaibi who is proud of the environmental awards that Jubail Industrial City has received over the years and intends to keep receiving.
WHO IS WHO

**NATPET**

The National Petrochemical Industrial Company started operations at the end of 2008 choosing Yanbu Industrial City, the second biggest industrial city of the country located the west coast, to build a 400,000 MT/Year Propylene & Polypropylene plant. With a paid-up capital SR 1,070 million, NATPET is owned by the Saudi-based Alujain Corporation for about 57% of the company, the General Organization for Social Security (GOSI) and other Saudi investors.

Amana Street, West Baghdadiya Area 4459, Jeddah 21491
Phone: +966 2 604 8600
Fax: +966 2 652 9376
info@natpetpp.com

www.natpetpp.com

**MODON**

For the first time in its history, KSA has adopted a coordinated national strategy for industrial development, including both infrastructure development, designated industrial zones and attraction of foreign investors through directed funding, low-cost loans and real incentives. Much of the funding for the multiple new projects has been provided directly by the government, specifically through the agency of the Saudi Industrial Property Authority, generally known as MODON. MODON currently oversees 19 industrial cities existing in different regions of the Kingdom with a total investment that exceed SR200bn and more than 300,000 employees.

P.O. Box: 84214, Al Riyadh 11671
Phone: +966 9 2000 0425
info@modon.gov.sa

www.modon.gov.sa

**ACWA POWER**

Founded in 2004 as a platform to build capacity and grow to be a full-fledged brand to develop, own and operate power generation and desalinated water production assets initially in the Kingdom and progressively in a wider geographic region to ultimately become a global enterprise. Out of 43,000 megawatts of installed capacity in the Kingdom in 2011, around 6,000 or 14 percent were in the hands of the private sector after only 6 years. ACWA Power, the main desalinated water private provider has two plants, the latest will produce another 1,200 MW. Additionally, the company’s desalination plants produce 2.3 million m3 of desalinated water, – out of 6 million m3 available in KSA, or a solid 35%. Its combined portfolio reaches a value of SAR 45 bn. In 2012, Acwa power won in 2012 a project in Morocco. ACWA Power won a US $1bn contract to build a 160MW concentrated solar power (CSP) plant in Morocco in 2012.

P.O. Box 22616, Riyadh 11416
Phone: +966 1 283 5555
Fax: +966 1 283 5500
www.acwapower.com

**CEO & PRESIDENT**

Mr. Jamal Malaikah

“My personal dream is to become the company of choice for employees, society, suppliers and clients - for all stakeholders. I sincerely believe that at the end of the day this is the most profitable and sustainable way to do business,” said Malaikah to GGC.

**MINISTER OF INDUSTRY AND COMMERCE**

AND GENERAL DIRECTOR OF MODON

Dr. Tawfig Alrabiah

“The Authority’s objective – explained to GGC Dr. Tawfig Alrabiah, Modon’s General Director since April 2007 – is to increase the impact of the industrial sector on the kingdom’s economy by 300% over the next fifteen years.”

**PRESIDENT & CEO**

Paddy Padmanathan

“The power generation capacity in the Kingdom needs to expand from 43,000 megawatts to 75,000 in 2020 and 105,000 megawatts in 2030, so an enormous amount of capital needs to be injected in the sector, which is known as a low-risk sector delivering a dependable long-term stream of revenues,” said Paddy Padmanathan to GGC.
Vision

The best choice for investors in petrochemical and energy-intensive industries and the leading contributor to the Kingdom’s growth.

Mission

To plan, promote, develop and manage Petrochemicals and Energy intensive industrial cities through successful customer focus and partnerships with investors, employees, communities and other stakeholders.

A Partner in the Success of Petrochemical & Mineral Industries
SAHARA PETROCHEMICALS

Founded by Zamil Group, one of the largest business houses in Saudi Arabia, Sahara Petrochemicals established on the 7th April 2004 as a joint stock company with a paid up capital of SR 1.5 billion and later raised to SR 2.9 billions. The company has been part of the foundation of joint ventures for the creation of new limited liability companies in Al Jubail Industrial City to produce and market its chemical and petrochemical products such as propylene, polypropylene, ethylene, polyethylene and other petrochemical and hydrocarbon based products.

MANAGING DIRECTOR
Esam F. Himdy

“Sahara Petrochemicals was founded to be one of the pioneer industrial pillars in Saudi Arabia especially petrochemical and chemical industry which has evolved in the late seventies and has developed into one of the pioneer manufacturing and exporting sectors in Saudi Arabia,” said Esam F. Himdy to GGC.

SABIC

SABIC was created by royal decree in September 1976. It marked a move into using the by-products of oil extraction to produce value-added commodities such as chemicals, polymers, fertilizers and metals for export. It is the largest public company in Saudi Arabia listed in Tadawul. However, the Saudi Government owns 70% of the shares and the rest are private investors from Saudi. Net profits in 2011 touched SR 29.24 billion (US$ 7.80 billion). Total assets stood at SR 332.78 billion (US$ 88.74 billion) at the end of 2011. SABIC’s overall production has increased from 35 million metric tons in 2001 to 69 million metric tons in 2011. SABIC is the largest listed company in the Middle East and the world’s biggest chemical maker.

VICECHAIRMAN AND CHIEF EXECUTIVE
Mr. Mohammed Al Mady

“Success can be achieved through ambitious strategy, innovation, best research and technology programmes, investment in partnerships and outstanding supply chain management. These are all important ingredients in any successful growth story.” Source: Trends.

SIPCHEM

SIPCHEM is a Saudi joint stock company owned jointly by private sector investors of Saudi Arabia and GCC countries. It was incorporated on 22 December 1999 with a paid-up capital of SR 500 million. The share capital was initially increased in 2003 by issuing 3 million shares, thereby raising the capital to SR 650 million. Subsequently, in April 2005 the share capital was further raised for the second time by SR 850 million resulting in a total share capital of SR 1.5 billion.

Saudi International Petrochemical Company (Sipchem) has chosen Jubail Industrial City to build its industrial complex for producing various chemicals. The availability of raw materials in the Eastern province, the presence of Saudi Aramco that supplies required feedstocks at very competitive prices and in large quantities, the ease of export from the city via KFIP and its relative proximity to South Eastern Asian countries to which most petrochemicals are exported, are other reasons for this choice.

CEO
Mr. Ahmad A. Al-Ouali

“At the time of its formation in December 1999, Sipchem had a modest paid up capital of US$133m. This has now grown to $880m. During the first ten years our employees, who form the backbone of our success, grew from just a handful to more than 700,” said Al-Ouali commemorating the 10th anniversary of the company in 2010.

• Joined SABIC “National Methanol Company” in September 1981 and progressed within the company into various executive positions.
• Mr. Al-Ouali is currently the CEO of Sipchem and serves in the boards of Sipchem and several industrial & commercial companies and associations.
The main activity of the company is transportation, filling and marketing LPG. The company activity also include marketing cylinders, empty tanks, related spare parts and tank transportation equipment to consumer sites as well as all uses of gases for residential, industrial, agricultural, or commercial purposes. GASCO started its activity after the merger of the National Gas Company in Dammam and its branches in Riyadh and Jeddah. It also owns shares in Saudi Factory for Cylinder 30% and National Gas Industry 6%.

The Saudi Arabian Amiantit Company (Amiantit) was established in 1968 in Dammam in the Kingdom of Saudi Arabia to manufacture pipes for the local market. Since then, Amiantit has grown and developed into a major diversified industrial group with operations spanning the globe. The Group’s core business activities comprise of: Manufacture and sale of pipe systems; ownership and sale of pipe technologies; the provision of water management consultancy and engineering services; manufacture and supply of polymer products.

Al-Zamil Industrial was founded in 1998 and employs more than 8,200 people in 55 countries. Al-Zamil is a manufacturer of air conditioners, pre-engineered buildings, structural steel, process equipment, transmission and telecommunications towers, open web joists and decks, architectural glass processing, aerated concrete and fiberglass insulation products.

Saudi Arabian Fertilizer Company, the first petrochemical company in Saudi Arabia, established in 1965 the beginning capital was SAR100million. The company produce, process, manufacture, and market all kinds of fertilizers for the local and international market production and manufacturing of Ammonia, Sulfur and their derivatives.

The company implements the highest safety standards as well as the local and global standard specifications approved by Saudi Aramco” Mr. Mohammed Al-Shaban.

“The boost in the demand over our products that are developed at our own R&D centres and backed by international quality certificates indicates the awareness of our customers.” - Eng. Fareed Al-Khalawi.

“I will exert my utmost efforts and use all the potentials of RCCI to achieve a qualitative change in the chamber’s performance to enhance work environment in the private sector,” said Al-Zamil during the election.

CEO of National Chemical Carriers Ltd.
Chairman of Al Zamil Group and Zamil Group Holding Company.
Director for Saudi International Petrochemical Company and Sahara Petrochemical Co.
Elected chairman of the Riyadh Chamber of Commerce & Industry (RCCI) in 2012.
NAMA CHEMICALS

NAMA is a joint stock Taduwal listed company established in 1992 with the objective of developing and establishing industrial projects particularly in the area of petrochemicals.

Al-Jubail Industrial City, Palm Center, Entrance B1 2nd floor
P.O. Box: 11919, Jubail 31961
Phone: +966 3 347 8888, Fax: +966 3 347 8666
info@nama.com.sa

www.nama.com.sa

SAUDI CHEMICAL COMPANY

Saud Chemical Company, a Saudi Joint Stock Company, can trace its beginning to 1972 as the first and sole civil explosive manufacturing company in Saudi Arabia. Saud Chemical’s line of production includes the latest generation, safest, and worldwide commonly used civil explosives and non-electrical detonators, which are KEMULEX, PRILLEX, and SANEL respectively.

Contact: Saud Abdul Aziz Al Gosaibi
Chairman

General Manager
Dr. Mohammed Saud Al-Badr

www.saudichemical.com

ARABIAN PIPES

Arabian Pipes Co. was established in 1991 as a Saudi Joint Stock Co. specialized in ERW & SAW steel pipes with the Capital 315 Millions Saudi Riyals and a total investment 1400 M Saudi riyal.

It produces longitudinally welded steel pipes & Coated needed for pipe lines and constructional & Trading purposes.

Chairman: Saad Ibrahim Al Mojel

CONTACT

P.O. Box 42734 Riyadh 11551
Phone: + 966 1 265 0123
Fax: + 966 1 265 0312 / 265 0311
info@arabian-pipes.com

www.arabian-pipes.com

SAUDI ELECTRICITY COMPANY

A kingdom-wide joint stock company has been created in 2000 for establishing the Saudi Electricity Company a Saudi joint venture. The objectives of the company are to generate, transmit and distribute electric power in the Kingdom of Saudi Arabia either by itself or through its wholly / partially owned subsidiaries.

President & CEO
Ali Saleh Al-Barrak

“• Appointed president of SE in 2006 but had been in the company since 2001 and has a 20 years experience in the electricity industry of Saudi Arabia.
• He is also the chairman of The Arab Union for Electricity
• Earned a BS in Electrical Engineering at KSU in 1975 and an MS at the University of Colorado-Boulder in 1979

Al-Faisaliah Towers
P.O. Box: 22955, Riyadh 11416
Phone: +966 01 405 3227
Fax: +966 4 06 9015
www.se.com.sa
Saudi Arabia’s state-owned Power and Water Utility Co. for Jubail and Yanbu, Marafiq, was established in 2000, as a joint-stock company that is owned by four major shareholders - the Royal Commission for Jubail and Yanbu (RC), Saudi Basic Industries Corporation (SABIC), Saudi Arabian Oil Company (Saudi Aramco), and the Public Investment Fund (PIF). Seven private-sector investors make up the remaining shareholders. Marafiq started operating as a private power and water utility company on 1 January 2003, with SR 2.5 billion of initial owner equity.

Sadara is a joint venture between Dow Chemical and Saudi Aramco which is planning to build one of the world’s largest petrochemicals and industrial complexes in Jubail II. The JV is currently in the process of setting up the $20 billion complex. Once completed, the Sadara complex will represent the largest petrochemical facility ever built in a single phase. Sadara and the adjoining PlasChem Park will establish a world-scale manufacturing footprint that delivers a full range of value-added, performance products destined for the emerging markets of Asia Pacific, the Middle East, Eastern Europe and Africa.

State-owned oil company Saudi Aramco holds a 65% stake in Sadara although this is expected to be reduced to 35% by an IPO in 2013).
With 30 plus years of experience as a civil engineer, Dr. George Dinic has worked in many countries around the world. After completing his PhD at London Imperial College in 1986, he moved on to work for Atkins and after a year joined Davy McKee, where he worked for over two years and then joined Fluor Daniel, where he spent over 6 years until finally joining Bechtel, where he has been working for the past 15 years. He has worked in former Yugoslavia, England, India on the largest refinery project in the world and in Greece where he was project director for the Olympic critical metro projects. In January 2003 he landed in Jubail with a two-year contract that has been renewed several times since. He started working as the Manager for Engineering and after four years became the Program Manager for the entire Jubail project. Jubail was at a fairly low point of development when he first started, in comparison with its scale today.
Q. Bechtel has been present in the Kingdom for decades now and has had the opportunity to train Saudi graduates and improve the overall engineering skills of the Kingdom workforce. What does this mean for Bechtel?

A. For the past ten years there has been a constant increase in infrastructure development and funding by the government. We went from around 70 employees in 2003 to 290 employees with 26 different nationalities today. We are one of the very few companies that provide qualified training for our Saudi National employees and rotate them through a two-year program based on the UK Institution of Civil Engineers Chartered Engineers program. Saudi national graduates go through the various phases of engineering, procurement, construction, safety and project controls training. We take graduates generally from a number of Saudi Universities but the majority are recruited from King Fahd University of Petroleum & Mineral or King Saud University and apart from the training provided in Jubail we also try to send them to other Bechtel projects in the world, for example Kosovo, Abu Dhabi, Doha, the US or Muscat. We currently have two Saudi graduates at our Muscat Airport project in Oman.

This program is fully supported by the Royal Commission and the graduates are very happy because they receive very good training for two years and a certificate of completion of the graduate training. We either retain the graduates and put them into full time positions or, in some cases, they decide to move and join other Saudi majors like SABIC or ARAMCO. In any case, we feel very proud because we know the graduates will remember the training they received while working at the Royal Commission. At the same time it is a benefit for the Kingdom because they will have professionally trained engineers. In the mid 70s, when we finished the masterplan for the development of Jubail, we started intensive work with about 1800 employees. Many Saudi engineers were trained by Bechtel at that time. In the early 1980s when the majority of the work was completed in Jubail, Saudi nationals were transferred to the Royal Commission. As a result, Bechtel-trained Saudi engineers became, and are still today, employees of the Royal Commission.

Again Bechtel was one of the first companies to establish itself in the Kingdom working hand in hand with one of the most powerful and resourceful government agencies. What is the history behind this match?

Bechtel and the Royal Commission have had a long partnership. In 1975 when a Royal Decree created the Royal Commission of Jubail and Yanbu, Jubail was given a blank area of 1,016 sq kilometres to develop. To put this in perspective, Bahrain has 670 sq kilometres and Hong Kong 1,054 sq kilometres, so Jubail is effectively like a country, both in size and also in terms of the diversity of projects that are being executed.

In 1975 Bechtel started the masterplan for the development of Jubail, with the Royal Commission. A year later it was ready and in 1976 Bechtel signed the first contract with the Royal Commission. We have been partners with the Royal Commission for the last 36 years. The first contract was for 20 years followed by a second contract for 10 years and
the latest contract was extended in 2006 until 2016. We genuinely hope that our partnership will be extended because I think it benefits us both.

**Jubail’s masterplan was designed 36 years ago, which is a long time. Since then many things have changed globally and Jubail is not even close to what it was at that time. What are the main changes done to adjust the masterplan to today’s needs and expectations?**

The masterplan that was done years ago is so good that even today, 36 years later, the vision of the various elements is still functional. For example, we recently started a project for rail within Jubail. The masterplan set out the vision so well that when we started the EPC packages no changes were required, even for the current railroad standards. Everything functioned very well and we could figure out all the turnings, sidings, etc.

We have handed over the two packages - one for Jubail 1 and one for Jubail 2 to the Saudi Arabian Railway Company (SAR), the government agency behind this development. It is a huge railway of about 195 kilometres of freight rail connecting the two industrial areas and linking them to Jubail Commercial Port (JCP) and to King Fahad Industrial Port (KFIP). The Jubail rail network will be connected with the line running from Ras Al Khair to Dammam. As a result, the Jubail network will not only be connected within Jubail and to the ports but also to Dammam and then through the Landbridge rail project to Riyadh and Jeddah.

**Jubail 2 is the newest industrial development of Bechtel and the Royal Commission for Jubail and Yanbu. Could you please explain to us the idea and master planning behind the new industrial city adjacent to Jubail 1 and named Jubail 2?**

In 2000 the Royal Commission realised that they were running out of land in Jubail 1 and they wanted to look at options for further expansion. They commissioned Nexant, a subsidiary of Bechtel at the time, to produce a study to expand Jubail and they came up with Jubail 2, which was not in the first Masterplan. This was a vision from the year 2000 and the study was completed and approved by 2001. The new development is on the other side of the KRT crossing, Kursaniya Ras Tanura corridor, where the pipelines from the North bring the oil and gas to processing plants further south.

The overall area of Jubail 2 is about 84 sq kms, and was envisioned to be developed in four stages. In 2002 we developed the plan and in 2003 we started execution through first engineering then procurement and finally construction contracts. The first stage was fully completed a couple of years ago and it is about 20 sq kms. We have several tenants that have already started building their facilities and one of them, Arcelor Mittal (Luxembourg / Belgium and India), is due to start production of seamless pipes this year.

In stage two, the South part was completed nearly two years ago and we already have SATORP (Saudi Aramco Total Company) which will be refining 400,000 barrels of oil per day. It will also house all the associated industries related to refinery such as coke, etc in this area. The North part of stage two is nearly completed.

Stage three has practically also been completed apart from a few contracts for expanding the gas and sea water cooling network. The $20 billion project, SADARA (Saudi Aramco Dow) is another of our main tenants located in stage three south and part of stage four south. This will be the largest integrated petrochemical complex in the world.

In stage four we have completed site preparation and it is ready for site development when we have the need. We still have to populate a good part of stage one, stage two north and stage three north. However, as a result of SADARA and SATORP settling in, stages two and three north will
probably become a plastic and chemical industrial city, which will take the upstream products as feedstock and develop them downstream.

In general terms, the return on investment for the government in Jubail 1 was a 1 to 5 ratio. But for Jubail 2 the ratio has increased to as much as 1 to 15, which is a very good ratio for the return on investment plus employment, training, etc.

What are the advantages for international investors to set up their industries at Jubail 1 or 2?

When we talk about investment in Jubail we talk about billions of dollars: SADARA at $20 billions and SATORP at around $10 billions. However, in Saudi Arabia the cost of executing projects is much less than if these projects were executed in places like Europe or US. The cost of labour is far cheaper than in Europe or the US. There are no unions and although you have a fixed cost of equipment and components imported to the country, they are increasingly being produced locally. So labour will be cheaper, material will be cheaper, energy will be cheaper and the final cost will be reduced substantially.

Some of the biggest companies in the world are already here such as Chevron, Shell or ExxonMobil. They have tied up with local companies such as Aramco or Sabic, through joint ventures, with the aim of specifically reducing their risks and coming up with a win-win situation for both parties.

The infrastructure and development projects of the Royal Commission keep growing every year, and this year the budget has been increased. It is a boom time in Saudi Arabia, which is one of the rare countries, not only in the Middle East but also in the world, where infrastructure development and investment is growing year on year. This is a country where people see the real value of the infrastructure investment, which is tangible and long lasting.

So all in all, what would you describe as Bechtel work in Jubail?

Bechtel is under a management services contract so we are doing design management, procurement and construction management together with the Royal Commission of Jubail. We are running a city and we are expanding the city. The program is unique because we plan our projects and work based on the Master plan, a five-year plan and then yearly plans for project execution. We are currently in Work Plan 39, where we have some 45 projects to deliver in engineering, around 23 projects at any time in procurement and over 70 contracts in construction. The construction contracts are spread over 140 different sites and have to be integrated and cover long distances between Jubail and Ras Al Khair.

And what comes after Jubail 2?

Over the past six years the government has started to put more money into developing housing in Jubail for the local population which at night-time stands at around 106,000 people – with daytime population rising to 140,000 because of a high rate of daily commuting. As a result we have produced three masterplans to develop districts, areas of 10sq kilometres that can accommodate about 45-50,000 people each, which in round numbers stand for around 10,000 units per site.

In our first masterplan we have some 1,200 units already handed over to the employees of the Royal Commission, who are entitled to a home ownership program where they can buy a house at cost price after working with the Commission for about ten years. The new districts will accommodate workers from SABIC, ARAMCO and MAADEN, and other industries. These are in different stages of development. These three new districts will be developed with the potential of another 130,000 to 150,000 housing units that will match the industrial expansion.
However, to illustrate the speed Jubail is growing and becoming more and more a fully-fledged city, we have also developed a masterplan for a new city centre in Marduma bay covering about 235 hectares that has already been approved. It will accommodate the new SABIC and other major companies headquarters and will include a shopping mall, hotels, entertainment areas, a harbour, and museums. This is a vision for the next 10 to 20 years.

In parallel, the Royal Commission has asked us to help and develop the Ras al Khair masterplan for a new minerals industrial city. It is not a greenfield site anymore because the world’s biggest integrated aluminium complex is already located there along with a phosphate industry. Ras al Khair industrial city is about 98 sq kilometres in total, of which we have about 54 sq kilometres for development. 50 percent of the site preparation of the remaining area is now complete. Our aim is to complete the infrastructure development of Ras Al Khair industrial city by the end of 2015 but by the end of next year we can have early access for some industries to start survey and geotechnical exploration works.

Most recently, in March 2012, Bechtel was awarded a contract to produce a masterplan for a new industrial city in the northern province, which will help to develop the region. This new Industrial city will have an area of approximately 404 sq kilometres and is located adjacent to the Jordanian border and close to the mines and raw materials. The land was given to Maaden for development and it will become another minerals industrial city.

**You have lived in Jubail for quite a long time now. How do you like living there?**

Living in Jubail is very interesting. It is a fully developed city up to US standards with a beautiful Corniche, beaches and modern facilities. It is a fairly quiet place and a family city. It has got limited hotels - currently there is only one five star hotel - but there are plans to build more. However, working five and a half days a week you don’t have much time left apart from sleeping and doing physical exercise. However, that’s mainly what we are here for: to work hard to help develop the country and develop the young Saudi engineers, so that they can take over the development of their own country.
As a result of the ongoing diversification process in Saudi Arabia, the downstream industry is flourishing pushed by secure raw materials at non-fluctuating prices and always available financing. If you add to this already tasty cocktail a good portion of investment in R&D, you will find companies like the National Polyethylene Company (NPC) growing at a thrilling 25 percent by manufacturing world-class products.

With 400 employees, 150,000 square metres of business operation facilities and production capabilities to process 1,500 metric tons of raw materials into plastic products per month, NPC is part of the minority in Saudi Arabia that holds an ISO9000 qualification.
Dr. Fahad Abdullah Al Damer, Chairman of NPC, has it crystal clear and knows that investing in R&D will leverage the company in the long run. NPC invests 2 percent of its turnout in R&D. “If you consider the saving that comes from investing in R&D, you will see that it is worth it”, he says. “We consider this expense as incentives and it has become the motive of our business. With the information we get from our clients we try to make things easier for them and improve our products. But to translate this into results you need a lot of testing, evaluating and sometimes redesigning and updating it with new technology”.

The company has built its capabilities around the advantages of Saudi Arabia such as competitive prices of raw material.

NPC is a leading manufacturer of a wide range of polyethylene products from water storage tanks and road safety products -road barriers, traffic cones- to open top containers for agricultural usage or custom-molded products. Born as the National Factory For Polyethylene Tanks at the end of 1999 and transformed into NPC seven years later, the company has built its capabilities around the advantages of Saudi Arabia such as competitive prices of raw material available through SABIC, the petrochemical giant company; reasonable utility costs; the quality of transportation and the strategic geographical location of the country for the international plastic market.

“SABIC is positioned among the top five petrochemical industries of the world and among the top three in terms of quality. SABIC guarantees us the inflow of raw materials to the factory so we don’t have too much turbulence with the pricing”, explains Al Damer.

“The company has built its capabilities around the advantages of Saudi Arabia such as competitive prices of raw material.

We would also like to serve as hosts for those companies willing to come to Saudi Arabia to manufacture their products and have the confidence to do it in our factory.

NPC takes the lead in the Middle East rotomoulding industries, utilizing its R&D’s process to develop its products & services.

In short, NPC came up with a plan to triple the production in five years time and to grow not only in Saudi Arabia but in the region as one the top plastic manufacturers. After the first three years, NPC is showing excellent results and is already expanding regionally.

“We are aiming to be the number one player in plastics in the region”, he assesses. “We know there is a gap and we are filling this gap because we have high quality products”, says Al Damer. For him, NPC’s ultimate goal is to improve its existing plastic branded products and to continue to provide solutions to use plastic materials instead of other conventional materials such as steel, wood, etc…

We would also like to serve as hosts for those companies willing to come to Saudi Arabia to manufacture their products and have the confidence to do it in our factory.

NPC is a leading manufacturer of a wide range of polyethylene products from water storage tanks and road safety products -road barriers, traffic cones- to open top containers for agricultural usage or custom-molded products. Born as the National Factory For Polyethylene Tanks at the end of 1999 and transformed into NPC seven years later, the company has built its capabilities around the advantages of Saudi Arabia such as competitive prices of raw material available through SABIC, the petrochemical giant company; reasonable utility costs; the quality of transportation and the strategic geographical location of the country for the international plastic market.

“We brought the best experts in the world in rotomolding processes to change the strategic goal of the company from a water tank manufacturer to a manufacturer of high quality plastic products and to audit the operation vertically and horizontally to improve our efficiency”, comments the Chairman of NPC. “A five year plan was drafted and we started to grow in different market segments mainly because we upgraded our factories with heavy investment in R&D”, he underlines.

“In this atmosphere “NPC strives to become the supplier of choice developing a high quality management system in order to ensure that we set quality objectives and remain customer focused at all times”, affirms Dr. Fahad Al Damer.
WHO?

BUILD YOUR DREAM HOME.
The long-awaited mortgage law

All players in the real estate sector in Saudi Arabia are celebrating, cautiously, but celebrating. One may think that the Arab Spring also had its indirect impact in Saudi Arabia as the Saudi Arabian Council of Ministers has finally approved a mortgage law, hidden in some office drawer for the past decade, possibly to calm down the millions of young Saudis that until now could not buy a home. In a country of 27 million people where over 60 percent are under the age of 30 the problem is acute.

The limited finance options to help bridge the gap to home ownership has been the core of the problem for several years leading to a shortage of accommodation, especially in affordable housing, on the estimated numbers of around 200,000 units per year according to a report by Jones Lang LaSalle.

The regional turmoil triggered precisely by youth unemployment, lack of proper housing and economic pressure has accelerated in the oil-rich kingdom the approval of the final draft of five laws establishing a legal framework for mortgage lending expected to reduce drastically the imbalance between demand and supply.

And in fact housing has been one of the greatest concerns of King Abdullah, as the government needs to build 1.25 million new homes by 2014, according to its development plan. He openly expressed it when he announced a set of new government spending in the wake of the regional turmoil that included the allocation of SR250bn ($66,6bn) for the construction of 500,000 new housing units that started to break ground in September 2012. In order too meet the lower-income population needs, a total of 32 square kilometres of housing units in the Kingdom is currently being masterplanned, it also included assistance for existing government housing loans. The total package amounted to some $130bn and was mainly directed to the youth for both, unemployment and housing avoiding in turn much of the unrest sweeping the Arab world.

The final approval of the new law will expedite way for banks, investors and real estate developers alike to boost a sector that until know lacked a legal framework to operate properly. In fact, home loans represent just 2% of the overall portfolio of the Saudi banking sector.
After the announcement of the law, Moody’s, an International rating agency stated, “we expect it to enhance their (banks) asset growth potential, strengthen the profitability of retail franchises and increase loan book diversification”.

Although home loans do exist in Saudi Arabia, with payments directly deducted from salaries, the new law allows the creation of products secured against the property for the first time. Property developers and real estate companies have been left for many years to their own devices - and those of private financial institutions – finding formulas suited to their customers’ limited means.

Emaar, for example, offers the possibility to buy homes in two years of instalments under the structure of paying as they build. At 50% of construction the client has paid 50%. But not everybody can afford to do this and real 20 to 30 years mortgages are still impossible in KSA.

The delay in the approval of the law may have had different reasons, from the resistance of religious scholars concerned about whether mortgages were compliant with Islamic or sharia law to the financial disaster and economic crackdown suffered by neighbouring countries, mainly Dubai, due to a real estate bubble.

Within the scholars side, the main concern was that Islamic law includes a ban on interest and it was important to get around on how to deal with sensitive issues such as letting banks take away a borrower’s home if they default. The inclusion of safeguards that ensure banks will not be able to take people’s homes in the laws was a milestone to get the paper through.

On the other hand, the fact that in Dubai and in most of the world the financial crisis started with the excesses of the real estate sector was also a good reason to think cautiously before taking action preventing the system of undermining regulations that support prudent risk standards and credit underwriting.
Saudi Arabia’s traditional prudent risk management was outlined in the press released that followed the draft approval underlining that the law includes measures ‘to ensure the fairness of the transaction and the safety of the financial system’. Regulation of the mortgage sector will be undertaken by the country’s central bank, the Saudi Arabian Monetary Agency, the statement added.

A study of CBRE Group Inc. released on March 2012 revealed that only 2 percent of home purchases in the kingdom have been financed through mortgages, compared with 17 percent in the United Arab Emirates or 70 percent in the U.K.

In all, the Saudi real estate sector is only beginning to develop — but it is doing so in typically explosive fashion. And by virtue of starting ten years later than its neighbours, the country is in the enviable position where it can benefit from the mistakes they made.

But although there are concerns that better access to credit will over rise prices but in general the passage of the laws will benefit the entire economy: home insurance policies, construction industry, the furnishings and appliances sector as well as building materials. Real estate in Saudi Arabia is moreover a fairly stable and constant affair. Contrary to the spectacular boom-and-bust cycles plaguing its smaller and trendier neighbour Dubai, prices in the Kingdom have remained relatively stable throughout the recent financial crisis. This salubrious situation can partly be ascribed to a prudent regulation of the Saudi financial sector in general, but is also due to an ever-growing demand, especially for residential properties, which keeps outstripping the supply. There is not much of the speculative building here that is so common in the Emirates.

The second highest rate of population growth in the world and new living patterns emerging within the young population are driving a demand for housing units accommodating nuclear rather than extended families. Saudi Arabia is experiencing a shortage in this field estimated to reach 1.5 million units by 2013. With figures such as these, it is no wonder that the relatively young real estate sector is booming in the kingdom even while in most of the outside world it is declining.

According to figures released by Bank Saudi Fransi, 36.8 percent of the total Saudi population was 14 years of age or younger in 2008, while 43.3 percent was between the ages of 15 and 39. In other words, an astonishing 80 percent of the population is under 40. In addition to an urbanization rate of 88% and a very high living density (on average six people per household), this makes for a very strong demand for entry-level housing.

In fact, only 30% of the population are homeowners, and the government is keen to get the other 70% to own their homes as well. According to government plans, home ownership levels will rise to 80% by 2024. Up until twenty years ago, people still customarily bought a piece of land and built their own house, but now this is no longer common and in fact is more expensive than buying an already built unit.

The new laws will create the space for the creation of a broader choice of financing products; open the door to the development of a viable secondary market; establish a more competitive environment for financing companies and real estate developers and attract international investors that have long been interested in the immense opportunities of the sector in the biggest economy of the Arab World but have remained away prevented by the lack of regulations.

The real estate sector is second only to oil and petrochemicals in terms of size. Real estate players contribute around 7% of KSA’s GDP. Yet there is still a huge potential, as only 20% of the demand is actually being supplied. The problem is that supply and demand is not matched to each other. Developers build expensive luxury homes, while Saudi citizens need affordable, reliable housing within the city zones.

So far the government has been supportive of investment in the low and middle-income market segment incorporating it in several of the gigantic new development projects and the sector has benefited since 1975 from a dedicated government-funded Real Estate Development Fund, but the approval of the mortgage law will be a big catalyst for the development of the market.

Although lenders will have to wait until courts and the Saudi Arabian Monetary Authority (SAMA) — the Kingdom’s central bank — enforce the provisions particularly those related to default but also those indentifying legal procedures to deal with home loans, the new law will pave the way for the setting up of dedicated mortgage providers, create guidelines on foreclosures and set up a regulatory overseer for the sector.
Construction is booming in KSA. Universities, hospitals, hotels, shopping malls and entire smart cities now seem as ubiquitous as oil wells are sprouting up everywhere you look. The country’s traditional panorama is changing too, as high-rise building becomes more common, changing the cities’ skylines.

The various new economic, industrial, financial or health cities announced by king Abdullah alone boast levels of investment that almost beg belief. The Knowledge Economic City, for example, which is scheduled for completion in 2020, promises a total investment value of SR30bn (US$8bn) to develop some 4.8 million square metres of land near the Holy City of Medina. The scheme will include around 30,000 residential units, as well as a range of supporting infrastructure and transport facilities aimed at attracting technology, health care and educational companies. KEC is estimated to have signed contracts worth SR700m in 2010.

Another gigantic public real estate investment, King Abdullah Economic City (KAEC) will be the country’s first freehold area, as Saudi Arabia seeks to tap into the potentially lucrative foreign real estate investment market. The urban area - which is expected to cost in the region of $27 billion to build - is currently being constructed and is scheduled to be completed by 2025. It is situated near Jeddah and will be about as large as Brussels. KAEC is intended to house around two million people and it is estimated that it will generate approximately one million new jobs.

King Abdullah Financial District (KAFD) in Riyadh is another US$10 billion real estate development currently under construction. It will house most of the financial institutions of the country around residential buildings, conference centres, malls, hotels, etc. Built in an extension of 1.6 million sqm which in fact is a little over the extension of the capital of Bulgaria, Sofia, and KAFD is the first green project in the Kingdom.

Most recent projects include King Abdullah Medical City between Makkah and Jeddah, Prince Mohammed bin Abdulaziz Medical City and a number of hospitals and health centres for which contracts of around USD1.06 billion have already been inked.

On the industrial side, apart from the on-going development of the giants Jubail2 and Ras Al Zawr Mineral Industrial City, new industrial cities are being built in remote areas to boost development far from the core business centres of the country such as Riyadh or Jeddah. Saudi Arabia’s Salwa City in al-Ahsa will accommodate more than 10,000 factories in 300 square kilometres with billions of riyals in investments or a controversial women only industrial city in Hafuf that is still under design with construction to be tendered in 2013. It is expected to attract 500 million riyals ($133 million) in investments for industries such as textiles, pharmaceuticals and food processing.

The hotel segment has been growing consistently since 2008 driven by the increase of religious and business tourists. Between now and 2014, around 1607 budget hotel rooms are expected to enter the market in Saudi Arabia, according to new research by Christie + Co. At present some 70 percent of the hotels in Saudi Arabia are upscale.

Huge infrastructure projects are spreading like mushrooms thorough the kingdom with roads, airports, railways and ports included in the package.

And to crown it all in April 2012 Prince Alwaleed bin Talal bin Abdulaziz Alsaud, chairman of Kingdom Holding Company (KHC), announced that the construction of the world’s tallest tower of 1,000-meter will be constructed in the Saudi Arabian city of Jeddah. The tower is expected to be completed in 63 months at a cost of 4.6 billion riyals.

All in all, the value of new construction projects in Saudi Arabia amounts to USD750 billion, 31 percent of the total MENA market, according to a report recently released by Citigroup. The value of construction projects cancelled or delayed in Saudi Arabia pared by eight percent to $316 billion.

CONSTRUCTION BOOM
Long ago on the medieval fields of England buyer and seller together walked the boundaries of land to be conveyed. If the terms were satisfactory, the seller picked up a clod of earth and handed it to the buyer. Such was the system by which real property was transferred. At the time of the Prophet Mohammad, Arabia was a traditional society in which custom and oral evidence were sufficient to support a claim to property.

Today real property transfers are complex mechanisms which serve various social and political interests.

For the past several years the Saudi business and financial communities have urged passage of a new mortgage regime to facilitate financing of land transfers and to meet the housing needs of a growing population. In July, 2012 the Kingdom announced that a new mortgage law, long in the works, had been approved. The new mortgage law is actually several laws: the Registered Mortgage Law, the Real Estate Finance Law, The Finance Lease Law, the Law on the Supervision of Finance Companies, the Execution and Enforcement Law and their implementing regulations.

Implementing a system of mortgages in the Kingdom required the establishment of an entire infrastructure. The new mortgage ecosystem not only provides for financing real property but establishes institutions and entities which are needed for the system to operate efficiently.

**Features**

Real estate mortgages are approved as long as they comply with the Islamic shari’a. The law does not attempt to stifle financial innovation by approving one type of Islamic mortgage over another, but contains consumer protection and other provisions which all compliant mortgages shall be required to contain.

SAMA, the Saudi Arabian Monetary Agency and the country’s Central Bank, will be the overseer of the new ecosystem. A number of new entities or institutions, some private, some public, are to play supporting roles. SAMA will license and regulate the new entities, including non-bank financing companies as well as approve the different kinds of transactions and financial products.

The proposed Saudi mortgage system provides for the public dissemination of price and sales data and the use of such information to assist in the valuation of similar properties to discourage fraud while promoting the soundness of the system. The system provides for the registration of deeds in public registries. Registration, coupled with title insurance, will help resolve those thorny questions of ownership which had made collateralization and verification difficult.

The Real Estate Development fund will help provide liquidity to the system. The possibility of tax incentives is mentioned but not detailed. Mortgages and other debt obligations may be securitized. A new court will hear real estate financing disputes.

Every real estate conveyancing must be documented with the Borrower’s credit report. In Saudi Arabia, the reputational or character loan has long been a hallmark of financing. This will no longer be the case. Records will be kept on individuals to an extent and degree heretofore unimagined in the Kingdom and failure to participate will mean being cut off from the credit markets.

Except where loans are in the amount of SAR 100,000 or less, loans must be 100% collateralized. Only 10% of a financing company’s loans may be no collateral loans. On-spec real estate loans will need SAMA approval in advance.
Saudi Real Estate Refinancing Company

A new company will provide liquidity. The Saudi Public Investment Fund will be a 51% owner. The company may hold and manage investments as well as issue bonds or sukuk. The company can purchase securitized mortgages which can be sold as private placements under CMA rules to qualified individuals and institutions.

Recording Office, Recovery Companies

In most countries the Registrar of Deeds or title recording office is a government office. This will not be the case in Saudi Arabia. While regulated by SAMA, a private company will be formed by the yet to be licensed Finance Companies. Loans will be serviced by other companies licensed by SAMA. If a loan is not paid, recovery or collection companies will be licensed by the Ministry of Justice. These are a new phenomenon in Saudi Arabia.

Conclusion

The establishment of a real estate financing ecosystem is designed to facilitate badly-needed growth in the housing sector while seeking to stabilize prices across the country. Lenders will no longer fear that loans on real estate are essentially uncollateralized and unprotected and that borrowers can avoid their debts without fear of execution.

Eventually there will be uniformity across the Kingdom as best practices propagate downwards from SAMA, the regulator. There will be transparency in loan documentation since SAMA will approve the forms. Due diligence will become routine since real estate prices will be published and credit bureau reports standardized.

Securing collateral for debt obligations will become standardized and transparent in the Kingdom. The validity of financial instruments will no longer be left to the judgment of individual religious scholars but the collective will of the nation. While at first the effects will be seen most easily in the real estate sector, in time there will be other effects. Businessmen will find it easier to obtain financing by factoring receivables. Previously unavailable financing sources will now be available, opening the economy to new business.

There will be negative consequences as well. The new law calls for the formation of monopoly-like structures which are outside the direct control of the State. In time, this lack of control may prove inconvenient. There will be winners as well as losers.

And finally, in a way previously unimagined, average citizens will find themselves participating in an unfamiliar new system that is not forgiving of error. Financial maturity will be required. A home which collateralizes an unrelated debt can now be seized—and efficiently so—if a debt is not paid. The spectacle of Saudis losing the family home because of unsuccessful unrelated business wagers could become commonplace.

The rules of the game have clearly changed and only time will tell whether Saudi society can tolerate all the changes the new system will bring.
JOIN THE WORLD
AT THE 25TH YEAR ANNIVERSARY OF SAUDI BUILD

SAUDI BUILD

THE 25TH INTERNATIONAL CONSTRUCTION TECHNOLOGY & BUILDING MATERIALS TRADE EXHIBITION

4 - 7 November 2013
Riyadh International Convention & Exhibition Center - RICEC

HELD CONCURRENTLY:

The 16th International Stone and Stone Technology Exhibition

The 4th International Exhibition for Construction Equipment, Plant, Machinery and Vehicles

TAP INTO THE LARGEST CONSTRUCTION MARKET IN THE MIDDLE EAST

Book your SPACE now...

Please fill in and fax back to the organizers: (Fax: 966-1-229 5612)
I am interested in Saudi Build / Saudi Build - The PMV Series, Saudi Stone-Tech 2013, please send me additional information:

Name: ____________________________
Company: ____________________________
Job title: ____________________________
Address: ____________________________
Tel.: ____________________________
Fax: ____________________________
E-mail: ____________________________

Organized By

Riyadh Exhibitions Company
P.O. Box 56010 - Riyadh 11554 - KSA
Tel. 966 1 2295604 - Fax 966 1 2295612
E-mail: info@recexpo.com

www.saudibuild-expo.com
Dar Al-Arkan Real Estate is a Saudi Arabian property development company. It is the largest developer by market value in Saudi Arabia. Based in Riyadh, it was established in 1994 by six prominent business families with significant real estate development experience in response to the increasing demand for quality housing from the rapidly growing Saudi population. Since the early 21st century, Dar Al-Arkan operated as a limited liability company with a capital base of SR 140 million (US$37 million).

**FOUNDER & CHAIRMAN**

Youssef Al Shelash

“The market and economic conditions that contributed to healthy land sales margins during previous years are gradually re-emerging. In addition, the latest developments in the Saudi market are likely to have a positive impact on the real estate industry in general.” Arabian Business

- Chairman and founder of both, Dar Al Arkan and Bank Alkhair Mr. Al-Shelash served previously as a member of Investigation and Attorney General in Saudi Arabia. He holds a MSc in Law and Legal Proceedings from the Institute of Public Administration Al-Riyadh and a BSc in Shari’ah from Mohamed Bin Saud Islamic University.

**CEO**

Mr. Majid Al-Hogail

“My experience is demonstrated in a wide variety of functional areas including: Starting up organizations and setting their Visions, Missions, strategies, and business plans.” - Majed Al-Hogail.

- Previously VP Finance at Danone. Graduated from the University of Illinois at Urbana Champaign, USA.

**CEO**

Mr. Ahmad Al Khuli

“The Saudi market is one of the greatest opportunities for any kind of investment and especially for real estate and development.” – Mr. Ahmad Al-Kulli.

- General Manager – Emaar Middle East.
- Previously Senior Director –Operations at Emaar.
AL-OULA REAL ESTATE

Al-Oula Development Company is part of Al Fozan Group of Companies. It is one of the leading real estate developers in Saudi Arabia. It is partnered with Dubai's Emaar in the Emaar Middle East (EME) joint venture, which is developing the US$11.2 billion Jeddah Hills community district and with Kuwaiti Amwal International Investment company for the designing and constructing the Al Oula Towers in Al Khobar. The site area 39,731 m² is positioned along the southern extension of the Gulf front of Al Khobar. In 2006 it formed a consortium with Egyptian investors to open Al-Oula Egypt with paid-in capital of LE 500 million (US$87 million) to develop of a new embassy district in Cairo.

Other projects include Al-Diyar project located at the meeting point of three main roads which lead to the Kingdom of Bahrain and other GCC states and Al-Nakheel project located in Jeddah city.

CHAIRMAN
Mr. Suleiman Abdulqader Al-Muhaideb

“The company name became an indication of a reality lived and experienced by the Company in all its projects. This confirms that it is indeed the number one company in the field of real estate development in the Kingdom and that “a dream planned in a conscious thinking is worthy of success”.

- Born 1956 in Saudi Arabia. He is also the Chairman of A.K Al-Muhaidib & Sons Group. And a member of the Board of Directors at SAAB.

CEO & MANAGING DIRECTOR
Mr. Mohammed Al-Khalil

“We can be of much use as we are thoroughly familiar with the country’s regulations and legalisation.” – Mr. Mohammed Al-Khalil.

- B.Sc. in Engineering at the King Fahd University of Petroleum & Minerals.
- M.Sc. in Business Administration from Colorado State University.
- Vice-president of the National Real Estate committee.

AKWAAN PROPERTIES

Launched in the early year of 2007 in the Kingdom of Saudi Arabia with a total paid-up capital of SR 750 million (approx US$200 million), Akwaan Properties is a Sharia’ compliant company specially set up to target investment in a number of projects and locations, trading in Real estate and Land Development.

CEO & MANAGING DIRECTOR
Mr. Mohammed Al-Khalil

“We can be of much use as we are thoroughly familiar with the country’s regulations and legalisation.” – Mr. Mohammed Al-Khalil.

- B.Sc. in Engineering at the King Fahd University of Petroleum & Minerals.
- M.Sc. in Business Administration from Colorado State University.
- Vice-president of the National Real Estate committee.

AMLAK INTERNATIONAL

As the first one-stop shop for mortgages, Amlak International was created as a joint venture by Al Baraka Group, the Saudi Investment Bank and Amlak Finance Dubai. The company, which has a paid-up capital of SR 1 billion, started its operations in mid-2008. Amlak is considered the first mortgage providers for off-plan houses in the kingdom. The company has been profiled through a specific approach, which does not just consist of financing the end user’s purchase, but also the developers, whom are financed to become partners. The Company’s main mission is to provide housing that suits prospective clients.

MANAGING DIRECTOR, CEO & MEMBER OF THE BOARD
Mr. Abdulla Al-Howaish

Amlak International Building
Al-Muthair Street, Riyadh
Phone: +966 1 239 6700
Fax: +966 1 463 5300
www.amlakint.com
What would you say if a very well established construction company in the Kingdom told you that they could build a villa for you in almost less than 3 months; that it uses long-lasting materials at affordable prices and that they can adjust to your wished-design and built it environmentally friendly? You would think it is a dream comes true: and you are right.
We have a structure and a concept that allows us to complete a house of 250 to 300 square metres of living area in 50 days. This is a construction type that has never been applied in Saudi Arabia; it is not pre-cast or pre-fab and we were looking for a culture-oriented way of building houses. We have a structure that gives us the chance to apply the cultural requests of our clients matching their diversity in an environmentally friendly way while doing it up to three times faster than by a normal construction”, says convincingly Mr. Ralf Schiffer the brand-new Chief Executive Officer of Mogareb Company. He is convinced that their new technology to build houses will revolutionise the market and create new opportunities in the sector, generate significantly employment chances in all levels and develop the middle class business in the construction sector. “We still need to discuss a lot with the government but we do expect that we will reach our goals and build between 10,000 to 15,000 houses per year in three years’ time”, he adds.

Mogareb Company will definitely benefit from the new mortgage law pushed finally by the government and on its way to be implemented. It will mean that people of Saudi Arabia will be given the chance to finance their own houses or villas as they wish through a personal mortgage.

“Houses financed through a loan should be ready in a short time with the highest quality, with a sustainable asset value and at the same time built in a cost-efficient way. This is exactly what we are offering. We use a new technology that gives the individual a chance to build his own villa much faster, environmental oriented, with more utilisation time of the asset plus modern and sustainable technologies we use”, he explains.

Mr. Schiffer came to Saudi Arabia a couple of years ago as the CEO of Fraport Saudi Arabia, a German company awarded a huge project in Riyadh and Jeddah: the transformation of King Khaled International Airport (KKIA) and King Abdulaziz International Airport (KAIA). KKIA covers an area bigger than the neighbouring country Bahrain. His experience and his devotion to Saudi Arabia made him think it twice before leaving the country for his new post at Fraport and he opted to stay in Saudi Arabia moving onto a private local corporation that he describes as a great opportunity both for him and for Saudi Arabia: Mogareb.

And it doesn’t surprise anyone when hearing the figures: Over the past five years the company has experienced a growth of over 40 percent. “We have been growing on double digits for many years reaching 40 to 50 percent annually for the past five years. This shows a tendency of appreciation on what we do. The government believes in us and trusts our services and us. We deliver high quality projects on time and besides we have an additional reward with our employees that are very proud of working with us”. But no company or country can keep up with such a high growth rate for too long without the necessary changes and this is why Mogareb is implementing a complete new approach starting on 2011 onwards. “We turn this company now into the next generation of companies through a 5 to 10 years
development plan. At the end of this period we plan to launch an IPO.”

But as Schiffer says “the preparation of a company for an IPO needs a very stable and professional development. First we are going to build Mogareb Holding and underneath it we will align the different divisions: Mogareb Contracting; Mogareb Building Innovation Company with an outside partner; we are also adding an IT service company to complement our portfolio and development approach and a company developed to serve General Contracting Services among other ideas.

“Private sector involvement is imperative for a successful and sustainable housing sector.” The preparation of the contracting market requires varieties of initiatives and new ways of funding’s.

The new group that Mr. Schiffer is reengineering will be based on international standards and full governance control and transparency with highly educated and trained mainly local employees “to make sure that financial investors find the right ground to put their money.”

Established almost 23 years ago and counting with a workforce of almost 800 employees, Mogareb Company has its roots in the South-West Region of Saudi Arabia, in Abha province where the first projects started. It specialised on construction of houses, schools, private villas, mosques or residential areas and the maintenance and custodian services for some of their constructions mainly for the almost 400 mosques under their portfolio.

Only a couple of years ago the company moved to Riyadh to expand its horizon while keeping the Abha office “still very important for the growth of our company” comments Mr. Schiffer. According to him, “Mogareb is undoubtedly on its way to become one of the leading companies in its field growing faster than 50 percent in the next couple of years. Companies like us will build housing capacity to almost 15,000 per year.”

Mr. Schiffer ambitious plan still has two more powerful tentacles: he not only wants to convince Saudis to employ environmental friendly procedures and materials but also he aims to change the hierarchy of the construction sector and build a middle class layer.

With the construction industry in the top of the government agenda and billions and billions to be invested in new infrastructure and residential housing projects Mr. Schiffer asks himself: How can we ally construction companies and help to accomplish this big task?

And he answers: “The point is how we can as a company efficiently contribute to the overall implementation of that budget. Some of the big construction companies of the kingdom have long waiting lists of on-going infrastructure projects. Consuming the list one by one will take time to implement, just far too long for the growing population of Saudi Arabia to wait, especially in the residential market needs. What we need is a middle class business that provides quality, employment chances, and accountable products and implements projects in expected manner. The financing market must contribute as well by providing more flexible project financing methods.”

According Mr. Schiffer small companies can join forces thus projects can be managed with more flexibility, more power, more accountability and more push. “The middle class market will be developed; the smaller construction companies gain more independency and financial strength. The housing projects provide tremendous chances for developing the required middle class business, employing locals in several jobs and levels and for contributing to the society development” he adds.

“The budget to satisfy the need is there. The big companies of the kingdom are engaged and do what they can do but by themselves cannot cope with it alone. The population of Saudi Arabia is growing significantly; there are a lot of people moving to the big cities that need accommodation and employment places. Thousands of small companies in the kingdom with good reputation and track record capable to support the residential housing implementation plan are available,” says Schiffer with energy and determination.

And definitely Mogareb, with its new methodology and technology, financial strength and expertise is one of the candidates to benefit from the growth of the sector but in a “green way”. “The environmental concern in Saudi is continuously building up and we want to become an ambassador for the new constructions techniques that reduce the CO2 emissions,” says Schiffer who has already set up a strategy to work with universities, high ranked officials and even some members of the society to create a greater awareness on the need to go green to preserve Saudi Arabia and ultimately our planet.

“Mogareb supports the development and implementation of the national housing strategy with own investments and initiatives. In the meantime, we will continue our move to provide integrated projects as project integrator as well as educate local employers to help our nation dealing with the housing market challenges,” says Mr. Mohammed Al Qahtani, Chairman of Mogareb.
JEDDAH COMMUNITY: live the dream

RAYADAH INVESTMENT COMPANY
Tel: +966 1 2059911
Fax: +966 1 2059922
P.O.Box 56850
Riyadh 11564
Kingdom of Saudi Arabia

www.raid.com.sa
info@raid.com.sa
If infrastructural efficiency is indeed a measure for the development of a nation, Saudi Arabia has some way to go, but also the means to get there.

The harsh climate and geographical challenges of rough mountains and large deserts present obvious challenges for roads and railroads as well as long haul cables and pipelines, but a decade of high oil prices has delivered the funds with which to create a sophisticated transportation network to leverage KSA’s competitive advantages. A new multi-modal transportation system – combined with the low local cost of fuel and labour – has been designed to position the country as one of the world’s leading transport and logistics hubs.

Railways and light trains, airports and deep water sea ports, industrial cities and financial districts, hospitals and universities – no matter where you look, the whole of Saudi Arabia currently seems to be a construction site. The government has announced it will spend over $100 billion on nineteen priority investments in transportation systems alone over the next years. The objective is to capitalise on the kingdom’s naturally strategic location as a transport and export hub between the Mediterranean and Europe, the Red Sea and Africa, the Indian Ocean and greater Asia. Faster transport systems linking the western and eastern coasts of the Arabian Peninsula and more capacity in the seaports are obviously required to enhance this function.

Saudi Arabia’s strategic location and large-scale infrastructure development will position KSA as one of the world’s leading transport and logistics hubs. The Transport and Logistics (T&L) Sector in Saudi is supporting a population of 27.14 millions (2010), and within only 3 hours flying radius, the T&L sector can serve both cargo and passengers more than 250 million inhabitants.
FACTS ABOUT INFRASTRUCTURE PROJECTS IN SAUDI

CONSTRUCTION:

1. King Fahd International Airport is bigger than Bahrain. Completed in 1999, King Fahd International Airport is located to the northwest of Damman and at 780km² is the largest airport in the world in terms of land area. It is also larger than Bahrain, which has an area of 665km². The airport mainly serves Damman, Dhahran, Khobar, Oatif, Ras Tanura and Jubail.

2. Jubail is the largest ongoing civil engineering project in the world today. Work began on Jubail city more than 30 years ago. In 1983 the city was listed in the Guinness Book of Records as the largest engineering and construction project ever attempted and with work still ongoing it’s still breaking records today.

3. Saudi Arabia has the world’s second longest causeway. The King Fahd Causeway, linking Saudi Arabia to Bahrain, is fifteen and a half miles long and is the second longest causeway in the world.

Source: www.constructionweekonline.com
Back in the nineties a World Bank study had already outlined a transportation system centred around two main axes: one north-south line connecting the phosphate and bauxite mines to the processing facilities on the Gulf coast and another west-east line - the so-called landbridge project – to connect the Red Sea and the Gulf. Some 15 years passed before the international bidding process for construction started, but since 2007, construction works have been underway for a transportation system that will transform the hostile and barren desert into an inter-connected industrial state, thus assisting the development of the kingdom into a global economic player. The entire project envisages 3,900 km of new track including the Landbridge Project, the 300 km/h Al Haramain railway and the SAR railway project (formally known as the North-South Railway). The first and only railway still operational in KSA was built in 1952 and connects Riyadh and Dammam.

At a cost of roughly SAR 20 billion the SAR railway is a strategic line connecting the vast mineral deposits of phosphate and bauxite from mines around Az-Zabirah in the north of KSA to be processed at the fertiliser plant aluminium smelter at Ras Az-Zur, a new industrial city currently under development on the Gulf coast close to the oil and abundant water supplies needed by the new processing plants. The company responsible for constructing the facilities at Ras Az-Zur is Maaden, also known as the Saudi Arabian Mining Co. The SR21 phosphate complex began operations last year as it has the SR40 billion aluminium smelter. The railway will linking the mines to Ras Az-Zur and its new SR 2.2 billion port being built by China’s Harbour Contracting and Engineering Company.

The train will link also a new mining city announced in 2012 at a cost of SR4.5 billion covering an area of 440 sq. km, northeast of Turai. The city will have a railway and an electricity supply system. Three wharfs will be constructed in Ras Al-Khair Port as part of the project. The Waad city will offer 20 investment opportunities for the private sector and create 2,700 direct jobs and more than 22,000 indirect Jobs adding SR15 billion to the country’s gross domestic product.

With a carrying capacity of 16,000 tonnes - equivalent to twenty Boeing 747s - in a single trip, the SAR rail network will transport general freight such as petroleum and agricultural products as well as chemicals and offer an intermodal (trailer-on-flat-car) service. Several branch lines will be added to serve the agricultural district of Al Basayta in the northwest of the country and last but not least, the line will provide a passenger service.

The SAR project is the largest ongoing railway construction in the world today. It consists of two main lines, one running northwest from Riyadh to Al Haditha near the Jordan border; the second running from near the mid-point of the Riyadh-Haditha line east to the Gulf coast.
The Public Investment Fund (PIF) that resorts under the Ministry of Finance incorporated SAR in 2007 as a commercial corporation. SAR will own the assets and be responsible for maintaining the lines and equipment and providing heavy-haul mineral, conventional and intermodal cargo and high-speed passenger services. Beside the construction of approximately 2,400 kilometres of single-track rail, the contract encompasses sidings, yards, maintenance shops, stations, administrative facilities, locomotives, rolling stock and on-track and other maintenance and emergency equipment.

A third line will provide 1,418 kilometres of passenger railway. With maximum speeds up to 200 kilometres per hour, the line will link Riyadh in the centre of the country with al-Haditha in the North on the Jordanian border. The system is predicted to transport two million passengers annually. With six stations programmed (Riyadh -King Khaled International Airport, Sudair, Qasim, Hail, Al-Jawf and Al Haditha), the passenger route will be crucial for agriculture, trade and employment, connecting the regions in the north – and the country of Jordan - to the major Saudi hubs.

A light-rail system will operate on major routes in Riyadh in an effort to ease road congestion. Saudi Arabia said on July 30, 2012 it had shortlisted four groups to submit bids to build an electrical subway train network linking major areas of Riyadh. The 175-kilometres electrical rail link will connect its airport with other parts of the city, including the new King Abdullah Financial Center.

Saudi Arabia’s regional lead in developing railways may additionally trigger the long-standing project of a common GCC railway system. The network will link the Gulf’s 36 million residents at a cost of over $60 billion, accelerating cross-border travel, trade and tourism and cutting freight costs. The GCC leaders have given preliminary approval for the project that entails 1,940 kilometres of tracks connecting Saudi Arabia, Qatar, Bahrain, Kuwait, Oman and the UAE. Ideally, it should be operational by 2017. The six countries have agreed to share the cost in proportion to the length of the lines in each country. Responsibility for the construction of local branches, stations and freight terminals lies with the individual countries.

With Dubai’s metro already operational, the UAE has taken a first step with the establishment of the Etihad Railways Co, which will lay around 1,100 km of tracks at an estimated cost of AED 30 billion. Qatar also launched its own National Railway Project as part of state-owned property development group Qatari Diar.
Since the start of the privatisation process of the ports of Saudi Arabia in 1997, the port activity in the Kingdom has increased considerably, opening doors also for new developments and investment. The Saudi Ports Authority (SEAPA) created in 1976 and now concentrated in the planning and supervision has recently launched a second cycle of concession contracts where investment opportunities range from investments in general maritime enterprises to logistics businesses up to specific investments related to new port developments.

SEAPA's portfolio comprises the following ports:

**JEDDAH ISLAMIC PORT (JIP)**
Is SEAPA's largest port and a Red Sea hub port for seaborne trade and the maritime gateway for pilgrims to the Holy Cities of Mecca and Medina. Its location allows the access to the huge metropolitan area of Jeddah/Mecca and the shortest road access from the Red Sea to Riyadh. For transhipment of containerized cargo, the port is favourably located along the major European-Asia trade routes. For that reasons, JIP has been developed as a capable, modern logistics centre. The port handles at approximately 13km of quay wall a wide range of cargoes in containers, as general cargo or as dry and liquid bulk. As major advancement, JIP has recently opened its third container terminal, which has been developed as a state-of-the-art, high-performance facility. In 2010 JIP handled almost 50M t of cargo, thereof 3.8M TEU containers and has dispatched more than 4,500 vessels. SEAPA employs approx. 1,200 staff in Jeddah. The last terminal added to JIP is the Red Sea Gateway Terminal (RSGT) covering over 500,000 square metres. It is the first privately funded, Build Operate and Transfer (BOT) port development agreement in Saudi Arabia. The terminal boasts a dedicated deep-water navigation channel able to take vessels with a draft up to 16.5m, can handle the next generation of Triple E Class of mega vessels of 18,000+ TEU.

**KING ABDULAZIZ PORT DAMMAM (KAPD)**
Is SEAPA's leading commercial port at the Kingdom's Gulf coast. The port features approximately 8km quay wall. With a cargo throughput volume of approximately 23M tons in 2010, the port provides cargo handling and logistics services related to containerized, general and dry bulk cargoes and accommodates various maritime related activities such as shipyards, construction of drilling platforms etc. A special feature of the port is its direct railway link for containerized cargoes to a dry port depot in Riyadh, which is an unprecedented concept in the Middle East so far. The SEAPA port administration employs approx. 1,200 staff in Dammam. SEAPA intends to develop a second major container terminal in cooperation with another leading international container operator.
4 commercial regional ports

JUBAIL AND YANBU COMMERCIAL PORTS
Used to be complementary ports for the neighbouring industrial ports, specializing in the handling of break bulk and project cargo related to the industrial cities. Yanbu Commercial Port features large expansion possibilities to develop further logistics activities. Jubail Commercial Port has recently boosted its attractiveness by upgrading its container terminal to a modern and capable facility through a new terminal operator.

DHUBA PORT
At the Red Sea. It is well known for its daily ferry connections to Egypt. In 2010, almost 750,000 passengers used the port. The port also features multipurpose facilities for handling of diverse types of commodities.

JIZAN PORT
Is SEAPA’s south most port at the Red Sea close to Bāb al-Mandab. The port hosts ferries to nearby Farasan Island and fulfils regional port demand mainly related to dry bulk operations and selected break bulk commodities.

3 industrial ports

The three industrial ports in Jubail, Yanbu and Ras Az-Zawr fulfill the port demands of the adjacent industrial cities. Planning and development of these ports is performed in close cooperation with the Royal Commission for Jubail and Yanbu. The ports represent impressive sized, specialized facilities mainly for import of raw materials and export of petrochemicals from multiple industrial port users. Jubail Industrial Port handled approximately 46M t and Yanbu Industrial Port handled approximately 27M t of mainly dry and liquid bulk cargoes in 2010 whilst the port of Ras Az-Zawr still was in its start-up phase.

The new facility in Ras Az-Zawr has been recently opened for trial operations in order to be ready before the industrial production commences. Recently SEAPA awarded an expansion contract for the port, to construct additional berths and to accommodate additional industries in the future.

The Jubail Industrial City 2 project is the second major industrial development in the Kingdom, which presently affects SEAPA ports. Whilst Jubail Industrial City 1 mainly produces liquid petrochemicals, the technologic advancement of the Kingdom in the production of petrochemicals will lead to a strong increase of solid petrochemical exports, which will be transported to a large extent containerized. Because of these developments SEAPA expects a significant growth in container volumes in the Eastern Province, in Jubail Commercial Port and in KAPD. Respective developments regarding port facility expansion but also private sector involvement in maritime secondary services will happen during the next years.

SEAPA expects beside the two above projects a number of other positive industrial developments affecting the port sector, e.g. in Yanbu, Rabigh or the Jizan Economic City.

According to the last data available the capacity of Saudi Ports rose from 373 million tons in 2010 to 413 million tons in 2011. The number of ships that visited Saudi ports also increased from 10,985 in 2010 to 11,296 ships in 2011 while the volume of goods handled by the ports jumped from 154 million tons to 165 million tons during the same period. The number of containers received by the Saudi ports rose from 5.3 million in 2010 to 5.7 million in 2011. This reflected positively on their revenue as it rose from SR2.97 billion to SR3.3 billion during the same period.
Saudi airports handle near 54 passengers annually, but the General Authority of Civil Aviation (GACA) expects this figure to double over the next 10 years. As part of the overall reshaping of the country into an international tourist hub and a regional business centre GACA plans to invest SR 200 billion ($53.329 billion) in the aviation sector in the next five years, to upgrade and expand the country’s 28 airports. Private investors are set to contribute to the project too. Since the signature of a 6-year contract in 2007 between GACA and the German airport management firm Fraport, developments at KSA’s major airports of Jeddah and Riyadh airports have already started.

In Jeddah on the Red Sea, a new terminal is being built which ultimately will accommodate 72 million passengers per year. The first phase, to be inaugurated by 2014, will increase the capacity to receive 30 million passengers at a cost of approximately SR27 billion. The project is financed through Islamic bonds, or sukuk, to cut reliance on direct government funding and make it possible for private investors to buy into the projects. The investment yielded the largest sukuk, or Islamic bond, (single biggest debt debut) offered in the Middle East in 2012. The General Authority for Civil Aviation in January sold 15 billion riyals ($4 billion) of Islamic bonds and plans to issue a second tranche to fund airport expansion. The 10-year notes, which comply with Islam’s ban on paying interest, will pay a profit rate of 2.5 per cent.

In Riyadh, on the other hand, Fraport’s assignment is to manage the development of the 225 km² large area of the airport. King Khaled International Airport in Riyadh, originally designed to process 9 million passengers a year, the expansion seems as urgent as needed as traffic has already reached around 15 million passengers and grows at over 17 percent, a speed that outpaces all other airports in the region so its expansion seems as obvious as necessary. The airport is not only adding 24,000m² of retail area and extending its capacity to 46 million passengers, it will also add an industrial city with maintenance and repair facilities and entire manufacturing plants for airplanes and helicopters within an area allocated for this segment alone of almost 80km².

The expansion work will include the construction of a new terminal, Terminal 5 and is expected to be completed by 2013. The expansion of existing terminals 3 and 4 is currently in the design phase. The airport’s capacity will increase to 25 million passengers after completion of the first phase of expansion by the end of 2015.

According to GACA, the Saudi aviation market can provide 120,000 jobs during the next 10 years.
### Good reasons to invest BY SAGIA

- Unparalleled land and sea lane access
- Close links to Europe, Africa, South and East Asia
- Substantial cost advantages due to the low domestic cost of energy
- Large-scale, mutually reinforcing investments in road, rail, sea, and aerial transportation
- Strong domestic growth, supported by massive capital spending and rising personal wealth
- A highly stable, competitive and increasingly liberal business environment

### Investment areas BY SAGIA

An overall of US$100 Billion investment is anticipated within Transportation & Logistics sector over the next 10 years. These include:

#### AIR

Major air aviation developments are taking place; air operators are sought to drive expansions to KSA’s air transport infrastructure. For example, significant upgrades are currently underway at Medina Airport, a new Cargo Village is being planned for Dammam airport. As part of promoting the private sector, the first planned private airport is currently in progress in Prince Abdul Aziz bin Musa’ed Economic City.

#### ROAD

SAGIA seeks to invest in roads to accommodate basic demand growth, in addition to traffic resulting from the establishment and evolution of the Economic Cities. According to the 9th 5-year development plan, the Ministry of Planning has announced government spending to increase from the 8th Five-Year Development plan by 97.5% (from SR 51.4 BN to SR 101.5 BN). Some of the opportunities include the design and supervision of new connections and expansions, and road services including but not limited to Public Transportation services.

#### RAIL

The rail infrastructure in Saudi is in need of major expansion, creating significant investment opportunities for railway operators and related industries. Planned projects include the 950 km rail link between Jeddah-Damman known as the Land Bridge Project, a 2,400 km Mineral Line Project running north to south; connecting Riyadh, Raz Azour, Hazm Al-Jalamid and Qurayyat. Finally, Light Rail Transit Systems within Cities such as Riyadh, Jeddah and Medina are being planned and developed.

#### LOGISTICS

Rising demand and deliberate public investment in Transportation infrastructure will drive development of world-class capabilities and critical need for Supply Chain Management. Hence, many opportunities such as Logistics Centers & Warehouse Service Facilities across the country including the Economic Cities are in great demand.

---

Dr. Al Rumaih graduated as an engineer from King Saud University and got his PhD in Electrical & Computer Engineering in the US. He has an MBA from Leicester University in the UK. He joined the SAR management as a deputy CEO for operations in July 2008 and was soon promoted as the first CEO of the new SAR.
Question. Could you briefly highlight the most relevant achievements of SAR during the last year?

Answer. Many things have happened since we met last year. In 2011 one of our lines was completed and it is operational now. It consists of two main lines of 2,400 kilometres (kms) that will connect the mines to the manufacturing facilities in Ras Al Khair.

Q. That was what we called Ras Az-Zawr last year, why the change of name?

A. It was named Ras Al Khair, by the King because of the weight and importance of the line for Saudi Arabia. The new name has a relevant meaning in Arabic because it means that we hope to reach our expectations.

Q. And so? What are your expectations with this line?

A. Well, 1,392 kms of the line are completed and operational. Our mineral trains are travelling on a daily basis in this line. Each train can carry up to 12,000 tones of phosphate rock. Our target for 2012 is to transport around 5 million tons.

Also, this year SAR has been expanded into an operation and construction company. Last year it was only a construction company. Now we have the two companies in one. The construction of the passenger line is also going on. We ordered the manufacture of the passenger train and the passenger stations to a Spanish company and we anticipate that this line will be completed in early 2014 to be operational towards mid 2014. This line is about 1400 plus kilometres as well.

Back in June 2011 there was a Royal Decree from the Custodian of the Two Holly Mosques that entitles SAR to build and operate a new line that will connect Ras Al Khair, with Jubail, one of the largest petrochemical clusters of the world located in the Gulf Sea; and also its inside network and a new line from Jubail to Damman.

The instruction from the King says something about SAR. We talk the talk and we walk the walk. We are delivering on time and expanding from construction to construction and operation. Naturally the company is expanding its human resources as well. We have doubled our workforce from 100 to 200 and at the end of 2012 we expect to reach some 300 employees. Additionally we have the engineering supervision consultant working with us supervising the construction with over 300 people as well.

These are the major achievements that took place this year.
Q. But 2012 also comes loaded for SAR. There are new projects like the land-bridge project Jeddah-Riyadh on the line….

A. Yes, at the end of last year there was a Council of Ministers Resolution that gave the go ahead to the Public Investment Fund (PIF) to build a land bridge on the East-West Jeddah to Riyadh. When all these lines are operational we will have a complete network. The benefits will be shown shortly to the economy of Saudi Arabia.

Last year we also signed a contract to build and maintain over 40 maintenance buildings along our lines. Additionally, we have signed a series of MoU’s with ARAMCO to transport fuel products to the North of Saudi and others with companies inside Jubail to serve their transportation needs. We will transport around 3 million tons of SADARA products, for instance.

Q. What is the advantage of the railway system in Saudi Arabia compared to the other transportation means? Why is it worth the investment?

A. Saudi Arabia is a very big country. The mineral industry would not be able to survive if we didn’t have a railway line between the mines and the manufacturing facilities. There are 5 million tons of phosphate and 5 million tons of bauxite 10 million tons to be transported. This quantity translated to 30,000 tones daily is 1,200 trucks. The roads will not be able to accommodate this traffic. You would need to build another road but still the risk of accidents with people and cargo circulating in the same road would be too high. Our railway is dedicated to cargo, so it is safer. The train is basically a core part of the diversification program of the country.

It will compliment, not replace. It will be built a high-speed train from Jeddah to Damman, called land bridge because it connects the Red Sea to the Gulf. If you go around the peninsula you will need a minimum of ten days by vessel. Only two days by train. So you are saving a lot of time, cost and risk, because you are also avoiding the Somali pirates.

The train will help grow the economy of Saudi Arabia. From minerals to olives. Although when you come here most you see is desert, there is a huge agricultural area in the North of the country that will also take advantage of the railway.

Not surprisingly, of the one million kilometres of railway built in the entire world, there is only 24,000 kilometres of rail tracks in the desert lands of the MENA region, the least of all.

Although there has been talks for years over the region about the construction of a railway system that would eventually link a number of villages, cities, countries and even continents, so far the only train that is actually operating in the region is the recently constructed light rail system of Dubai. Next stop is Saudi Arabia with a larger and ambitious plan of rail transportation that will eventually reshape its map, and indeed the map of the region.

In 2011 the Kingdom’s total railway expansion project envisaged 3,900 km of new track that includes the Landbridge Project, a 300 km/h Haramain high-speed railway linking Jeddah with Makkah and Madinah; and the SAR Railway project (formally known as North-South Railway).
Q. What is SAR long-term goal?
A. To become the operating company in the region. Up to now all the companies created in the GCC are construction companies, Etihad Rail in the Emirates, Q-Rail Qatar, etc. At some point they will need an operator and they will have to bring it from outside. By then we will be ready to be the operator that will serve them. We will have the experience, we are in the region, and we will be very competitive.

Q. According to some analysts, by the year 2017 there will be a railway system for the 36 million inhabitants of the GCC that will cost 60 billion USD. What will this mean for the economy of the region?
A. That figure not only includes connecting the GCC. It also includes a huge metro network in Qatar plus other networks in other countries. We are looking at around 2,000 kilometres of railroad to connect the GCC countries. An estimation of around 14 to 15 billion USD.

Q. What would be your last message for our readers?
A. Since we have a huge project we would like to see you every year and brief you on the project. Once the passenger line is completed it will make us very tangible to the people. We will provide a good option to our passengers so that will seriously consider us.

THE MINERAL INDUSTRY

Phosphate exports will place the Kingdom amongst the top exporting countries for phosphates in the world. It is estimated once in full production, phosphate production will produce 2.92 million tons per year of Diammonium Phosphate Fertilizer (DAP), for export to high growth markets, and nearby Asian nations in particular.

With a transportation capacity of 16,000 tonnes of minerals, or the equivalent to twenty Boeing 747 airplanes in a single trip, the SAR rail network will not only serve the critical mineral industry, but additionally provide freight traffic for oil, agricultural and industrial products; and last but not least a passenger service.
In early 2012, market analysts Ventures Middle East calculated that the GCC had US $142 billion worth of road and bridge projects underway, or in the planning stages. Saudi Arabia accounts for a third of this amount.

According to the Kuwait Financial Centre or Markaz, GCC countries are on track to spend $97 billion between 2011 and 2020 on new road and railway projects. Railway projects, including rail, metro, tram, and stations are valued at $79 billion, this includes the $30 billion GCC rail network.

The planned GCC rail network will begin from Kuwait and will pass through Saudi Arabia’s eastern city of Dammam, where it will connect to Bahrain through a bridge that runs parallel to the King Fahd Causeway before reaching Qatar via Salwa. A bridge will connect Qatar and Bahrain.
Expanding your reach
504 flights per week From Riyadh, Jeddah & Madinah

Syria
- Damascus: 8 flights a week
- Aleppo: 6 flights a week
- Latakia: 4 flights a week

Lebanon
- Beirut: 14 flights a week

Jordan
- Amman: 9 flights a week

Kuwait
- Kuwait: 10 flights a week

UAE
- Abu Dhabi: 6 flights a week
- Dubai: 14 flights a week
- Sharjah: 12 flights a week

India
- New Delhi: 3 flights a week
- Calicut: 4 flights a week
- Cochin: 3 flights a week
- Mumbai: 4 flights a week

SAUDI ARABIA
- Riyadh: 170 flights a week
- Abha: 5 flights a week
- Dammam: 28 flights a week
- Gizan: 14 flights a week
- Jeddah: 135 flights a week
- AlMadina: 10 flights a week

Egypt
- Alexandria: 17 flights a week
- Assiut: 9 flights a week
- Sharm El-Sheikh: 5 flights a week
- Sohag: 4 flights a week

Sudan
- Khartoum: 10 flights a week

nasair connects you to 24 destinations in 9 countries
Whether traveling for business or pleasure, nasair takes you further with flexible schedules and timings. Experience the finest service in the sky.

Call Center 920001234  Website flynas.com
WHO IS WHO

SAUDI OGER

Saudi Oger Ltd, a construction company, incorporated in January 1978 in the Kingdom of Saudi Arabia with its headquarters in Riyadh. The initial paid up capital of SR 1 Million (US$ 267,000) was subsequently increased to the present level of SR 750 Million (US$ 200 million). Saudi Oger Ltd. is a private company, wholly owned by the Rafik Hariri family, since its inception, Saudi Oger Ltd, has grown into a multi-company, multi-divisional organization with subsidiaries and affiliates in the Kingdom of Saudi Arabia and abroad. With the fusion of western technical expertise achieved from its overseas subsidiaries and the Middle Eastern knowledge and experience, the Company has become the center of construction for prestigious and complex projects of advanced technology throughout the Middle East, Africa and Europe. The company is behind some of the mega projects of Saudi Arabia such as the Princess Noura Bint Abdulrahman University for Women, and the King Abdullah Financial District. The company is qualified grade A in KSA.

CEO
Saadeddine Rafic Hariri

- Chairman & CEO of Saudi Oger Ltd. He also chairs the French based contracting and consulting corporation Oger International and founded the International telecom company Oger Telecom. Hariri is also the Chairman of Saraya Aqaba Real Estate Development Company PSC. He is best known as the former Prime Minister of Lebanon from 2009 to 2011. His father, who was also Prime Minister of Lebanon was assassinated while he was in power. He holds a dual nationality, Lebanese and Saudi.

CONTACT
P.O. Box: 1449
Riyadh 11431
Phone: +966 1 477 3115
Fax: +966 1 477 0079
ccd@saudioger.com
www.saudioger.com

SAUDI BINLADIN GROUP

As a grade A company in Saudi Arabia, the Saudi Binladin Group (SBG) is a multinational construction conglomerate and is headquartered in Jeddah, Saudi Arabia. Considered one of the largest construction firms in the world, Saudi Binladin Group recently signed a US$1.23 billion contract to construct the tallest building in the world, Kingdom Tower in Jeddah. The SBG was founded in 1931 by Sheikh Mohammed bin Laden Sayyid, whose relationship with the country’s founder, Abdel Aziz al Saud, led to important government contracts such as refurbishing the mosques at Mecca and Medina. The company was at the top of the 100 most powerful Gulf Construction Companies in 2012 by ConstructionWeek Online magazine.

PRESIDENT
Eng. Bakr M. Binladin

- Chairman of the Jeddah-based Saudi Binladin Group.
- Largest majority shareholder in the Group, with a 23.58% holding.
- A major power broker in the Saudi business capital.

CONTACT
Al Rawda Street, Al Rawdah District
Jeddah 21423
Phone: +966 2 664 3033
Fax: +966 2 664 3225
info@sbg.com.sa
www.sbg.com.sa
Arabtec is the leading construction company in the United Arab Emirates with presence and operations in Saudi Arabia. Since its launch in 1975, it has executed a diverse and far-reaching portfolio of major construction projects in all sectors of real estate and infrastructure. Arabtec Saudi Arabia L.L.C is in alliance with CPC Services Company, a member of the Saudi bin Laden Group and Al-Mawrid Holding, a leading Saudi group engaged in diverse investments and business activities in KSA. With a booming construction sector, Saudi Arabia needs one million new houses by 2014 to cater for population growth and offset shortages in residential, commercial, retail and hospitality properties in Riyadh, Jeddah, Mecca, Medina and the Eastern Province. Arabtec is in an ideal position to take advantage of this huge building programme and the new company represents a natural expansion of its activity in the region. Arabtec’s projected backlog for its first year in Saudi Arabia is in excess of 3.5 Billion Riyals, while the projected turnover will rise up to 5 Billion Riyals within three years. The company is qualified grade A in KSA.

**AL RASHID TRADING & CONTRACTING (RTCC)**

Al-Rashid Trading & Contacting Company Ltd was established in 1957 in the field of contracting. RTCC has been awarded contracts to build numerous houses, college campus, medical centers, infrastructure, water supply works, and railway project from renowned clients. The company started its activities as it won a contract to build houses for the Ministry of Education at the end of 1950s. Throughout the years it has built partnerships with renowned international companies in various fields with the result of expanding the experience, operations and activities of the company. The company is qualified grade A in KSA.

**ABDULLAH A. M. AL-KHODARI SONS COMPANY**

Although the history of the company traces back to 1966 by late Sheikh Abdullah Mohsin Al-Khodari it was only rolled into a LLC company in 1992 with a paid up capital of SR 10 million and a into a joint stock company in 2009 with a capital of SR 300 million that increase to SR 400 a year later.

Qualified as a grade A company by the Saudi Government, the company engages in many infrastructure projects such as the construction of highways, urban and rural roads as well as the the construction of desert access roads mainly for oil and gas exploration and mass earthworks and site preparation works among others. It also engages in a number of building projects concentrating on public facilities and large residential and recreational projects and waste management projects to name some. The company is involved in earthwork and civil construction work for the railway projects. Net profit for the nine months to the end of September 2012 was SAR108.18m ($28.8m) compared to 103.68m ($27.6m) for the same period of the previous year.
**AL-LATIFIA TRADING & CONTRACTING**

Al-Latifia Trading and Contracting is a first class buildings contractor headquartered in Riyadh and operates throughout the Kingdom of Saudi Arabia.

Founded in 1987, Al-Latifia has grown from a medium sized contractor to a large scale construction company. It provides engineering, procurement, and building construction services to clients in a variety of industry sectors. Qualified as a grade A company, Al-Latifia’s expertise encompasses the procurement and construction of a broad variety of projects including, but not limited to, office buildings and business centers, residential and housing developments, retail and commercial centers, industrial complexes, hospitals and medical facilities, hotels and recreational centers, schools and educational facilities, military and defense complexes. The company was ranked number 71 in the construction sector power 100 of 2012 by Arabian Business Magazine.

**CONSOLIDATED CONTRACTORS COMPANY**

Is the largest construction company in the Middle East and ranks among the top 20 international contractors with revenues of more than US$5.2 billion in 2011. Offices and projects in more than 40 countries, and a work force of more than 150,000 employees. It started operations in Lebanon in the 1950’s where its founders, Palestinians Kamel Abdul-Rahman, Hasib Sabbagh and his brother in law Said T. Khoury won the first big contract to build pipelines from Iraq to Syria. Other major contract followed until in 1973, CCC set up the National Petroleum Construction Company in Abu Dhabi to provide offshore services to the oil and gas industries in all the countries of the Gulf. In the 1980s, CCC was restructured and the CCC owners aimed at expanding the company’s operations into Europe, the United States, and Asia. In May 2012, the joint venture of CCC, TAV and Arabtec was awarded the $3.2 billion contract of the Midfield Terminal of the Abu Dhabi International Airport. CCC has completed the construction of the largest GTL Project in the World in Qatar. Among the other notable projects that CCC has recently constructed or is currently constructing in the Middle East are Princess Noura Bint Abdullahman University for Women-Site Works and Infrastructure Utilities in Saudi Arabia where the company is ranked with A grade by the government, Ras Laffan Port Expansion in Qatar, Barwa Commercial Avenue in Qatar, etc.

The company is headquartered in Athens, Greece.

**AL-RUWAITE CONTRACTING**

Established in 1975, Al Ruwaite Contracting company business activities include water and sanitary drainage works as well as electrical and mechanical works relating there to its work. The company has executed projects over the Kingdom with a total value exceeding SAR1.3 billion. Al Ruwaite contracting company was qualified grade A by the contractors classification Agency – Ministry of Public Works and housing in the field of water and sanitary drainage works since 1994.

**ACTING GM**

Dr. Abdullah Rashid Al-Dossary

P.O. Box: 57588
Riyadh 11584
Phone: + 966 1 453 2444
latifia.build@latifia.com

www.latifia.com

**CHAIRMAN & PRESIDENT**

Mr. Said T. Khoury

- Well known as a philanthropist and entrepreneur, he was the co-founder of Consolidated Contractors Group of Companies (CCC Group) and still runs its day to day operations.
- Khoury is governor of the Arab Monetary Fund, chairman of the Palestinian Businessmen Organisation, the International Business Group and the board of the Palestinian Initiative for the Promotion of Global Dialogue & Democracy-MIFTAH, and a board member of the Interaudi Bank in New York.
- He is ranked in the 12th position Construction Power list by the Arabian Business Magazine and in 962 position by Forbes on The World’s Billionaires 2008.
Al Suwaiket is a diversified group known for its contracting capabilities in civil works, infrastructure, industrial projects as well as oil & gas offshore projects. Al-Suwaiket has executed the superhighway project in Al-Jubail, Saudi Arabia. The past decade witnessed a significant broadening of AlSuwaiket’s business base, namely establishing of the Oil, Gas and Pipelines Services Division, Educational Services, Legal Consultations and the establishment of many industrial ventures. The conglomerate has offices in Al Khobar, Riyadh, Jeddah, across the Middle East region and in Europe.

One of the latest additions to Al Suwaiket’s future vision is the latest landmark of Damman: the Al-Suwaiket’s SR 350 million 46-story Dhahran Tower with over 200 luxurious apartments Manhattan style in a country where everybody prefers to live in villas.

**CHAIRMAN**
Mobarak Al-Suwaiket

“A good deal of our success is attributed to the focus, reliability, and devotion by which our operating subsidiaries and joint ventures conduct their activities.”

- He was ranked number 9th in the Rich List of Arabian Business Magazine in 2011 with an approximate wealth of $5.2bn.

---

**AL-HARBI TRADING & CONTRACTING COMPANY**

AL Harbi Trading & Contracting Company, Ltd. is a Saudi-owned company founded in 1965 engaged in the contracting and trading fields. The company has executed projects in the fields of highways, bridges, tunnels, underpasses, residential and commercial building constructions, electrical and mechanical works, water and wastewater piping, airports, public facilities, military projects, city improvements and beautification, operation and maintenance.

**CEO**
Abdullah O. Al Harbi

“Our work encompasses multitude of simple and complex projects that require attention to details (…) AL HARBI has been in the forefront of the construction industry and we will endeavor to do our best in many years to come.

---

**FREYSSINET SAUDI ARABIA CO. LTD. (FSA)**

FSA was founded as a limited liability company in 1978 by H.E. the late Sheikh Kamal Adham. Since its inception, FSA has completed numerous turnkey projects in Saudi Arabia covering various fields and amounting to several billion Saudi Riyals. Today, FSA is considered one of the leading general contracting and engineering companies in Saudi Arabia active in all aspects of the contracting business including value engineering, feasibility studies, project management and projects maintenance. It won a US $191.98 million contract to build commercial buildings in King Abdullah Economic City (KAEC), a $85.3 million contract for work with Saudi Binladin Group on the light railway in Riyadh’s Princess Noura bint Abdullah University for women and the $193.3 million Corniche Tower in the city of Jeddah.

Some of the landmark projects of the company are the Chamber of Commerce of Jeddah; the Headquarters for Saudi Import Company (BANAJA); The National Commercial Bank, Tahlia Branch- Jeddah; City Center and Roshan Mall in Jeddah; the International Medical Centre in Jeddah, the Makkah – Madinah Expressway section 5; SAJAPHCO Factory in Jeddah and Automated People Mover - Princess Noura University for Women.
Established in 1951, El Seif Engineering and Contracting company is a member of El Seif Group a major diversified group of companies in Saudi Arabia and the Middle East. ESEC have experience in prestigious infrastructure projects, airports, as well as public works projects requiring the highest levels of technical and engineering sophistication.

Some of the landmark projects include the kingdom Tower in Riyadh, the Silhouette Tower in Doha, the Jewels Twin Towers in Dubai and the Marina Tower in Lebanon. In the infrastructure side, the company was engaged in the construction of King Khalid International Airport and the New Doha International Airport. It was also carry out work to build a number of power plants in and outside the kingdom as well as factories, etc.

CHAIRMAN
Khaled Musaed Al Seif

"El Seif Engineering Contracting continues to grow as a leading force in the regional construction industry. With our growing resources, expanding activities and increasing involvement in regional property development, El Seif Engineering Contracting’s role as an instrument in the region’s progress can only get better."

Khalid Bin Al-Waleed Str., Al-Hamra Area
P.O. Box: 2774, Riyadh 11461
Phone: +966 1 454 9191
Fax: +966 1 454 2759
esec@el-seif.com.sa
www.el-seif.com.sa

AL ARRAB TRADING & CONTRACTING (ACC)

ACC started in Saudi Arabia in 1983 as a local contracting company focusing on small construction jobs. The company has grown exceptionally to get to the position it is in today.

In 2003, Al Rajhi Holding Group acquired the majority of ACC and since then, the company has turned into a general contracting group operating in many general and specialized contracting sectors and has grown substantially through entry into new markets, ventures and acquisitions.

Today, Al Rajhi Holding Group is the only owner of ACC so the Company became 100% Saudi.

According to the MEED Gulf Contractor Survey 2008, ACC is Saudi Arabia’s third-largest contractor by value of contracts won in 2007 and the 12th largest contractor in GCC countries. It has offices in Saudi, Qatar, UAE, Bahrain and Jordan. With 11 subsidiaries operating in 6 countries employing more than 15,000 employees and an-ongoing projects list worth more than 20 Billion Saudi Riyals. Although the group is active in a number of countries in the Middle East, the group’s portfolio is quite balanced with Saudi operation being the largest, Qatar and UAE operations catching up very quickly.

Some of the companies landmark projects include SAR 7.6 bn Haramain High Speed Rail Link, SAR 10.5bn Ras Al Khair Power Plant, SAR 1.2bn Jeddah King Abdulaziz Housing and SAR 1.5 bn Medina Airport Project and 296 million Al-Kharj Road Sewage Treatment Plant Phase III.

CHAIRMAN
Dr. Ibrahim Sulaiman Al-Rajhi

"Al Rajhi Holding Group is very pleased with the decision of GACA to award the first BTO airport Project in the region at Prince Mohammad Bin Abdulaziz International Airport to our Tibah Consortium."

P. O. Box 91313
Riyadh 11633,
Phone: +966 1 210 7556
Fax: +966 1 275 5835
enquiry@arrab.com.sa
www1.arrab.com.sa

HUTA-HEGERFELD & HUTA-MARINE

Founded in 1967 the HUTA GROUP is a major player in the Kingdom’s economy, particularly in the Civil Construction and Marine Works industries. With a workforce of around 6,000 people HUTA Group’s main fields of activities are Civil Marine Engineering Works; Dredging & Reclamation; Marine Services and General Civil Construction.

Huta Group subsidiaries operate equipment that vary from huge 600 tons capacity cranes down to small hand held tools for cutting, digging, shaping and transporting. HUTA Marine is one of the best known marine construction companies in the region with a large fleet of work vessels, including a number of dredgers etc.

The Group have been awarded projects among the major local economic developments, such as King Abdullah Economic City in Thuwal, Jizan Economic City, King Fahd Port in Yanbu, King Abdul Aziz Port Dammam and the Islamic Port of Jeddah.

CHAIRMAN
Saleh Binladin

“I happen to be the chairman of Huta just because I personally hold the majority of Huta’ shares, but not because Binladin Group owns some shares in it”. Arab News

Prince Sultan Street, Al-Zahra’a District
P.O.Box: 1830, Jeddah 21441
Phone: +966 2 662 3205 / 682 5413
Fax : +966 2 683 1838
info@hutagroup.com
www.hutagroup.com
AL REDWAN CONTRACTING

Established in 1976, Al-Redwan is a first grade contracting company, one of the biggest and the first contracting company in the Kingdom to obtain an ISO certification. It undertakes construction of high rise buildings, hotels, hospitals, residential compounds and communities, office buildings, etc.

With over 3,000 employees, the company has offices in London, Montreal, Cairo and Singapore. According to ConstructionWeek it secured a $120 million contract on KAEC and Le Meridien Hotel Towers in Mecca.

GENERAL MANAGER
Abdullah B. Redwan

P.O. Box: 4061 Jeddah 21491
Phone: +966 2 6600505
Fax: +966 2 6652615
abrib@redwan.com.sa

www.el-seif.com.sa

ALMABANI GENERAL CONTRACTORS

Almabani is one of the leading contracting companies in Saudi Arabia. Established with an initial capital of SR 500,000 in 1972 in Jeddah, Kingdom of Saudi Arabia, by H.E. the late Sheikh Kamal Adham. In 1982, Almabani flagged off its international operations by participating in the upgrading of the roads network in Lebanon and in 1991 the company opened a branch office in Muscat. It played an important role in the delineation of the border between the Kingdom of Saudi Arabia and the Sultanate of Oman and KSA and Yemen years later.

Some of the latest projects include $52 million Sports Facility at King Abdulaziz University; $27 million King Abdulaziz International Airport Phase 1 Development Project and 25 million Ground Water Drainage in King Abdulaziz District.

CHAIRMAN
Mr. Nehme Tohme

“We employ the best people, we nurture them, we enable them to succeed and they make our success.”

Hail Street, Ruwais District
P.O.Box: 2781, Jeddah 21461
Phone: +966 2 614 7800 / 614 7801
Fax: +966 2 651 9180 / 84

www.almabani.co

ARABIAN BEMCO CONTRACTING COMPANY

BEMCO was formed in 1968 and has developed into a world-class EPC Turnkey Contractor in Industrial and Power Projects including Co-generation, Combined Cycle and Steam Power Plants. Under this expansion, BEMCO has undertaken the largest and most challenging Turnkey projects in Saudi Arabia and the region using various state of the art technologies.

BEMCO’s capabilities comprise full-scale and integrated capabilities in Engineering, Procurement, Construction, Fabrication, and Start-up & Commissioning. Bemco has a big fleet of Construction equipments and a workforce totalling 18,000 employees.

Some of the most recent projects include a S.R 4.7 billion contract (USD 1.3 billion) with the Saudi Electricity Company to build a Grass Root Combined Cycle Power Plant; a SR 2.1 billion (USD 570 Million) contract with SEC to build the 2,500 MW Qurrayah Open Cycle Power Plant and a S.R 11 billion (USD 3 billion) contract with SEC for a turnkey supply and installation of a 2,600 MW power generation.

CEO
Mr. Henry M. Sarkissian

“BEMCO is expanding regionally in the Middle East, Gulf, and North Africa to become the leader in Power and Water projects as Developer and Contractor working in conjunction with renowned international Engineering, Construction and Manufacturing Firms”. – Mr. Henry Sarkissian

P.O.Box 3143, Jeddah 21471
Phone: +966 2 667 0092
Fax: +966 2 660 9432
arabian@bemco-ipp.com

www.arabianbemco.com

MOHAMMAD AL-MOJIL GROUP (MMG)

Mohammad Al-Mojil Group started its operations in 1954 and was initially registered as a sole proprietorship. MMG is a licensed general contractor. The company core activity is the construction of onshore and offshore oil & gas and petrochemical facilities on a subcontract basis. The company owns two steel fabrication plants located in Dammam and Rabigh producing pipe works, structural steel works and plate works. The company also has a marine services division. In 2009 it expanded its operations to Abu Dhabi.

CHAIRMAN
Adel M. Al-Mojil

“Change is a catalyst for the growth and development of human society. It is a sign of dynamism and hence signs of life. Change defies stagnation but at the same time value continuity.”

King Fahed Road, Ibn Khaldoun, P.O. Box: 11, Dammam 31411
Phone: +966 3 842 1111 / 844 9111, Fax: +966 3 842 5079 / 842 5612
info@almojilgroup.com

www.almojilgroup.com
WHERE
MONEY IS STILL AVAILABLE
LENDING BOOM IN SAUDI ARABIA

While the rest of the world struggles

With a financial crisis that still promotes risks and volatility for some and already bottomed for others, Saudi Arabia is the one country in the world where credit is not only available but increasing overnight. The nation is booming and the kingdom banks, high capitalised are in the expansion mode with sharp increases on consumer and commercial lending helping to finance growth.
he combination of a well-supervised sector, careful lending, the kingdom’s robust economy – ranked 23rd worldwide - and its plentiful natural resources have made KSA’s banking sector the biggest and most technologically advanced of the Middle East.

Adding to this several factors has coincided in the growing miracle of the kingdom. The second highest budget surplus ever-recorded in Saudi Arabian history coupled with the government multimillion mega-projects and spending sprees derived from the King’s decree of a USD130 billion stimulus package announced in 2011 to counter arrest the spread of the uprisings of the Arab Spring have created the perfect environment for growth in the Kingdom.

In 2011 government spending recorded a high record in a decade growing by over 25 percent to USD 214,3 billion from the 154,6 originally budgeted. 2012 will mark a new spending record in Saudi Arabia as the largest ever budgeted spending of SR690 billion will probably double while projected revenues at SR702 billion will probably follow the trend.

The Kingdom’s gross general government debt has declined to about 7 percent of GDP in 2011 from 82 percent in 2003 while foreign currency assets under management of the Saudi Arabia Monetary Agency (SAMA) have reached a record high of 2.27 trillion riyals ($605 billion) in August, (covering some 28 months of current account payments) from around $100 billion in 2003 (covering 14 months of current account payments), according to a press release by Standard & Poors at the end of 2012.

The government’s plan to build housing, infrastructure and industry related projects is prompting Saudi businesses to take out bank loans at the fastest pace seen in the past three years. In August 2012, the central bank released data on money supply with growth accelerating to 9,7 percent year-on-year. Bank lending to the private sector accelerated to 14 percent, the fastest pace since March 2009 as the government projects galore and stimulate the non-oil economy which is poised to grow by 6,5 percent this year, second in the GCC after Qatar according to the International Monetary Fund. In general, EFG-Hermes Holding has said bank lending in Saudi Arabia is predicted to grow at an annual 15% rate this year.

The International Monetary Fund (IMF) said in September 2012 that credit to non-oil GDP and stock market capitalization grew substantially between 2000 and 2011. However, certain segments of the financial system, such as fixed-income securities, small and medium-sized enterprise financing, and mortgage lending, remain relatively underdeveloped. The share of bank loans going to small and medium-sized enterprises, for example, is below the levels in other countries. Consequently, it is important to support the emergence of a strong small-business sector in a manner that facilitates a transition to regular financing sources.

According to Riyadh Capital broad money supply has been growing at double-digit rates since March 2011, when the new spending initiatives were announced. Until then, growth was at single digit-levels, averaging only 4.4% in the prior twelve months. The impact of this momentum was evident in last year’s private sector economic growth – estimated by the government at 8.3%.
The outlook for the Saudi economy remains buoyant, the IMF said in its annual economic review. Overall real GDP is estimated to have grown by 7.1 percent in 2011, the highest since 2003, with 8 percent growth recorded in the non-oil sector—the highest since 1981. The private sector grew at 8.5 percent, with the construction and manufacturing sectors providing the largest lifts.

“Increased oil prices and oil production have resulted in sharply higher fiscal and current account surpluses, providing fiscal space to increase spending to address longstanding social issues, including employment creation, the availability of affordable housing, and financing for small and medium-sized enterprises,” said David Robinson, IMF mission chief for Saudi Arabia.

On current trends, real GDP is projected to grow by 6 percent in 2012. The private sector is again expected to lead the way, reflecting the increased role of the private sector in the economy, a clear break from the past.

“The very strong macroeconomic outlook is a result of prudent economic management,” said Robinson, adding that “apart from the oil market, the Saudi economy is generally well insulated from the euro area crisis: non-oil exports to the euro area are relatively small, and financial cross-border spill over effects appear minor.”

Brent crude has stayed above $100 a barrel for most of 2012 due to concerns over supply disruptions after the United States and Europe slapped sanctions on Iran in a bid to force Tehran to abandon its controversial programme. The trend however remains unstable as crisis expansion in the EU could lead to a decrease in oil prices in the long-term affecting directly Saudi Arabia’s money supply.

Despite its increased spending, the government has room to save, setting aside a portion of the extra oil revenues for future generations. “International reserves, which constitute the principal savings component of oil wealth, exceeded half a trillion dollars (94 percent of 2011 GDP). The banking sector also remains highly capitalized and liquid, with improved profitability,” the IMF said.
MORTGAGE LAW IMPACT

This year two major policies will undoubtedly increase the performance of the banking system in Saudi Arabia. The new mortgage law, when all provisions are in place, will become a major drive of the sector and in fact the impact has already taken place ever since the approval of the law was announced. According to some estimates, there is a shortage of 2 million houses in a country where only 30% of the population are homeowners.

“In Saudi Arabia, mortgage finance, housing development, construction (contracting) and consumer lending, will all be on the rise. They will be major drivers for growth in the medium term. It is expected that fiscal spending will continue at the same level as the last few years, in line with the adopted counter cyclical economic policy of the Kingdom. Major risks to the Saudi economy, would be significant fluctuations in the price of oil,” said Yahya Al-Yahya, CEO of Gulf International Bank since 2009 during an investment Forum in Bahrain at the end of 2012.

NEW WINDOW FOR DEBT ISSUE

The government decision on issuing sukuk bonds for the development of the airport in Jeddah marks a new era of government funding in Saudi Arabia and opens a wide window of opportunities to develop the sector with the new mega-government projects to come such as Riyadh Metro and others.

In January, Saudi Arabia’s General Authority for Civil Aviation (GACA) started to meet investors ahead of issuing its debut Islamic bond fully guaranteed by the Saudi Ministry of Finance. It was the first in a series of Islamic bonds from the authority to help fund the 27.1 billion riyal ($7.23 billion) development of King Abdulaziz International Airport in Jeddah.

Reliance on financial institutions complying with Islamic law – which forbids handling interest-based financial instruments – has also contributed to insulate the Saudi banking sector from the international crisis. Sukuks, shariah-compliant debt instruments supported by revenue-generating assets rather than the reputation of a company or its fixed collateral, are now on the rise.

As a cheap, religiously acceptable source of financing, sukuks have transformed the bond market in KSA. More companies are now turning to debt financing as a new option alongside equity financing. Although all banks in Saudi Arabia offer Islamic products and services, the country hosts only four fully operational Islamic commercial banks: Al Rajhi Bank, Bank Al Jazira, Al Bilad Bank and the latest comer Bank Inma.
Although the global economy is still suffering from the weakness caused by the financial crisis and the resulting problems of sovereign debts, Saudi Arabia has managed to maintain its high credit ratings with both Fitch and Standard & Poors.

Fitch rated Saudi Arabia ‘AA-’ with a stable outlook reflecting the very strong sovereign and external balance sheet and given the fact that sovereign net foreign assets grew by over $100bn to 112 percent of GDP.

On the other side, Standard & Poor’s Ratings Services reaffirmed Saudi Arabia’s long- and short-term foreign and local currency sovereign credit ratings at ‘AA-/A-1+’ with stable outlook. The transfer & convertibility (T&C) assessment for Saudi Arabia is unchanged at ‘AA+’. The agency underlined the government’s very strong external and fiscal positions and its prudent macroeconomic management reducing its general government debt and generating additional fiscal space for countercyclical policies. Transparency and data availability were on the spotlight of the rating agency.

The question on how the banking sector in Europe will remain liquid backed mainly by the ECB and Germany as its major contributor will be the key to decrease the market risks and in turn Saudi Arabia’s financial status. The geopolitical tensions in the region will also be a key issue for economic growth in Saudi Arabia and in the larger GCC market.

To give an idea on how Saudi Arabia’s financial system is growing at an unprecedented rate, last year four Saudi Arabia based banks are in the top five best performing banks list by percentage in the Middle East according to a Gulf Business report.

In general, total assets of Saudi banks increased at 8.6 percent CAGR (compounded annual growth rate) in the past five years to some SR 1.6 trillion, according to a report by Riyadh Capital.

The report also stressed out that loans and deposits as a ratio of 2011 nominal GDP stood at 54 percent and 53 percent, respectively in Saudi Arabia as of July-2012, while the LDR (loan-to-deposit ratio) will likely remain around the 100 percent mark through 2013.

Since 2007, growth of private sector claims has outpaced the public sector at 10.3 percent CAGR versus 3.9 percent CAGR. The ratio of private-to-public sector debt has gradually increased from 3.2x to 4.3x implying that borrowing by state-linked entities is fuelling private sector credit demand.

The report said loans to private and public sector reached some SR 899 billion and SR 43 billion, respectively, in July-2012 from SR 550 billion and SR 37 billion at end-2007.
## Top 10 Performing Banks in the Middle East

**1. Bank Albilad**

Saudi Arabia’s second-smallest bank by market value tops the list with 385 per cent growth, reported half-year profits of $177.3 million, up from $36.5 million last year.

[The Riyadh-based banks’ shares rose in February when it signed a deal with the government to accelerate home lending.]

**2. Bank Dhofar**

Oman’s third-largest bank by market capitalisation, Bank Dhofar reported a 324 per cent rise post net profit of $50.6 million in the six months ending June 30.

[Bank Dhofar made a loss of $11.9 million following an unsuccessful court battle in H1 2011 with HSBC Bank Oman and Ali Redha Trading and Muttrah Holding.]

**3. Bank Al Jazira**

Bank Al Jazira, Saudi Arabia’s smallest lender by market value, posted a 115 per cent rise with a $72.5 million net profit to June 30 2012.

**4. Alinma Bank**

Saudi’s Alinma Bank posted a 91 per cent rise, ending the first half of the year with $87.8 million in net profit.

**5. Saudi Hollandi**

Saudi Hollandi, the Kingdom’s oldest bank, posted a 24.1 per cent profit increase. The bank ended the first six months of the year with $165.9 million in net profit, up from $133.6 million for the same period in 2011.

**6. Burgan Bank**

Kuwait-based, Burgan Bank reported a rise of 23 per cent for the first half of the year with net profit of $110.3 million.

**7. Sharjah Islamic Bank**

Sharjah Islamic Bank, from the United Arab Emirates, posted a 21 per cent rise in net profit at $40.6 million for the first half of the year, up from $33.5 million in 2011.

**8. Bank Muscat**

Oman-based Bank Muscat posted a net profit of $177.6 million for the first six months of the year, a 19.6 per cent rise from last year’s $148.5 million.

**9. Boubyan Bank**

Boubyan Bank from Kuwait, reported $18.4 million in net profit for the first six months; an 18 per cent rise from the bank’s 2011 figure.

**10. Qatar National Bank**

Qatar National Bank (QNB) revealed a net profit of $1.1 billion for the first six months, a 17.1% increase from last year’s $961.3 million.
BACKGROUND INFORMATION

The Kingdom of Saudi Arabia has been a ‘latecomer’ to almost all aspects of modern life, but once the country has decided to go somewhere, it does so for real, usually on a gigantic scale. It was no different when the government decided it was time to develop a private financial sector, which it has been constructing almost from scratch since the onset of the millennium.

The banking sector in Saudi Arabia had been as closed – and as stable - as the country itself, but the ongoing structural changes have transformed the financial sector. From a closed government-run market, the system has become a privatised international club generating ever more interest. While the rest of the world is struggling to climb out of the financial crisis, Saudi Arabia is building the multi-billion dollar King Abdullah Financial District (KAFD), an emblematic construction in the heart of the capital set to enhance its already solid financial system and make the country a stronger global player. Indeed, Saudi capital has built the neighbouring financial systems and the opening of KAFD within an appropriately regulated environment is calculated to bring back home the money invested abroad.

The international financial crisis has scarcely affected the kingdom's banking system. In KSA the word “default” is still unknown. There have been no bank failures, and none to be expected any time soon. The healthy policies of the controlling authority, the Saudi Arabian Monetary Agency (SAMA), sustained support from the government, high levels of capitalisation and traditionally careful lending habits have all played a major role in protecting the Saudi financial system by imposing cautious policies and stringent monitoring.

In 2003, a comprehensive Capital Market Law and a Cooperative Insurance Companies Control Law were decreed. Both were designed to set up a framework for their respective sectors and to regulate them. In 2004, the Capital Market Authority was set up to formalise and monitor the sector and bring it up to international standards of best practice and transparency. The stock exchange market Tadawul was introduced as the first fully electronic exchange in the world and is currently the 11th largest globally in terms of volumes traded.

Currently, Saudi Arabia counts 12 locally incorporated commercial banks, 11 branches of foreign brands, 30 insurance companies, and 15 companies dealing in securities and over a hundred brokers. According to the last figures released by SAMA, the combined total assets of the bank system in KSA grew by 22.5% year on year to SR370 billion ($99 billion) in 2009. The asset management industry has $135.8 billion under management and is growing at an estimated rate of 12.2% per annum.
With all emerging market investors seeking to increase their exposure into the largest stock exchange of the Middle East, the market regulator announced that the decision to open the market to foreigners would come soon, but gradually. And although analysts agreed that there will be an opening next year, currently foreigners have only very limited opportunities to invest through indirect ownership and exchange traded funds.

Saudi Arabia currently ranks sixth in country weight age for Templeton’s $1.1 billion Frontier Markets Fund, lagging behind Nigeria, Kazakhstan, Vietnam and its Gulf peers, Qatar and United Arab Emirates.

The National Commercial Bank of Saudi Arabia reported that the domestic market started off 2012 by amassing large volumes of liquidity, peaking at SAR21.6 bn during mid-March, levels unseen since 2008. During that time, the index climbed by a significant 21.6% since the beginning of the year as stock prices were relatively cheap taking into consideration the superb corporate profitability performances across the board. Saudi’s large revenues from oil drove the non-oil sector to record 7.8% last year, an unprecedented feat. Business has been booming as consumer expenditure continues to drive expansion opportunities to meet local demand. Nonetheless, strains from the global slowdown have been weighing on stocks and since its peak.

- According to Tadawul (Saudi Arabian Stock Exchange) at the end of the first nine months of 2012 TADAWUL All Share Index (TASI) closed at a level of 6,839.83 points, gained 727.46 points (11.90%) over the close of the same period of the previous year.

- On an YTD basis TASI gained 6.58% (422.10 points). Highest close level for the index during the period was at 7,930.58 points on 03/04/2012.

- Total equity market capitalization at the end of the 1st nine months 2012 reached SR 1,373.13 billion (US$ 366.17 billion), increasing by 13.09% over the end of the first nine months of the previous year.

- The total number of shares traded* reached 71.34 billion shares for the first nine months 2012 compared to 34.66 billion shares traded during the first nine months of the previous year, increasing by 105.84%.

- The total number of transactions executed during the first nine months 2012 reached 34.37 million compared to 17.59 million trades during the first nine months of the previous year, increasing by 95.40%.

- The bourse has risen 5.4 percent year-to-date, compared with a 6.2-percent rise for MSCI’s emerging market index.

![Public Finance Chart](image.png)

* The number of transactions executed includes trades in which there is no change in ownership.

Source: Saudi Arabian Monetary Agency - Annual Report, No. 47.
THE DAZZLING CROWN OF THE
AMAZING FINANCIAL
ACHIEVEMENT
OF SAUDI ARABIA

The $10 Billion
King Abdullah Financial District (KAFD)
on a 1.6 km²
Site north of the capital Riyadh

For further information on locating your business offices in the Middle East’s prime business location, please visit the website
WWW.KINGABDULLAHFINANCIALDISTRICT.COM
King Abdullah Financial District

The District will be the most ambitious architectural achievement and will transform Saudi, the largest country of the Gulf Cooperation Council, into the dominant financial centre of the Region, consolidating Saudi Arabia’s position as the Middle East’s financial capital. Comparatively speaking, it will be the Eastern version of Wall Street and a more contemporary Canary Wharf.

With over 3 million m² of floor space, KAFD comprises not only “smart” offices, featuring fully integrated state of the art technology and communications networks but offers also a cornucopia of dynamic residential buildings, 5-Star hotels, conference centres, recreational facilities, and engaging retail spaces. There is even an innovative financial academy offering courses leading up to a master’s degree. All structures will be built to comply with LEED environmental certifications.

The landowner and developer is the Public Pension Agency (PPA), which previously developed the famous Diplomatic Quarters in Riyadh along with other developers.

KAFD, a centre where financial tycoons and international firms will be established, is poised to be one of the freest areas of Riyadh where more relaxed society rules will be applied.

A Green City for the Capital Markets

“KAFD will become an important hub and meeting point. It is designed to promote interaction between national and global institutions and players and to enhance the transactions between them by concentrating them geographically,” says PPA’s governor, Mr. Mohammed A. Al-Karashi. “We expect the District to reflect the financial and economic dimensions of the Kingdom, which are considerable. We are working on every level to make it the most advanced dedicated financial centre in the world and are already attracting major global players with whom we have already signed MOUs (memoranda of understanding).”

Government institutions will serve as anchors and be the first occupants. The Tadawul stock exchange as well as all other commodities markets will be located in KAFD, to be joined by the headquarters of the Central GCC Bank, in its preparations for the monetary union of some of the Gulf countries. “A number of major local banks have already signed up too, as well as some offshore banks, insurance companies, brokers, and the World Trade Centre,” he went on to say. “The financial academy will be set up in cooperation with a renowned international institution.”

King Abdullah Financial District will benefit directly from Saudi Arabia’s membership in the World Trade Organization (WTO); that association opened the country’s financial industry to the world in 2005. The Kingdom’s financial sector is now possibly more attractive and better positioned than ever after surviving almost untouched by the global financial crisis. Its sound financial system is also one of the leaders in Islamic finances with its financial assets ranking at top positions worldwide and specializing in shariah-compliant financial services, sukuk and bonds. Its vision is for Islamic finances to grow and find a new home in KAFD.
UNIQUE LOCATION
WITH UNIQUE DESIGN

For a project meant to change the face of Riyadh forever, no expenses have been spared. The developers have enlisted some of the world’s most prestigious award-winning building designers that will participate in the creation of unique architectural structures in KAFD intended to gain worldwide prominence.

The one-of-a-kind master plan was designed within a leaf shaped site that is divided into different areas around the Financial Plaza where five landmark buildings - Capital Market Authority (CMA), the World Trade Centre (WTC), the Gulf Corporate Council Central Bank (GCC Central Bank), Tadawul and the SAMBA Financial Group (SAMBA) - present the main focus of the district’s primary activity and visual drama.

On the first level, skywalks will connect the Financial Plaza with the rest of the area, enticing pedestrians to explore the District. Complimenting the Skywalks, an elevated, unmanned monorail will circumnavigate the commercial node, stopping at six stations, all strategically located near museums, hotels, and banks. One of the sky-train stations within the Leaf has been positioned to interface with the Light Railway Train (LRT) station along nearby Olaya Street already under construction, eventually expanding the interconnectivity of the project. Indeed, the site is strategically located in the commercial corridor of Riyadh within the highway network and the connection to the LRT, in the developing capital.

The spacious conference centre, the luxurious spas and some of the other world-class attractions such as the Aquarium, the Science Museums and the Grand Mosque will compliment the financial crown of Saudi Arabia at both ends of the Wadi, a zigzag shaped traffic-free connection set at –5.5m below the prevailing local ground level.

---

GROSS SITE AREA: 1,608,029 sqm
TOTAL FLOOR SPACE PROVISION: 3,085,026 sqm
TOTAL PARKING PROVISION: 61,472 spaces
TOTAL PARKING FLOOR SPACE: 2,302,781 sqm
SALEABLE FLOOR SPACE: 2,853,738 sqm

OFFICE: 1,658,117 sqm
RESIDENTIAL: 626,811 sqm
HOTEL: 152,511 sqm
BUSINESS: 52,838 sqm
CONVENTION & EXHIBITION: 52,550 sqm
RETAIL: 310,912 sqm
GOVERNMENT AND COMMUNITY: 71,487 sqm
ATTRACTORS: 159,878 sqm

The tallest building in the project will be: Capital Market Authority (CMA)
The height of the highest building: 385 m
Personalized Service

One of Saudi Arabia's leading financial institutions

SAIB’s approach pays close attention to personalized service as well as comprehensive and efficient financial services marked by:

- Special attention and quality.
- Fast branch service.
- Accessibility to senior management.
- Quick lending decisions and special transactions turn-around time.
THE INSURANCE MARKET

A SUSTAINABLE DOUBLE-DIGIT GROWTH
With a continuous double-digit rate, the insurance sector in Saudi Arabia has still potential for expansion with the health and motor sectors accounting for most of the growth. Since 2006, insurance premiums in Saudi Arabia have grown by over 30%, faster than the non-oil GDP. The rapid population growth combined with the low market penetration, the extension of the range of Islamic insurance products and the economic development of the country in general suggest that the growth of the insurance market will continue to be in the double-digit range for the at least another few years. However, consolidation on the kingdom’s 30 policy writers is likely to start happening, as a more explosive growth is likely to hit the insurance sector in the near future. Like the real estate sector, the insurance market too has been eagerly waiting for the mortgage law that was just passed by the government. Figures show that in countries where a mortgage law was introduced, the economy lived up by 50% and more. Additional legislation intended to boost growth in the sector and increase transparency in insurance and reinsurance activities was passed in 2012.
The latest report of AM Best Company, the leading provider of ratings, news and financial data with a specialist focus on the worldwide insurance industry explains, however that “the majority of insurers were loss-making in 2011, although larger players tended to generate profits. In the short to medium term, persistent low rates as a result of intense competition and the zakat burden faced by companies are likely to continue to create a difficult operating environment and pose a risk to shareholders’ equity, particularly for the industry’s smaller insurers.” Therefore, A.M. Best considers the environment conducive for consolidation with considerable potential in the long term.

According to the Saudi Arabian Monetary Agency (SAMA), penetration of insurance on the Saudi market has been growing at a compounded annual growth rate (CAGR) of 10%. Although it decreased 0.85%, in 2011 compared to 2010 mainly due to a strong growth in total GDP (28% in 2011 compared to 18.6% in 2010) the penetration of insurance in the country remains very low and has still room to grow.

According to SAMA, in 2011, Gross Written Premiums (GWP) in the Saudi insurance market reached SR 18.504 billions, an increase of 12.9%, compared to 2010. Motor and health insurance accounted for around 73.7 percent of the total GWP growth in 2011.

Health insurance GWP, which represents 52.5% of the insurance market, remained the biggest line of business, increasing by 11.7% to SR 9.708 billion. Motor stood in second place with a 21.2 percent share of total GWP. Marine and aviation underwritten premiums followed with marine growing at 22.4 percent showing the highest growth among all line of businesses and aviation decreasing by 10 percent compared to 2010.

Since the introduction of compulsory motor insurance and cooperative health insurance which began with expatriates in 2006, there has been a growing awareness of the importance of insurance in KSA that combined with the favourable economic conditions have boosted the sector.

General insurance GWP, which represent 43% of the insurance market, increased by 17.3% to SR 7.890 billion and protection & savings (P&S) insurance GWP, which represent the smallest part of business with only 5% of the market, decreased by 6.9% to SR 0.905 Billion in 2011.

At the end of 2011, insurance companies held SR 3,8 billion in cash and cash equivalents while reinsurance recoverable accounted for the biggest share of policyholders assets with a value of SR5, 47 billion. Total investments amounted to SR5, 29 billions with policyholders assets reaching SR21, 12 billions.

One of the most underdeveloped sectors is life insurance, which makes only 6% of all premiums written in the Kingdom. Contrary to popular belief, life insurance is not per se forbidden in Islamic banking. However, according to experts in the sector, during the past years, life insurance has been growing by 90% per year. There is a shariah-compliant version of it—a cooperative insurance, which means that people pay into a fund that pays the claims, which is an equalizing factor. The policy and the coverage are no different from any other insurance policy, apart from the fact that the fund will of course not invest in alcohol, gambling, pork or other haram enterprises.
Saudi Arabia – Key Facts

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>24.9</td>
<td>802.2</td>
<td>2.0</td>
<td>0.4%</td>
<td>0.0%</td>
<td>0.6%</td>
<td>1.1%</td>
<td>344.5</td>
<td>3.1</td>
<td>0.3</td>
<td>5.2</td>
<td>8.6</td>
<td>23.8%</td>
</tr>
<tr>
<td>2008</td>
<td>25.8</td>
<td>836.1</td>
<td>4.2</td>
<td>0.6%</td>
<td>0.1%</td>
<td>0.7%</td>
<td>1.3%</td>
<td>423.5</td>
<td>4.8</td>
<td>0.6</td>
<td>5.5</td>
<td>10.9</td>
<td>27.1%</td>
</tr>
<tr>
<td>2009</td>
<td>26.7</td>
<td>836.9</td>
<td>0.1</td>
<td>0.9%</td>
<td>0.1%</td>
<td>0.8%</td>
<td>1.7%</td>
<td>547.8</td>
<td>7.3</td>
<td>1.0</td>
<td>6.3</td>
<td>14.6</td>
<td>33.7%</td>
</tr>
<tr>
<td>2010</td>
<td>27.6</td>
<td>871.6</td>
<td>4.1</td>
<td>1.0%</td>
<td>0.1%</td>
<td>0.8%</td>
<td>1.9%</td>
<td>594.5</td>
<td>8.7</td>
<td>1.0</td>
<td>6.7</td>
<td>16.4</td>
<td>12.2%</td>
</tr>
<tr>
<td>2011</td>
<td>28.2</td>
<td>928.0</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>2.0%</td>
<td>641.5</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>18.1%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

Notes:
2. SAR = Saudi Arabian riyals
3. Based on data filed by insurers on the Tadawul stock exchange, February 2012.


Based on gross premiums written. (%)

*2006 Figures in parentheses.
SAMA regulates the market, although there is a specific entity for Health Insurance (CCHI) and, as listed companies, insurers and reinsurers also have to fulfill the requirements of the Capital Markets Authority (CMA).

By Q1 2010, the Council of Ministers had approved 33 insurance and reinsurance companies, 27 of which were ultimately licensed to practice insurance and/or reinsurance. One insurance company was listed on the Saudi Stock Exchange but was still awaiting a license to start operations and the Council of Ministers approved the establishment of five other insurance companies. Additionally, two more insurance companies have been recommended by SAMA and are in an advanced stage of the licensing procedure.

### TOP TEN FOREIGN AND DOMESTIC INSURANCE COMPANIES
(Ranked by assets as of December 31st 2009)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Assets (in millions of SAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Company for Cooperative Insurance (NCCI)</td>
<td>7,014</td>
</tr>
<tr>
<td>Mediterranean &amp; Gulf Co-operative Insurance (MEDGULF)</td>
<td>2,961</td>
</tr>
<tr>
<td>BUPA Arabia (Bahrain / Saudi Arabia)</td>
<td>1,406</td>
</tr>
<tr>
<td>SABB Takaful (UK/Saudi Arabia)</td>
<td>794</td>
</tr>
<tr>
<td>Malath Insurance</td>
<td>697</td>
</tr>
<tr>
<td>Arabian Shield (Bahrain / Saudi Arabia)</td>
<td>448</td>
</tr>
<tr>
<td>Fransi Gulf Union Co-operative Insurance (France/ Saudi Arabia)</td>
<td>443</td>
</tr>
<tr>
<td>Sanad for Co-operative Insurance</td>
<td>415</td>
</tr>
<tr>
<td>Trade Union Co-operative Insurance</td>
<td>263</td>
</tr>
<tr>
<td>Saudi IAIC Co-operative Insurance (Saudi Salama)</td>
<td>254</td>
</tr>
</tbody>
</table>

Source: EIU, Zawya and Company Reports
PENSION FUNDS

The two primary state-run pensions funds are the General Organisation for Social Insurance (GOSI) and the Public Pension Agency (PPA), who together cover all pension funds in the kingdom. In recent years, both agencies have been investing heavily in listed and non-listed companies on the local market, rather than in international low-risk equities or even government bonds — their traditional favourite - to balance the lack of financing through traditional channels during the financial crisis. They have both invested in the large ongoing real estate developments, especially in Riyadh, which today is literally covered in construction sites.

PPA has created the Rayadah Investment Company to handle its real estate investments, which include the King Abdullah Financial District (KAFD) and the Information Technology Communications Complex (ITCC). GOSI, which has created Hesana for the same purpose, is considered a traditional leading player in the local market.

HISTORY & LEGISLATION

The insurance market in Saudi Arabia is relatively new. Although insurance products have been sold in the country since the 1960s - through offshore companies and mainly for commercial purposes - the sector only started to develop institutionally in the 2000. By the end of the decade, the market was worth SAR 14 billion.

In 2002, the government approved a first set of regulations covering the insurance market, which made third party motor insurance and health insurance compulsory for foreigners. By 2003, all companies employing over 500 expatriate workers had to take out insurance for their employees. In 2005, insurance was made compulsory for all expatriate employees.

The real growth of the insurance market started in 2003, when the Cooperative Insurance Companies Control Law was approved to regulate a highly unregulated market, which at that time was virtually monopolised by the formerly state-run National Company for Cooperative Insurance (NCCI).

The law expects all insurance companies - including those providing the shariah-compliant form of insurance or takaful - to be registered and publicly listed in the kingdom and to act under the principle of cooperative insurance. The companies need to follow Islamic principles where conflict appears with shariah legislation, notably in the case of life insurance. Under this law, the insurance business as a whole is considered as a cooperative business, with shareholders sharing both profits and losses.

The law sets the minimum initial investment at SAR 100 million for insurers and SAR 200 million for reinsurers. Foreign ownership is limited to a maximum of 49% of a company. 30% of the premiums and 30% of the reinsurance amount must stay in the kingdom and insurance companies are not allowed to open foreign branches. The law also requires 30% or more of the workforce to be Saudi nationals.

In 2008, a more comprehensive set of laws to regulate the sector and protect both providers and customers was approved under the name of “Market Code of Conduct Regulation”. In the same year, NCCI went public, listing 70% of its shares in an Initial Public Offering (IPO). NCCI remains the leading takaful insurer in the country and the region. In 2009, NCCI’s profits amounted to SAR 296 million - a spectacular 341% year-on-year rise.
Saudi Arabian Monetary Agency (SAMA) was established in 1952 as the central bank of the Kingdom. Its main functions are to issue national currency, the Saudi Riyal; to act as a banker to the government; to supervise commercial banks; to manage Kingdom’s foreign exchange reserves; to conduct monetary policy for promoting price and exchange rate stability and to promote the growth and ensures the soundness of the financial system. SAMA Saudi Arabia’s massive foreign assets which reached $518 billion at the end of 2011 and have not sign of decrease or stagnation.

Contact
Al-Ma’ather Street
P.O. Box 2992, Riyadh 11169
Telephone: +966 1 463 3000
Fax: +966 1 466 2936 / 466 2966
Cable: MARKAZI
www.sama.gov.sa

Governor
Dr. Fahad bin Abdullah Al-Mubarak

“Banking services have witnessed considerable development and expansion. At the end of the second quarter of 2012, the number of domestic banks operating in the Kingdom stood at 12 with 1661 operating branches and that of the branches of foreign banks 11. Total credit provided by domestic banks to the private sector amounted to Rs 933.4 billion. Money supply amounted to more than Rs 1.3 trillion at the end of the same period and commercial banks’ assets went beyond Rs 1.6 trillion, maintaining their marked solvency. The number of automated teller machines (ATMs) in the Kingdom was 12.2 thousand during the second quarter of 2012, and that of ATM cards issued to citizens and residents exceeded 15.0 million. The number of points of sale (POS) terminals exceeded 87.2 thousand.”

• Governor since December 13, 2011.
• Worked as chairman and managing director of Morgan Stanley Saudi Arabia
• Was also the chairman of the Saudi Stock Exchange (Tadawul), and has worked in management positions relating to investment management and corporate finance advisory services.
• He has also held the position of chairman of the Saudi stock exchange.
• He was involved in the privatization of Saudi Telecom and Saudi Arabia National Gas Industry.
• He served as a member of the Shoura Council
• Al-Mubarak holds a doctorate in business administration from the University of Houston and a bachelor of science degree in civil engineering.
• Due to his background on investment management and corporate finance is thought by many the ideal candidate to open Saudi stock exchange to foreign investment.
The Public Pension Agency (PPA) is the government agency that manages the retirement benefits of all military and civilian government employees. It manages its investment portfolio through SAMA and follows the general Saudi trend of investing in government bonds rather than volatile equities. However, during the past two years it has increased its shares in local companies, partly to compensate for the shortage of traditional sources of financing, but also to take advantage of a growing local market.

The PPA has invested in 52 companies covering virtually every economic sector from agriculture to petrochemicals and from pharmaceuticals to banking and insurance.

Although the PPA is a government agency, Al-Karashi insists that bureaucratic procedures do not hamper its operations: “There is a well-established process of decision-making. We do need to go to our investment committee to get approval for decisions, but this can be done in one day. It is not cumbersome or time-consuming and doesn’t limit our reaction speed. On the other hand being a government agency works to our immense advantage. We are very well supported by the government, whether it is through creating incentives to invest in our projects or giving us licenses and permits easily and making exceptions for our projects as for the number of floors allowed and many other details. They realise we are working with the money of people who served the country well and deserve their retirement benefits,” explains the governor of the PPA.

In 2009, the PPA created Rayadah Investment Company (RIC) as a subsidiary to invest in the growing real estate sector and run one of the largest developments of the moment in Saudi Arabia, the King Abdullah Financial District (KAFD).
The awards we receive demonstrate the strong financial position of the Bank and its robust performance, despite the global financial crisis. – Mr. Talal I. Al-Qudaibi.

“We are keen to add a new unique architectural landmark in the capital Riyadh as the project design has won numerous international awards and reflects the identity of the bank. The bank will create a better working environment for our employees that will support providing better service to our customers”, said Mr. Suleiman Bin Abdulaziz Al-Zabin during the signature of a SAR617 contract to build the new headquarters of the bank.

Against the backdrop of a challenging global environment, the increase in the Bank’s profits resulted principally from balanced growth in various business lines, and its conservative risk management culture.” said chief executive Dr Robert Eid at the end of 2011.

CEO
Mr. Suliman bin Abdulaziz Azzabin

“We are keen to add a new unique architectural landmark in the capital Riyadh as the project design has won numerous international awards and reflects the identity of the bank. The bank will create a better working environment for our employees that will support providing better service to our customers”, said Mr. Suleiman Bin Abdulaziz Al-Zabin during the signature of a SAR617 contract to build the new headquarters of the bank.

• He was appointed new CEO of the Bank on April 1st, 2012.
I appreciate the growth witnessed by the bank despite the persisting challenges for the global financial community and extend my most sincere thanks to all stakeholders and customers for their continued confidence and support for the bank and to the bank’s staff for their commendable performance” said H E Dr. Saleh Al-Omair as he unveiled the bank results at the end of 2011.

Ph. D. in Economics, 1976 from Texas Technological University
Member of the Shoura Council
Vice Minister of Finance and National Economy (1986 – 1995)
Deputy Minister of Finance for Budget and Management (1979 – 1986)
Assistant Deputy Minister of Finance for Budgeting (1976 – 1979)

Mr. Patrice Couvegnes, represents Credit Agricole Corporate and Investment Bank among other international entities
He was appointed MD on October 5th 2011
He has a PhD in Economic Science with Honors in 1974 by the University of Paris

Our projections for the overall Saudi banking sector balance sheet for 2012 would be in the ten-fifteen percent range, or roughly double the size of the underlying real growth in the economy,” said David Dew in a recent interview to ArabianBusiness.

Mr. Dew serves as Deputy Chief Executive Officer Amanah at HSBC Bank Middle East Limited in Dubai since 2008.
He served as Senior Executive Vice President and Chief Operating Officer of HSBC USA Inc. from March 2007 to 2008.
He had previously worked in Saudi Arabia as Executive Director and Chief Operating Officer of SABB from 2001 to 2004.
He has been an employee of HSBC since 1977.

56 years old
Managing Director of the Saudi British Bank since May 26th, 2010.
Mr. Dew serves as Deputy Chief Executive Officer Amanah at HSBC Bank Middle East Limited in Dubai since 2008.
He served as Senior Executive Vice President and Chief Operating Officer of HSBC USA Inc. from March 2007 to 2008.
He had previously worked in Saudi Arabia as Executive Director and Chief Operating Officer of SABB from 2001 to 2004.
He has been an employee of HSBC since 1977.
BankMuscat, the largest bank of the Sultanate of Oman with assets of over USD equivalent 19 billion, opened doors in Saudi Arabia in March 2007. Being the largest bank in Oman, the industry regulator, Saudi Arabian Monetary Agency (SAMA), encouraged it to open a full branch with wide footprints rather than just private banking operations.
From the very beginning of operations in year 2007, BankMuscat offers a complete suite of financial products including Shariah compliant (Islamic) and conventional banking solutions catering to consumer, corporate, trade finance and Treasury segments’ requirements.

Bank Muscat’s international strategy has driven it to attain the status of a successful GCC bank. Apart from its home country where the bank has a market share of almost 40%, Bank Muscat presence is visible by its Saudi Arabian Branch Operations, Kuwait Branch Operations, a subsidiary (BMI) in Bahrain, and a representative office in the UAE.
Mr. Ahmed Al Balushi took over the management of the KSA branch in 2011 and has brought the performance of BankMuscat KSA to a new level of excellence. Under his inspiring leadership, Mr. Balushi and his team have grown the credit portfolio with a significant 50% in both corporate and retail segments with the strong support from the Head Office in Oman. He has been working with BankMuscat since 1994 at both Head office in Oman and Riyadh Branch in various positions including Chief Operating Officer of BankMuscat KSA till mid 2011 become CEO of the BankMuscat KSA in 2011; he has managed to stabilize the Saudi operations of the bank with his resolve for success. He assembled and retained a dedicated team covering corporate, retail and treasury business. Mr Balushi efforts eventually have turned the branch operation as a profitable and sustainable entity.

Ahmed Al Balushi is also the chairman of the KSA Management Committee, the Country Credit Committee and ALCO Committee and Compliance Committee.
Q. Since the opening of the bank the balance sheet has grown significantly every year. The growth was quicker than expected, especially during 2011, but then with the international financial crisis the sector stood in a standstill. What is the current growth of the bank and what are your expectations for the coming year?

A. The financial sector in the region has remained resilient despite the financial crisis few years back. Such situation enabled us to promote our dedicated services as the sure recipe for success and growth in a real competitive environment. The growth we are experiencing currently is driven by the corporate segment where our services are distinguished in the market for various factors including customer relationship management as the strongest of them all. The healthy results from the current strategy have given us the lead to continue the growth path in Saudi Arabia.

We can say with great delight that we have increased our quality assets significantly by 50% since year 2011 with complete reliance on local sources for funding establishing our corporate business footprints firmly in KSA. Financial uncertainty -if ever happens- could weigh on the business prospects but with the shared vision of the Head office, our focus will remain on the mobilization of high quality customers to minimise the business risks and serving the customers will zeal and energy. We will be entering the year 2013 with verve and optimism as the business is picking up and the banking sector-lending growth is already visible in year 2012.

What is your core business and who are your main clients?

Our core business is lending mainly to Corporate and SME customers ranging from traditional working capital loans to term loans and project finance.

The Bank’s clients include multinational and domestic companies engaged in activities across all sectors of the economy. We work with the customers in understanding their often-complex business needs and suggesting comprehensive and integrated solutions that meet their requirements. Our banking products include Islamic products such as murabaha, tawarruq and reverse murabaha as well as a host of conventional products including overdrafts, term loans and trade finance products.

In addition, our Treasury division offers a full range of innovative customized financial solutions in Money Market and Forex to corporate customers. These include Murabaha deposits, spot FX transactions and swap products.

What would you consider the key reasons for the success of the bank?

We aim to distinguish ourselves by excellent customer service, drawing inspiration from the best of Saudi and Omani hospitality. Besides, we have built a strong corporate marketing team, an experienced Treasury team and a dedicated and experienced staff handling account operations and trade services.

Our centralized branch location with state of the art facilities coupled with our high level of customer service standards provide our customers with a unique personal banking experience. A dedicated ladies section offers personalised services and a pleasant atmosphere to our female customers.
What are your value adding technological offerings to customers?

Our mainstay is service and understanding the customer requirements in order to provide customized solutions. Our IT and systems infrastructure supports timely customer service.

We offer a useful service, which is the online personal banking solution: BMConnect. You have an easy and secure access to your account at anytime and from anywhere in the world. You can manage your accounts, pay your utility bills, transfer funds and a wide range of value added services available using BMConnect. We also offer Bank Muscat Visa Debit Card, which is a perfect payment card for those who want to stay in control of their money while making quick, easy and safe transactions with global accessibility of funds as it is acceptable at millions of locations worldwide.

In general, our main objective is to offer excellent value to our customers by providing knowledgeable, efficient and reliable services in a personal, helpful and responsive manner.

Bank Muscat Oman also owns a locally incorporated investment-banking subsidiary in Saudi Arabia, Muscat Capital, licensed and regulated by the Capital Market Authority. What are the services you provide and what are your main clients?

Muscat Capital is the Riyadh based Investment Banking subsidiary of Bank Muscat (SAOG) Oman offering the complete range of Investment Securities products and services in the areas of Brokerage, Wealth Management, Corporate Finance and Investment Banking as well as Custody & Research services. Muscat Capital aims to live up to the credentials already established of Bank Muscat Oman investment banking. Last year we launched a new fund targeted at Saudi investors interested in investing in companies listed on the Muscat Securities Market (MSM) that has so far had a very warm welcome. Because of the success of this product, we will be soon introducing new products in the Saudi Arabian market.

The final approval of the mortgage law will undoubtedly change the banking system scenario. How do you think it will affect you?

The real estate finance had an unprecedented leap by 83.4% Y/Y during 2Q2012, leading us to believe that codifying the mortgage law in the near term will have positive repercussions that will support retail lending in the medium-to-long term. Its effect on us will be largely salutary, as it would mean further credit enhancement and risk mitigation for both retail and SME lending.

Although Saudi Arabia is one of the wealthiest countries of the world development has just started. What would you consider the most interesting opportunities to invest in Saudi? And what can your bank offer to international investors?

At present, Saudi Arabia is on strong growth path inspired with the long-term vision of custodian of the Two Holy Mosques King Abdullah to harness the non-oil sector. It offers ample opportunities for financial institutions to play its role especially for the private sector to support their economic activities including services, manufacturing, construction, health care and others. Moreover, there are various mega projects initiated by Government and semi Government organizations in the power sector, real estate, health, petrochemicals, infrastructure development and others. Downstream activities for various related contracts in the private sector would provide opportunities for us to offer banking services and solutions.

Our head Office’s vision to cater to customers throughout GCC is the most enabling factor for collaborative efforts with the Financial Institution Group of the Head Office for potential business opportunities mobilization. Such opportunities include offering of funded and non-funded products to domestic and international customers meeting their specific needs. Moreover, with support of Muscat Capital, the investment bank owned by Bank Muscat Oman, and its complete range of corporate finance solutions could be offered to local and international investors.

We welcome International investors to provide them with the whole range of banking services including technological solutions for their banking requirements.
SANAD... for Insurance Needs

Sanad Cooperative Insurance and Reinsurance JSC
Always striving to provide excellence in total insurance services

- Health Insurance
- Motor Insurance
- Engineering Insurance
- Medical Malpractice Insurance
- Public Liability Insurance
- Property Insurance
- Marine Insurance
- General Accident Insurance
The Saudi Investment Bank (SAIB) has not stopped to reinvent itself since its inception in the market in March 1977. Its vision to improve its positioning in the market over-passing its competitors has been fine-tuned in a five-year strategic development plan that started implementation on December 2009. In January 2011 the Saudi Investment Bank Board of Directors approved a recommendation to increase its capital from 4,500 million Riyals to 5,500 million Riyals, an increase of 22.2%.

“I will achieve our high-yield objectives by building lasting relationships with growing businesses, and with today and tomorrow’s affluent individuals.” – said Dr. Abdul-Aziz Al-Abdullah Al-Ouali in an interview with GGC.

The Saudi Hollandi Bank has a peculiar story as it was the first bank to operate in the kingdom in 1926 under its original name “The Netherlands Trading Society”. It was the first bank in many areas such as financing imports of the first Fords to the Kingdom or the first oil-tank that left KSA. With headquarters in Jeddah, it has 1,406 employees, a network of 45 branches and more than 250 ATMs across Saudi Arabia. With total assets of SAR 57,548 million, the bank disclosed Net profits in 2011 of SAR1,032 million.

“There’s no doubt that the future of business banking is with small to medium businesses,” said Bernd van Linder when the bank partnered with IFC.

Dr. Bernd Van Linder has been Managing Director of Saudi Hollandi Bank since November 17, 2009.

Mr. Van Linder served as Acting Managing Director of Saudi Hollandi Bank since May 3, 2009 and before he served as the Bank’s General Manager of Treasury.

1969 Bachelor’s Degree in Economics and Political Science from the University of Puget Sound in Tacoma, Washington.
1971 Master’s in Business Administration from the same university.
1974 Ph.D. in Political Science from the Claremont Graduate School in Claremont, California.
1979 He retired as a Colonel and started his business career.

The final objective of our five-year strategy is to improve our market share” said Musaed M. Al-Mineefi in an interview with GGC.

Al-Mineefi has worked in the bank for 17 years as a financial controller but moved onto deputy manager and finally general manager in 2010.
Arabian Business named Bank AlJazira amongst the top 50 brands in Kingdom of Saudi Arabia.

Bank AlJazira (BAJ) is a Joint Stock Company incorporated in the Kingdom of Saudi Arabia in 1975. BAJ began a restructuring process in 1992 with subsequent increases in capital in 1992 and 1994. A new management team was appointed in 1993 to continue the restructuring effort and the bank became profitable in 1997. In 1998, the Bank was converted from conventional banking into Shari’ah-compliant banking. In 2007, increased its paid up capital to become SR 3 Billion.

MANAGING DIRECTOR
Mr. Nabil Bin Dawood Al-Hoshan

“The Islamic Banking sector will grow faster in the world as a result of the global crisis that stormed the international financial sector,” said Mr. Nabil Al Hosnan when he received his award.

- Previously held the position of General Manager, SABB in Saudi Arabia.
- In 2012 Middle East Magazine named him the Best CEO of the Year in the Islamic Banking Sector of the Kingdom of Saudi Arabia.

SAMBA FINANCIAL GROUP

Samba Financial Group was formed in 1980 to take over the existing branches of Citibank which were opened in 1955 and 1966 respectively. On July 3, 1999, Samba merged with the United Saudi Bank (USB). In 2008, Samba Financial Group officially launched Samba Dubai and started business in Pakistan and India. In 2010, Samba opened its first branch in Qatar. As one of the leading banks of the Kingdom, total assets of the bank in 2011 amounted SAR 192,773,890.

CHAIRMAN
Mr. Eisa M. Al-Eisa

“This accolade is a testimony to Samba’s clear, consistent vision and well-aligned strategy, which enable the bank to proceed unwaveringly and confidently with its high levels of performance,” said Mr. Eisa M. Al Eisa when receiving the best CEO award.

- Chairman and CEO of Samba Financial Group.
- Al-Eisa Won the 2009 Euromoney QFC Lifetime Achievement Award for Outstanding Contribution to the Development of Financial Services in the Middle East.
- In 2007, Al-Eisa was also named “Middle East’s Banking CEO of the Year” by the Middle East Excellence Award Institute.
- In 2009 again, Al-Eisa was named Best CEO in Banking and Financial Institutions Sector in Saudi Arabia for 2009” by CEO Middle East magazine.

CONTACT

Khalid Bin Al-Walid Street
P.O. Box 6277, Jeddah, 21442
Phone: 966-2-609-8888
Fax: 966-2-609-8881

www.baj.com.sa

BankMuscat, the largest bank of the Sultanate of Oman with assets of over USD equivalent 19 billion, opened doors in Saudi Arabia in March 2007. BankMuscat offers a complete suite of financial products including Shari'ah compliant (Islamic) and conventional banking solutions catering to consumer, corporate, trade finance and Treasury segments’ requirements. Apart from its home country where the bank has a market share of almost 40%, Bank Muscat presence is visible by its Saudi Arabian Branch operation, Kuwait Branch Operations, a subsidiary (BMI) in Bahrain, and a representative office in the UAE.

CEO
Mr. Ahmed Al Balushi

“We can say with great delight that we have increased our quality assets significantly by 50% since year 2011 with complete reliance on local sources for funding establishing our corporate business footprints firmly in KSA”, said Mr Ahmed Al Balushi to GGC.

- He has been working with BankMuscat since 1994 at both the Head Office in Oman and at the Riyadh Branch in various positions including Chief Operating Officer of BankMuscat KSA till mid 2011 to becoming the CEO of the Bank in 2011.

CONTACT

Opposite Al Faisalyia Foundation,
King Fahad Road
P.O. Box 54488, 11514 Riyadh
Tel: + 966 1 279 9637 / +966 1 279 9642
Fax: +966 1279 9898

www.bankmuscatsa.com

BANK ALJAZIRA

Bank AlJazira (BAJ) is a Joint Stock Company incorporated in the Kingdom of Saudi Arabia in 1975. BAJ began a restructuring process in 1992 with subsequent increases in capital in 1992 and 1994. A new management team was appointed in 1993 to continue the restructuring effort and the bank became profitable in 1997. In 1998, the Bank was converted from conventional banking into Shari’ah-compliant banking. In 2007, increased its paid up capital to become SR 3 Billion.

MANAGING DIRECTOR
Mr. Nabil Bin Dawood Al-Hoshan

“The Islamic Banking sector will grow faster in the world as a result of the global crisis that stormed the international financial sector,” said Mr. Nabil Al Hosnan when he received his award.

- Previously held the position of General Manager, SABB in Saudi Arabia.
- In 2012 Middle East Magazine named him the Best CEO of the Year in the Islamic Banking Sector of the Kingdom of Saudi Arabia.

CONTACT

Khalid Bin Al-Walid Street
P.O. Box 6277, Jeddah, 21442
Phone: 966-2-609-8888
Fax: 966-2-609-8881

www.baj.com.sa

BankMuscat, the largest bank of the Sultanate of Oman with assets of over USD equivalent 19 billion, opened doors in Saudi Arabia in March 2007. BankMuscat offers a complete suite of financial products including Shari'ah compliant (Islamic) and conventional banking solutions catering to consumer, corporate, trade finance and Treasury segments’ requirements. Apart from its home country where the bank has a market share of almost 40%, Bank Muscat presence is visible by its Saudi Arabian Branch operation, Kuwait Branch Operations, a subsidiary (BMI) in Bahrain, and a representative office in the UAE.

CEO
Mr. Ahmed Al Balushi

“We can say with great delight that we have increased our quality assets significantly by 50% since year 2011 with complete reliance on local sources for funding establishing our corporate business footprints firmly in KSA”, said Mr Ahmed Al Balushi to GGC.

- He has been working with BankMuscat since 1994 at both the Head Office in Oman and at the Riyadh Branch in various positions including Chief Operating Officer of BankMuscat KSA till mid 2011 to becoming the CEO of the Bank in 2011.

CONTACT

Opposite Al Faisalyia Foundation,
King Fahad Road
P.O. Box 54488, 11514 Riyadh
Tel: + 966 1 279 9637 / +966 1 279 9642
Fax: +966 1279 9898

www.bankmuscatsa.com

BANK ALJAZIRA

Bank AlJazira (BAJ) is a Joint Stock Company incorporated in the Kingdom of Saudi Arabia in 1975. BAJ began a restructuring process in 1992 with subsequent increases in capital in 1992 and 1994. A new management team was appointed in 1993 to continue the restructuring effort and the bank became profitable in 1997. In 1998, the Bank was converted from conventional banking into Shari’ah-compliant banking. In 2007, increased its paid up capital to become SR 3 Billion.

MANAGING DIRECTOR
Mr. Nabil Bin Dawood Al-Hoshan

“The Islamic Banking sector will grow faster in the world as a result of the global crisis that storm...
While insurance in Saudi Arabia is a succulent and growing focus of investors, the main players in the sector demand more aggressive policies from the government to enforce the insurance laws and predict a consolidation of a market that according to them will reach sales of SR 30 billion by 2015.
"We have over 30 players in the insurance industry in Saudi now with sales of SR 16.3 billion last year (2010). But I anticipate that we will see a consolidation in the market in the coming five years by mergers and acquisitions", explains Mr. Ali Al Ayed, the CEO of Malath Cooperative Insurance and Reinsurance Company.

"Additionally, the government should start an awareness campaign in the country to teach people about the necessity of insurance in their households, cars, etc. Our regulator, SAMA, is aware of it so we expect more legislation from the government to promote the enforcement of cars, commercial buildings and construction insurance," advances Al Ayed.

"Over 50 percent of cars in the streets are not insured" – he complains – so the government should start to extend fines or tickets to those violating the mandatory insurance for motor. The insurance companies are now uploading their data to the traffic department in a new project launched by the government to control who is or not insured. "Those that are not insured will have more pressure from the government," explains the CEO of Malath.

"In the medical side, nobody will be given the icama (residence permit) unless they have an insurance policy. So there is enforcement in the medical side. But we have to have the same enforcement in other sectors. Although there is a fundamental change on the property side with a more sophisticated developer buildings should not be licensed to operate unless they are insured and this should be extended to the individual side with the coming introduction of the mortgage law," he warns.
Since its incorporation to the Saudi market in April 2007 with a paid up capital of SAR 300 million offering 47.48% of its capital for Initial Public Offering (IPO) Malath Cooperative Insurance and Reinsurance Company provides a wide range of general insurance products and services. "Our paid up capital is decent, is not the biggest or the smallest but it allows us to have not any constrain on the capital for an increase", points out Malath’s flamboyant new CEO appointed in July 2008 by its board of directors as the perfect leader with over 15 years of experience at NCCI and with the managerial skills required to transform Malath in one of the top three of the market.

The immediate result of this is that the rating agency Standard & Poor’s has granted Malath a rating of “BBB” stable in 2011 for the third consecutive year, which reflects the strong financials of the company. “Malath is the second rated insurance company in the Saudi market”, assesses Al Ayed.

Malath offers mainly motor and health insurance but also covers energy, engineering, property, marine or aviation to both, groups and individuals but it also provides risk management and insurance consultancy services.

“Almost 80 percent of the insurance market in the kingdom is still medical and motor with medical covering almost 60 percent. The rest 20 percent is divided between property, life, etc…” explains the CEO.

With a market share of 4 percent that Ayed expects to grow to 5 to 6 percent by 2014, the company closed 2010 with sales of SR
600 million and Mr. Ayed anticipates that “we will have a growth this year (2011) of between 20 to 30 percent on sales and of 15 percent for 2012. We are not aggressive on the sales because we want to grow steadily”. This growth will come from a greater sales force, new alliances with agents, brokers and banks and with the opening of new branches outside the main cities of the kingdom. “We want to expand our network and we are already licensed to open 50 new sales outlets. From 2010 to June 2011 we opened eleven new branches outside in Tabuk, Abha, etc.…”

Additionally, Malath is bench-marketing their sales against the market. “We are better than the market as we are 56 percent in the medical side and we are still encouraging our sales forces with aggressive targets not to depend only on sales in the motor and medical side. We want to diversify our portfolio,” assures Al Ayed.

SAUDISATION & WOMEN POWER

The company has a good client base with quite a few large prestigious accounts like the desalination plants for the last three years, which are almost 40 billion assets and also participating in the insurance of Saudi Electric Company that is another 40 billion.

But the real strengths of Malath come from over the 300 employees it has with over 70 percent of them Saudi nationals and one-third ladies, “specially in the medical section”, assesses Al Ayed adding that they are encouraging that number to grow.

“My dream is that fifty percent of the workforce become women. Our product is our people,” he finishes.
WHO IS WHO

PUBLIC PENSION AGENCY (PPA)

Established in 1958, the council of Ministers transferred pension benefit to a public institution with legal personality and independent budget that enjoys financial and administrative independence called “PPA”.

The Agency has a number of investments in different areas and has created the Rayadah Investment Company that manages the real estate projects of the pension most notably the King Abdullah Financial District, Jeddah Community Project and Information & Communication Technology Complex.

GOVERNOR

Mr. Mohammed Bin Abdullah Al-Kharashi

P.O. Box: 18364, Riyadh 11168
Phone: +966 1 402 5100
Fax: +966 1 405 3645
governor@pension.gov.sa

www.pension.gov.sa

SHUAA CAPITAL

SHUAA Capital Saudi Arabia was licensed in 2007 and initiated operations in Q1 2008 to promote investment opportunities within the Kingdom of Saudi Arabia and the broader Middle East and North Africa (MENA) region. Through its headquarters in Riyadh, the company is licensed to conduct all investment banking activities including asset management, advisory, capital raising, corporate finance, private equity, underwriting and custody services. SHUAA Capital Saudi Arabia is a subsidiary of the Dubai based SHUAA Capital psc, which has over 30 years of investment experience throughout the MENA region.

SHUAA Capital Saudi Arabia provides its services to corporations, governments and institutional clients, affluent and high-net- worth individuals. The company has created a fund to develop tourism projects in the Kingdom.

CEO

Mr. Omar Al-Jaroudi

“We actually arrived just before the crisis hit, at a bad moment, but we have been doing well anyway”.

• Brings along over 27 years of diversified experience in the fields of commercial and investment banking.
• Started his career in 1984 with the Saudi French Bank initially in commercial banking and later moved to investment banking.
• Joined SHUAA Capital in 2007.

SANAD COOPERATIVE INSURANCE & REINSURANCE COMPANY

Established in the year 2011, SANAD is one of the region’s most energetic and innovative insurance service firms. SANAD is an insurance service provider offering a broad range of insurance and financial products for individuals, family and businesses from motor or medical to travel or properties.

Malaz, Fatima Alzahra st.
P.O. Box: 27477, Riyadh 11417
Phone: 012927111, Fax: 12927888
mahdi@sanad.com.sa

www.sanad.com.sa
SAUDI RE

Saudi Reinsurance Company “Saudi Re” is a Saudi joint stock company, founded in Riyadh in 2008 as the first reinsurance company established in Saudi Arabia.

Bahrain Tower, 6th floor, King Fahd Road, P.O. Box: 300259, Riyadh 11372
Tel: + 966 1 201 9798, Fax: + 966 1 201 9799
info@saudi-re.com
www.saudi-re.com

CHAIRMAN
Mr. Mousa Al-Rubaian
“We are the only locally based dedicated reinsurance company in the market. We offer expertise no other company can master and as you may know, in the reinsurance business worldwide, expertise is relatively scarce”.

THE MEDITERRANEAN & GULF COOPERATIVE INSURANCE & REINSURANCE (MEDGULF)

The Mediterranean and Gulf Cooperative Insurance & Reinsurance Company KSA is licensed to operate in Saudi Arabia under the Saudi Arabian Monetary Agency (SAMA) regulations with a capital of SR 800 million and is present in most areas of the kingdom. The Company is specialized in providing several insurance services including Health, Motor, Aviation, Property, Marine and Medical Malpractice insurance in addition to Reinsurance services. The company is a subsidiary to Medgulf Group, a leading Insurance and Reinsurance company in the region (K.S.A, Lebanon, Turkey, Jordan, U.A.E and U.K.).

FOUNDER, CHAIRMAN & CEO
Mr. Lutfi Fadel Al-Zein
AlMa’ather Street. East Saudi
Phone: +966 1 405 5550
Fax: +966 1 405 5588
riyadh@medgulf.com
www.medgulf.com

THE COMPANY FOR COOPERATIVE INSURANCE (TAWUNIYA)

The Company for Cooperative Insurance (Tawuniya) is a Saudi Joint Stock Company incorporated in 1986. It offers cooperative insurance and reinsurance in the different line of businesses as motor, fire, medical, aviation, takaful, marine, engineering, and casualty insurance.

Abraj Ata’awuneya 700 King Fahad Road
P.O. Box: 86959, Riyadh 11632
Phone: +966 1 218 0100, Fax: +966 1 218 0102
ksasales@shuaacapital.com
www.tawuniya.com.sa

CEO
Mr. Ali A. Al-Subaihin
“We needed a flexible solution that could automate our growing global investment business, ensure Shariah-compliance and provide extensive reporting capabilities”.

• GM Finance & Information Services at Saudi Petrochemical Company (Sadaf).
• IMD (International Institute for Management Development) - Business Programs
• Northwestern University - Kellogg School of Management
• University of Houston
• King Fahd University of Petroleum & Minerals

BUPA ARABIA FOR COOPERATIVE INSURANCE

Bupa Arabia is a Saudi publicly listed company specialized in health insurance business created in 2007. It is one of the top ten health insurance providers in the Kingdom.

Al-Rawdah Street, Jeddah 21436
Phone: +966 9 2000 0456, Fax: +966 9 2000 0724
www.tawuniya.com.sa

MANAGING DIRECTOR
Tal Hisham Nazer
“We needed a flexible solution that could automate our growing global investment business, ensure Shariah-compliance and provide extensive reporting capabilities”.

• Serves as the Chief Executive Officer and Managing Director at BUPA Arabia for Cooperative Insurance Company. He has been the Chief Executive Officer of Bupa Middle East since 2007.
• Mr. Nazer was previously the Customer Service & Operations Director at Nazer Group.
MALATH COOPERATIVE INSURANCE & REINSURANCE COMPANY

Malath was founded by Saudi investors in 2004. It provides a wide range of general insurance products in various classes that include Aviation, Energy, Engineering, Marine (Cargo & Hull), Miscellaneous and Motor. In addition, Malath provides Healthcare Insurance for groups and individuals as well as FAC reinsurance.

Abdullatif Building, Al Tahlya Street
99763, Riyadh
Phone: +966 1 416 8222
Fax: +966 1 416 8333
malath@malath.com.sa
www.malath.com.sa

ARABIAN SHIELD

The Company’s activity goes back to the beginning of 1998 when the company entered the Saudi market as a Bahraini Company working through a local agent. It provides insurance products & services in the field of General Insurance (Property, Motor, Marine, Engineering, Liability, Accident & etc) in addition to Medical insurance either to companies and establishments or individuals, under control & supervision of Saudi Arabian Monetary Agency.

No.15 Cercon Bldg., Olaya Main Road
P.O. Box: 61352
Riyadh 11565
Phone: +966 1 464 5943
Fax: +966 1 463 1294
www.arabianshield.com

AL-AHLIA FOR COOPERATIVE INSURANCE

Al-Ahlia for Cooperative Insurance Company is a Saudi Arabia-based company engaged in the provision of general and health insurance products and services. The Company operates in three business segments: General Insurance, Reinsurance, and Computer and Information systems. The Reinsurance segment provides reinsurance products and services with the support of other reinsurance companies, including Hannover Re and Mapfre Re.

Abdulrahman Bin Shakran Street, Al Malaz Area
939 Riyadh
Phone: +966 1 472 6666 / 206 6666
Fax: +966 1 477 1608
info@alahlia.com.sa
www.alahlia.com.sa

CHAIRMAN
HRH. Prince Mohammad Bin Bandar
Bin Abdul Aziz Al Saud
“...within the security system of the KSA supports this sector while we dedicate the best honest care to our business in the frame of our commitment to all practices that aim at protecting our national economy against any international economic crises”.

• Grand Child of Late King Abdulaziz.

CHAIRMAN
Mr. Mubarak Bin Abdulla Al-Khafrah

• Chairman of the National Industrialization Company and Saudi Hollandi Bank.
• Chairman of National Petrochemical Industrialization Company, and Tannee & Sahara Olefins Company.

CHAIRMAN
Prince Sultan M. S. Al-Kabeer

• Bachelor degree in Commerce & Political Science from King Saud University.
• Chairman of Almarai Company, Arabian Union for Cement Industries, and Al Mashreq Commercial and Contracting Company.
• Managing Director of Yamama Cement Company.
Education in every country is the original source of development and the unique road that leads to a knowledge-based economy. In the World's top oil exporter it is no different but it becomes a challenge to overcome when more than half of the 27 million Saudis are below the age of 25, and growing.

The fact that Saudi Arabia is stubbornly pushing to create a diversified economy actually starts with the education of its youngsters to provide the workforce for the move. However, one of the biggest concerns in Saudi Arabia remains the high unemployment level of Saudi nationals that does not seem to have improved even after the proclamation of the Saudisation program aimed to increase the Saudi workforce against foreign workers. According to a recent study, only one out of every 10 employees is a Saudi citizen and the kingdom must create 3 million jobs for Saudi nationals by 2015 and six million jobs by 2030 to meet the demands of the young, male-dominated workforce.

Parallel to the saudisation of work now being done by expatriates, efforts to develop the education sector at the primary, secondary, and higher levels in order to satiate future knowledge demand have driven the kingdom’s education budget to unknown levels in Saudi History. Rising population, higher income levels and an increasing awareness of quality education has resulted in a positive outlook for this sector.
DOMINATING THE NATIONAL BUDGET

The government remains the major contributor to the development of the country’s higher education infrastructure, and is continuously raising the budget to be spent on the education sector that has been consistently capturing around 25 percent share of the budget.

In 2012 the government allocated USD45 billion to education & training an increase of 13 percent over 2011 which was already 26 percent higher than the previous year and the largest amount ever invested in the Kingdom history and the highest in the region.

The Kingdom started increasing its expenditure in education with the launch the Fourth Development Plan (1985-90) when some SR 135 billion was dedicated to improve the human resources and with the Fifth Development Plan (1990-95) with a total expenditure of about US$140 billion. Actually, since 2005 the yearly expenditure in education has doubled.

However, although Saudi stands as the 8th highest education spender worldwide and the largest educational investor in the GCC with educational development projects worth $3.26 billion expecting completion in 2012 most of the money is dedicated to fund the erection of new universities, colleges and schools while only a small percentage of the total spending was actually allocated to education and training programs.
Billions are invested locally in the construction of education facilities all around the kingdom, including remote areas. 2012 alone witnessed an addition of 742 new schools to the existing 2,900 school projects. In the last three years, 2,552 new schools were funded in the Kingdom, an average rate of 2 new schools per day. Vocational and training centres grow now in the peninsula at the same pace that technology expands and more teachers are being prepared and updated to confront the modern society with better teaching techniques.

New universities are born and the ones that were already there have been expanded. In November 2012, Saudi Arabia signed contracts worth SR2.68bn ($714m) to establish new scientific colleges and improve facilities at universities in the Gulf kingdom. Scientific colleges will be set up in Umm Al-Qura University, Jazan University, Shaqra University, Taif University and Dammam University while completion of major infrastructure developments in King Saud University, Majma’ah University, Shaqra University and Qassim University are on its way. In total 40 new colleges are going to be built.

The unemployment rate of Saudis holding university degrees is only 7 percent, considerably lower than the 36 percent of those that only hold high schools diplomas. But the dropout numbers of Saudi students, especially men, is also alarming and remains one of the Government main concerns. One of the solutions has come through the spread of more technical and vocational training centres.

Although foreign educational organizations were not permitted to educate directly Saudi students, the developments of the new Economic Cities allow now students to benefit from outside skills and knowledge.

2011 witnessed the development of more than 16 university cities with investment totalling SR81bn. The government allocated a total of $533m to overhaul facilities at the kingdom’s universities. Parallel, the country has embarked on a smart building initiative with the construction of 17 smart campuses for those working in higher education and research. A total of 10 “Smart Campuses” have already been set up in the Kingdom with inbuilt high-technology devices and the rest will be operational by the beginning of 2013.

To counter arrest the slow pace of changes in the real education system of Saudi Arabia, King Abdullah Bin Abdul Aziz launched the country’s international scholarship programme when he took the throne in 2005 as the main pillar of a more rapid change in both, mentality and workforce qualifications to match the requirements of a modern kingdom. So far some $20 billion have been invested in sending Saudi students to Universities around the globe. To illustrate the figures, the number of Saudi students studying only in American universities and colleges increased by 50 percent last year totalling 34,139. As an example, out of the 633 international students of Northern Kentucky University 450 are from Saudi Arabia. Every year Saudi invests around SAR9bn (US$2.4bn) in the programme providing full funding for 125,000 undergraduate and graduates abroad. Almost 2 million Saudi students have benefited from the international scholarship program, but a new problem arising from it is that the brightest minds sometimes do not come back.
But King Abdullah has his own mind set for the change and the challenge. Since his ascension to power the education reform has been at the forefront of his agenda with the start of a program of controversial reforms to overhaul the state universities and schools in a rather epic effort to confront the wahabbi clerics, whose conservative side has traditionally been against any type of reforms especially those in education, their main area of influence since they helped King Abdul-Aziz unified the Kingdom in 1932.

His main achievement and what can be called almost a miracle was the opening of the first and still only Mix-gender University in Saudi Arabia, something unthinkable of in a country where segregation of sexes is part of the day-to-day life and deeply rooted in Saudis mentality.

In 2009, only four years after King Abdullah took over the reins Saudi Arabia opened its first co-educational university. King Abdullah University of Science and Technology (KAUST) is a high-tech 36-square-mile campus located next to the Red Sea village of Thuwal north of Jeddah featuring large green spaces and spacious residential districts and staff driving around in electric cars. One of the main goals is to produce Saudi scientists but so far locals make up only a small percentage with most of students coming from abroad.

King Abdullah has proven to be a reformer by nature and a very brave one. KAUST came as the most tangible result to spearhead change in the Islamic state but others have come across since then.

At the end of 2010 a university entirely dedicated to female education and the largest university built from scratch in history was inaugurated. Prince Noorah University (PNU) covers almost 3 million square metres and it was for a while the largest construction site of the world with some 800 cranes working 24/7 to accommodate around 40,000 students and 12,000 employees.

But women education will be meaningless without the creation of job opportunities for them. According to the latest figures released by the Ministry of Labour 80 percent of unemployed women in the kingdom are university graduates and in fact many job opportunities are designed only for men leaving half of the kingdom’s minds spared consciously. They are prepared but they are not allowed to work.

On the other hand, gender segregation has been the common rule at all levels of public education and is also applied to working offices in both private business and public institutions where women are allowed to work. Companies willing to employ women have to start by spending some good money to build a completely separate space for them, which discourage the female hiring from the very beginning. However, in the past years the rule has been ease.

But the overall investment is paying back. According to the 2012 QS World University Rankings Saudi Arabia dominates the 700 universities list with seven universities ranked and with the 55 year-old Saudi Arabia’s King Saud University (KSU) as the number one university in the Middle East, moving three places up to number 197.
Although the unemployment rate in Saudi stands at around 10 percent according to the Labour Ministry, youth unemployment more than double that number and within that, women unemployment is much higher.

One of the main reasons for the high unemployment rate is logically the birth rate compare to that of the country’s economy growth rate, but especially it falls on the reluctance of the private sector to employ Saudi citizens against foreign labour which is cheaper and so far better educated. Additionally but not less important is the preference of Saudi citizens to work for the better-paid and more secure government jobs. However employing the unemployed Saudi in government institutions would be virtually impossible, extremely expensive and worst of all could add more bureaucracy to the already high bureaucracy levels of the Saudi Government.

The Government employs around 90 percent of the Saudi workforce while around 8 million foreigners fill 90 percent of jobs in private companies. To put the figure in perspective, only one out of ten workers in the private sector are Saudi nationals.

To overcome the private sector local employment, the government launched years ago the Saudisation program – Nitaqat- that sets quotes for hiring indigenous workforce that varies depending on the different activities of the companies.

Although the project has have many detractors and accusations, during last year over 380,000 Saudis were employed in the private sector since the launch a of wide-ranging set of labour reforms that included increasing the minimum wage of Saudi citizens working in the private sector. In February 2012 Labour Minister Adel al-Fakeih announced that private companies in Saudi Arabia had to adjust their payroll of Saudi workers to that of the public sector which minimum wage stands for 3,000 riyals ($800). Saudi’s lower salaries would not be counted within the quotas of Saudis a company must employ and would be translated into severe fines.

In 2012 the government also introduced a monthly unemployment payment of 2,000 riyals ($535) payable up to a year for applicants looking for jobs or undergoing training benefiting over 1 million unemployed. Although the Arab Spring that swept the Middle East during 2011 bypassed Saudi Arabia thanks to the $110 billion package introduced by King Abdullah in the economy to diminish any potential discontent, it underscored the necessity of finding jobs for the unemployed and especially for the rampant youth unemployment. The one and only solution to improve the local workforce and increase Saudi professionalism is education.
Oppotunities to invest in the education sector

Already the world’s 8th highest education spender, Saudi Arabia has recently initiated a complete overhaul of its educational system at a cost of US$3.1 billion. Increasingly prosperous families in traditionally underserved parts of the country have very strong demands for high-quality education. Meanwhile, for foreign investors, the new Economic Cities create a unique opportunity for private-sector involvement.

A potential to develop homegrown talent

Today, over 90% of Saudi students are educated in public schools, with only the wealthiest Saudi and expatriate children attending some 840 private schools. There is clearly substantial room for the private sector to participate more fully at the primary and secondary levels of Saudi Arabia’s education system.

While tertiary education enjoys greater private participation, this clearly remains an underserved market. Many students must pursue scholarships overseas to gain the highest-quality higher education; some 80% of engineers, doctors and scientists are foreigners.

In the past, foreign organizations have not been permitted to directly educate Saudi students. Now, for the first time, the Economic Cities are allowing students to benefit from outside skills and knowledge. In addition to traditional educational institutions, there is a clear need for a full range of educational and training services, including vocational programs, e-learning, content development, seminars, etc.

Good reasons to invest

- Significant unmet demands exist at every level of the Saudi educational system
- Demographically, Saudi Arabia’s population is extremely young and growing rapidly, with millions of school-age children
- Fast-rising personal wealth is bringing world-class education within reach of many Saudi families
- The Economic Cities are being constructed as part of an ambitious public-investment campaign to bring knowledge-intensive industries to KSA, providing foreign organizations with an opportunity to enter the market

Source: Information provided by SAGIA

Top universities of the world

1. Massachusetts Institute of Technology (MIT)
2. University of Cambridge
3. Harvard University
4. UCL (University College London)
5. University of Oxford
6. Imperial College London
7. Yale University
8. University of Chicago
9. Princeton University
10. California Institute of Technology (Caltech)

Source: QS World University Rankings
The education system in Saudi Arabia is set in accordance with Islamic educational systems, traditions and customs and has been traditionally overseen by the Ministry of Education until 1975 when the Ministry of Higher Education was created to be in charge universities, higher education institutions and the like. It also represents the government abroad in all educational and cultural affairs, through offices distributed over 32 countries. The Higher Education Council is the supreme authority for post-secondary education affairs and supervised and coordinates its institutions, with the exception of the military.

Public education in Saudi Arabia has always been intrinsically linked to religious education that promotes the “belief in the One God, Islam as the way of life, and Muhammad as God’s Messenger” and has traditionally dedicated almost the same time to religious studies than to the other subjects such as mathematics, history or science together.

The Wahhabi movement in the late 18th century encouraged the spread of Islamic education in the kuttab through the memorisation of the Quran along with selections from the hadith. Only in the 19th Century some other subjects as arithmetic or Arabic reading were included in the curriculum but the illiteracy rate of Saudi Arabia remained over 75 percent for man and almost 100 percent on women in as late as the 1970’s. By 1990, however, the peninsula managed a radical turn of the rate and only 25 percent of men and half of the female population remained illiterate. The studies beyond elementary level started to spread through an informal network of scholarly lectures (halajat) still linked to Islamic studies but in the 1920s, a small number of private institutions started offering limited secular education for boys and in 1951 an extensive program of publicly funded secondary schools was initiated. Although there were universities dedicated to religious education from an early stage, the first non-religious university was established in 1957 with the name of Riyadh University, subsequently renamed as King Saud University.

Since the Fourth Development Plan the government has put its stress in addressing the technological changes and rapid developments in social and economic fields; reduce the dropout rate of students in secondary schools and prepare the population to replace Saudi Arabia’s huge foreign labour with indigenous workers (saudisation). In the 1990’s the foreign workforce amounted for over 70 percent of the total. In addition, since the 1980’s the substitution of foreign teachers for locals with the creation of training institutes for teachers has also been addressed reducing the percentage successfully.

Today, according to the ministry of Higher Education there are 21 Government Universities, 18 Primary Teacher’s Colleges for men; 80 Primary Teacher’s Colleges for women; 37 Colleges and Institutes for health; 12 Technical Colleges and 24 Private Universities and Colleges. In the current development plan (2009-2014) the government aspires to enrol almost 400,000 new university students, up 4,5 percent while university graduates are projected to rise by 7,2 percent to a bit more than 300,000. Under this plan, the government is placing the strength on improving the technical and scientific skills of the students.

According to UNESCO, 85,5 percent of adults and 97,5 percent of youth are literate in Saudi Arabia today.
Your Direct Gateway to the Largest GCC Market...

We’re open for business ...

PROFESSIONAL TRADE FAIRS ORGANIZERS FOR:


THE VENUE:
Riyadh International Convention & Exhibition Center - (RICEC)

A new world-class exhibition center combining functionality, convenience and adaptability with state-of-the-art facilities and top international standards.

For more information, please contact the organizers:

Riyadh Exhibitions Co. Ltd.
P.O. Box 56010, Riyadh 11554, Kingdom of Saudi Arabia
Tel: +966 1 229 5604 · Fax: +966 1 229 5612
E-mail: info@recexpo.com

www.recexpo.com
KFUPM would seek greater participation of students in the academic process and encourage them to look for knowledge and information.

Today, the Saudi woman is admirably active in almost every academic specialization, and in many occupational capacities. The Kingdom is proud to be home to many distinguished women. – Huda Al-Ameel

Huda Bint Mohammed Al-Ameel

Born 1 January 1963 in Al Qasim, Saudi Arabia, is the third rector of King Fahd University for Petroleum and Minerals (KFUPM) and the first to have graduated from the institution to hold this position.

She was the Undersecretary of Education College – King Saud University (2006 – 2008) and holds a Master in Education, Western Michigan University – United States of America 1986. She is a Philosophy doctorate, Wales University - United Kingdom 2002.

PNU is the first women’s university in Saudi Arabia and largest women-only university in the world. The University was established in 1970 and renamed in 2008. It was formerly known as Riyadh University for Women. It is composed of 32 campuses across the Riyadh region and a new library. King Abdullah Bin Abdulaziz launched the building of the world’s largest and most modern women’s institution of higher education in a self-contained higher education city. This vision has become a reality with the opening of the University City for the PNU for Women. The University City is expected to be fully functional by 2012.

She was the Undersecretary of Education College – King Saud University (2006 – 2008) and holds a Master in Education, Western Michigan University – United States of America 1986. She is a Philosophy doctorate, Wales University - United Kingdom 2002.
KING FAISAL UNIVERSITY (KFU)

Is a public university with the main campus in the city of Hofuf in Al-Hassa, Saudi Arabia founded in 1975. KFU was initially established with four colleges: two in Dammam and the other two in Al-Hassa. In its first year, it leased buildings, and in subsequent years it used some prefabricated buildings for the colleges. In later years, with the intent to meet the future needs of the Kingdom the College of Education was founded in 1981, and the Faculty of Administrative Sciences and Planning in 1984. The teaching hospital, the King Fahd University Hospital, is in Al-Khobar, although a newer hospital is currently under construction near the main campus of the university.

PRESIDENT

Mr. Yousif Mohammed Al-Jandan

He was previously a Board member at King Fahad University Hospital and the General Manager for Technical affairs.

PRESIDENT

Mr. Abdulrahman Al-Dawood

President: Mr. Abdulrahman Al-Dawood, since July 2012. Abdullah al-Rashid was the previous president since 1999.

Al Dawood was Assistant Vice Rector for Development and Quality at King Saud University and an Associate Professor at Department of Plant Protection. He studied at University of Minnesota-Twin Cities.

KING KHALID UNIVERSITY

King Khalid University is a public university, distributed over several towns in the ’Asir Province in south-west Saudi Arabia, including Abha and al-Namas. King Khalid University is a rapidly growing institution of higher education in Saudi Arabia. With around 70,000 students, it is one of the biggest centers of learning in the region with a reputation as a major provider of both further and higher education. The eLearning Center (elc) at KKU was established in 2005 as part of the university’s continuous efforts to provide the latest scientific methodologies to improve the educational process.

PRESIDENT

Mr. Abdulrahman Al-Dawood

President: Mr. Abdulrahman Al-Dawood, since July 2012. Abdullah al-Rashid was the previous president since 1999.

Al Dawood was Assistant Vice Rector for Development and Quality at King Saud University and an Associate Professor at Department of Plant Protection. He studied at University of Minnesota-Twin Cities.

KING ABDULLAH UNIVERSITY OF SCIENCE AND TECHNOLOGY (KAUST)

It is a public research university located in Thuwal, Jeddah. KAUST was built and operated for the first three years by Saudi Aramco. KAUST officially opened on 23 September 2009. King Abdullah Bin Abdulaziz Al Saud invited more than 3,000 distinguished Saudis and international guests, including heads of state and Nobel laureates, to join him for the KAUST inauguration ceremony on Saudi National Day. KAUST has further built the first ever Mixed Gender Campus in Saudi Arabia.

PRESIDENT

Shih Choon Fong

“The mission of KAUST is so important that we will not game the system” - unlike some UK universities that hire star scholars to boost their research evaluation scores”.

Shih was announced as the Founding President of the King Abdullah University of Science and Technology (KAUST) on January 2008. In summer 2012 Shih announced that he would step down as President of KAUST in fall 2014, after five years at the institution. Under his guidance KAUST has become internationally respected among the world’s best faculties, said Saudi Oil minister Ali I. Al-Naimi.
The cultural growth which the Kingdom of Saudi Arabia is undergoing at present is paralleled by human growth, one that aims at the Saudi citizen’s mind, thought, and education, allowing him to venture into and excel in the various fields of specialization.

We will continue our arduous efforts and close cooperation to ensure sustainability of our development process, and exert greater efforts to meet international standards.

KSU aims to disseminate and promote knowledge in Saudi Arabia, widening its base of scientific and literary expertise, maintaining a competitive edge with other nations in the fields of Arts and Sciences, and contributing to discovery and invention.

He is also a Scientific Consultant at the Institute of Health Studies and a Director of the Research Center at King Saud University.

He joined as teaching assistant at King Abdulaziz University in 1976.

Bachelor’s degree (1976) at King Saud University.

PhD in Pharmacology (1981) from Vanderbilt University, Tennessee, U.S.A.

Assistant Professor at King Abdulaziz University in 1976.

It is a Business school in Saudi Arabia founded as a body-corporate, autonomous government agency. The purpose of its establishment was to increase the efficiency of public employees and educate them, so as to make them capable of shouldering their responsibilities and use their jurisdiction to raise the level of administration.

“The cultural growth which the Kingdom of Saudi Arabia is undergoing at present is paralleled by human growth, one that aims at the Saudi citizen’s mind, thought, and education, allowing him to venture into and excel in the various fields of specialization”.

Director General of the Institute of Public Administration, Saudi Arabia.
WHY AREN’T YOU CONNECTED?
@Biz: WHy Aren't you connected?

W Guides: Find me in Saudi · 215
Saudi Arabia has become a huge market for digital technology and the largest in the Middle East. The young population is always on the lookout for the latest digital fads and gadgets – and their buying power is equal to none. With a total mobile phone penetration rate at 198 per cent during 2011 and expected to increase beyond 200 per cent over 2012, everything is possible in this large and growing country. In fact, Mobile Broadband constitutes 85% of total broadband connections in Saudi Arabia according to a recent report released by Arab Advisors Group.

From 3G to 4G or from Mac-Air to iPads, the urge of both individual consumers and the government to keep up to date has propelled the country to the top of the list in IT sales. Their appetite is so consuming that the market has shown annual two-digit growth for most of the first decade of this century. As a whole, the sector is worth $3.3 billion, a figure expected to rise to $4.6 billion by 2014.

These facts are a clear indication that the space for growth is immense, especially given that some 80% of the kingdom’s population is under 40 years of age and are technology-oriented consumers likely to support ICT expansion. This is more than a mere assumption: the average Saudi is expected to spend $200 per year on ICT products and services by 2012, a figure that wasn’t supposed to be reached until at least 2014.

New technologies ranging from smartphones and 3G, Internet Protocol Television (IPTV) and broadband, or WiMax and security software find a hungry market with a potential for growth second to none which expenditures are expected to rise to $5.7 billion by the end of 2014, up from $3.5 billion in 2010.

Amongst a global technological shift in the ICT industry where cloud, mobile, social, and large data analytics are becoming the trendiest platforms, Saudi Arabia ranks within the top 20 countries in the world driving growth in telecommunications with a total $20.5 billion in consolidated revenues.
ALMOST 2 MOBILES PER CAPITA, A MUST IN SAUDI LIFE

However, as in many other fields, in communications technology too Saudi Arabia has been a latecomer. The traditionally conservative approach of Saudi Arabia to new developments and especially on the window to the world presented by the internet has slowed the rise of the sector, which is now finally picking up, and much faster than expected too. In addition, the Saudi market was monopolised by one single player – imposing high prices and outdated telecom infrastructure – until the turn of the century. As a result, Internet penetration in Saudi Arabia is still lagging behind the rest of the region although year 2012 saw a surge in the estimated number of Internet users that grew 50.7 percent to 14.7 million users compared to the one million users registered in 2001. PC ownership, considered one of the drivers for ICT growth globally, rose to 30 percent from the lousy 24 percent one million users registered in 2001. PC ownership, considered one of the preferred to personal computers. As a result, mobile phone penetration currently stands at 198%, up steeply from a mere 12% in 2001, and markedly higher than the world average of 67%. Prepaid subscriptions constitute the majority (86%) of all mobile subscriptions, in line with the trend in other similar markets around the world.

This may sound like bad news for the ICT sector but Saudi Arabia, as always, has its own ways. The growth in Internet penetration is increasingly driven by wireless broadband and mobile high-speed packet access technologies. Third-generation (3G) and fourth-generation (4G) mobile phones are widely used in Saudi Arabia to new developments and especially on the window to the outside world. As in many other fields, in communications technology too Saudi Arabia has been a latecomer. The traditionally conservative approach of Saudi Arabia to new developments and especially on the window to the world presented by the internet has slowed the rise of the sector, which is now finally picking up, and much faster than expected too. In addition, the Saudi market was monopolised by one single player – imposing high prices and outdated telecom infrastructure – until the turn of the century. As a result, Internet penetration in Saudi Arabia is still lagging behind the rest of the region although year 2012 saw a surge in the estimated number of Internet users that grew 50.7 percent to 14.7 million users compared to the one million users registered in 2001. PC ownership, considered one of the preferred to personal computers. As a result, mobile phone penetration currently stands at 198%, up steeply from a mere 12% in 2001, and markedly higher than the world average of 67%. Prepaid subscriptions constitute the majority (86%) of all mobile subscriptions, in line with the trend in other similar markets around the world.

This may sound like bad news for the ICT sector but Saudi Arabia, as always, has its own ways. The growth in Internet penetration is increasingly driven by wireless broadband and mobile high-speed packet access technologies. Third-generation (3G) and fourth-generation (4G) mobile phones are widely used in Saudi Arabia to new developments and especially on the window to the outside world. As in many other fields, in communications technology too Saudi Arabia has been a latecomer. The traditionally conservative approach of Saudi Arabia to new developments and especially on the window to the world presented by the internet has slowed the rise of the sector, which is now finally picking up, and much faster than expected too. In addition, the Saudi market was monopolised by one single player – imposing high prices and outdated telecom infrastructure – until the turn of the century. As a result, Internet penetration in Saudi Arabia is still lagging behind the rest of the region although year 2012 saw a surge in the estimated number of Internet users that grew 50.7 percent to 14.7 million users compared to the one million users registered in 2001. PC ownership, considered one of the preferred to personal computers. As a result, mobile phone penetration currently stands at 198%, up steeply from a mere 12% in 2001, and markedly higher than the world average of 67%. Prepaid subscriptions constitute the majority (86%) of all mobile subscriptions, in line with the trend in other similar markets around the world.

This may sound like bad news for the ICT sector but Saudi Arabia, as always, has its own ways. The growth in Internet penetration is increasingly driven by wireless broadband and mobile high-speed packet access technologies. Third-generation (3G) and fourth-generation (4G) mobile phones are widely used in Saudi Arabia to new developments and especially on the window to the outside world. As in many other fields, in communications technology too Saudi Arabia has been a latecomer. The traditionally conservative approach of Saudi Arabia to new developments and especially on the window to the world presented by the internet has slowed the rise of the sector, which is now finally picking up, and much faster than expected too. In addition, the Saudi market was monopolised by one single player – imposing high prices and outdated telecom infrastructure – until the turn of the century. As a result, Internet penetration in Saudi Arabia is still lagging behind the rest of the region although year 2012 saw a surge in the estimated number of Internet users that grew 50.7 percent to 14.7 million users compared to the one million users registered in 2001. PC ownership, considered one of the preferred to personal computers. As a result, mobile phone penetration currently stands at 198%, up steeply from a mere 12% in 2001, and markedly higher than the world average of 67%. Prepaid subscriptions constitute the majority (86%) of all mobile subscriptions, in line with the trend in other similar markets around the world.

This may sound like bad news for the ICT sector but Saudi Arabia, as always, has its own ways. The growth in Internet penetration is increasingly driven by wireless broadband and mobile high-speed packet access technologies. Third-generation (3G) and fourth-generation (4G) mobile phones are widely used in Saudi Arabia to new developments and especially on the window to the outside world. As in many other fields, in communications technology too Saudi Arabia has been a latecomer. The traditionally conservative approach of Saudi Arabia to new developments and especially on the window to the world presented by the internet has slowed the rise of the sector, which is now finally picking up, and much faster than expected too. In addition, the Saudi market was monopolised by one single player – imposing high prices and outdated telecom infrastructure – until the turn of the century. As a result, Internet penetration in Saudi Arabia is still lagging behind the rest of the region although year 2012 saw a surge in the estimated number of Internet users that grew 50.7 percent to 14.7 million users compared to the one million users registered in 2001. PC ownership, considered one of the preferred to personal computers. As a result, mobile phone penetration currently stands at 198%, up steeply from a mere 12% in 2001, and markedly higher than the world average of 67%. Prepaid subscriptions constitute the majority (86%) of all mobile subscriptions, in line with the trend in other similar markets around the world.
Saudi Arabia accounts for almost 40 percent of all Arabic tweets, half of Wikipedia’s Arabic content and 35 percent of all Arabic content on the web coming from Saudi Arabia, said recently Omar Christidis, founder of ArabNet. Furthermore, more than 70 percent of Internet users in Saudi Arabia conduct their searches in Arabic, and almost 60 percent of the Kingdom’s users access Facebook through Arabic accounts. According to Facebook 2010 figures, there are only 2.5 million users in the kingdom. Additionally, Saudi Arabia has one of the highest mobile penetration rates in the world.

Figure (A): Mobile Broadband Market Evolution (2007- H1 2012)

Figure (B): Internet Market Evolution (2001- H1 2012)

Notes:
2003-2006: CICT estimates based on reported Internet connections (dial-up and broadband).
2007-2009: Actual based on field surveys of the Internet market commissioned by CICT.
2010 – H1 2012: CICT estimate (projection) based on field surveys.
THE E-GOVERNMENT INITIATIVE

But it is not only individuals who are driving the rapid ICT expansion. The understanding that investing in ICT is directly proportional to the performance of the economy in terms of productivity and efficiency has prompted a very aggressive ICT expansion in KSA since the beginning of the century. The Saudi government has designated transforming the oil-based economy into a knowledge society through the development of ICT industries a top priority and is propelling demand by offering e-government services itself. Meanwhile, thousands of kilometres of cable are being laid to update and expand the country’s telecom infrastructure and entire smart cities are built to promote new technological breakthroughs and help the country make the shift.

The second action plan 2012 – 2016 includes a major infrastructure initiative for the development of a government strategy to use cloud-computing technologies and facilitate access by government agencies as well as enable them to implement e-government services.

Riyadh’s 2012 budget has a heavy focus on capital investment to improve the country’s transport, energy and social services infrastructure – and this should generate more opportunities for vendors of IT products and services. The new plan is divided in four strategic areas that include building a sustainable e-government work force, improving the experience of the public in their interactions with Government, developing a culture of collaboration, and improving government efficiency.

With the implementation of the Second National Plan, the government also hopes to increase collaboration with private companies as a way to ease project workload and to further develop Saudi Arabia’s economy by creating jobs.

BOOMING E-COMMERCE

Although there are challenges that push the industry back, such as the high number of businesses without an on-line presence, the weak logistics infrastructure and more importantly the reluctance of Saudi customers to prepaid orders and the preferred cash-on-delivery purchases that constitute over 70 percent of total sales, the e-commerce industry is booming in KSA, a nation that ranks second in e-commerce sales in the GCC.

According to RNCOS report on “Saudi Arabia ICT Market Forecast 2014”, the Saudi ICT market has witnessed significant growth during the past few years with growth across almost every industry verticals. This growth is mainly due to the liberalization of the ICT market, intense competition, and dynamic demographics of Saudi Arabia. Saudi Arabia has been experiencing rapid adoption of new technologies with huge potential in VAS and e-commerce. The Kingdom has become one of the fastest growing IT markets in the Middle Eastern region and is projected to account for up to 50 percent of the total ICT investments in the GCC during 2010-2012.
THE ICT EVOLUTION IN KSA

The ICT revolution really took off in 2003 when a royal decree established an e-government programme and the Ministry of Post, Telegraph and Telephony changed its name to the Ministry of Information and Communications Technology.

In 2004, the e-government project came online at http://www.saudi.gov.sa, accompanied by the launch of the official payment system SADAD. A number of other initiatives followed suit. In the following year, Saudi Arabia opened its mobile telecom market to competition, allowing new companies to provide services. About 20 licensed Internet providers are now competing in the market, bringing prices down and increasing penetration. The largest of them is the Saudi Telecom Company (STC). In 2007, the government licensed three fixed line operators: GO (an alliance between Atheeb Trading Company, Al Nahla Trading Company, Bateko of Bahrain and Traco Company), Al Mutakamilah (a consortium headed by PCCW of Hong Kong), and Optical Communications Company (owned by US company Verizon). To date, GO is the only one to have begun commercial operations. In 2008, the state budget gave “special emphasis” to e-government projects and more public initiatives were launched. The Saudi Electronic Data Interchange (SaudiEDI) was launched as an electronic portal for import-export transactions, providing a one-stop shop for paperwork including customs declarations. In 2009, the Saudi Council of Ministers approved the establishment of a new joint stock company, the Saudi Electronic Information Exchange Company (Tabadul) to invest in ICT and take advantage of opportunities generated by government-driven e-projects. Other projects included the authorities investing $3.1 million to equip schools with new computers and other ICT technology. Meanwhile, the Medical Services Division (MSD) of the Ministry of Defence and Aviation (MODA) implemented a nationwide unified medical system to link all 26 MSD hospitals and 68 medical centres and clinics.
INFORMATION TECHNOLOGY AND COMMUNICATIONS COMPLEX (ITCC)

THE SMART CITY BEYOND CONNECTIVITY

RAYADAH INVESTMENT COMPANY
Tel: +966 1 2059911
Fax: +966 1 2059922
P.O.Box 56850
Riyadh 11564
Kingdom of Saudi Arabia

www.raid.com.sa
info@raid.com.sa
CITC KEY ACHIEVEMENTS

- Liberalization of the telecom services market and opening the sector to competition.
- Tariff Regulation aimed at price reduction, promoting fair and effective competition and while encouraging reliance on market forces.
- Development of the National Frequency Plan.
- Issuance and implementation of the National Numbering Plan (NNP).
- Publication of the Universal Service & Universal Access Policy and establishing the Universal Service Fund.
- Issuance of interconnection guidelines and approval of the incumbent (STC) Reference Interconnection Offer (RIO).
- Issuance and implementation of Accounts Separation Policy and the Price Caps Policy.
- Preparation of service quality indicators and standards as well as enforcement of reporting by licensed service providers.
- Approval procedures for specifications and registration of ICT equipment.
- Preparation of the e-Transaction Act and its Bylaw, in addition to the Cyber-crime Act.
- Introduction of Easy-net internet service and broadband services.
- Establishment of the National Information Security Guidance Center (CERT).

ICT SECTOR REFORMS IN SAUDI ARABIA

The Communications Sector was the first sector to be privatized in the Kingdom. The privatization program has a number of objectives including increasing the effectiveness and competitiveness of the national economy through liberalization of the services market and opening sectors for fair competition. The liberalization and telecom sector reforms was implemented in phases as follows:

**The first phase:**
Corporatization (1998): Transferring the state-run telecom agency (within the Ministry of PTT) into Saudi Telecom Company (STC), a state-owned commercial company incorporated in 1998.

**Second Phase:**
Policy and Regulatory Reform (2001): Re-organization of the telecom sector and the issuance of required legislative instruments such as the Telecommunications Act (2001), its Bylaw (2002) and the Ordinance of the Commission (CITC) which established CITC as an independent regulator.

**Third Phase:**
Partial Privatization of STC (2003): Partial privatization of STC was completed in early 2003, by divesting a 30% stake in the Company to the public.

**Fourth Phase:**
Liberalization: Liberalization started by issuing licenses for VSAT service provisioning (2003) and Data services provisioning (2005). Two additional licenses were issued (2004 and 2008) for second-generation mobile services (GSM) provisioning, in addition to (3) third-generation mobile services (3G). The third mobile licensee (Zain) launched its commercial services in the Third Quarter of 2008. In addition, CITC has issued the second fixed-line telephone license for (Atheeb) that launched its commercial services in the second quarter of 2009.

Source: Ministry of Communications and Information Technology.
Conferencing Solutions
All your business solutions from a single source

Parallel to our vision that caters to the needs of the business sector, STC provides complete business solutions for all Enterprises from a single source, thus simplifying the communication process and providing you with a partner for business success.

For more information call 909 or visit the website

Business

STC

Complete Business Solutions
SAUDI TELECOMMUNICATIONS COMPANY (STC)

Saudi Telecom Company (STC), the main provider of telecommunication services in Saudi Arabia and the largest telecommunications company by market capitalization, total revenue and number of employees. It has various investments in subsidiaries, associates and joint ventures in Kuwait, India, Indonesia, Malaysia, Turkey, South Africa and Bahrain.

The main activities of the Group comprise the provision of a variety local, national and international telecommunications services, which include mobile, fixed local national and international telephone services and data services such as data transmission, leased lines, internet services and e-commerce, throughout its network infrastructure, supported by main in the region various investments in submarine and continental terrestrial cables.

Saudi Telecom Company was established as a Saudi Joint Stock Company in 1988. It is the result of the public offering of shares of the Telegraph and Telephone division of the Ministry of Post, Telegraph and Telephone (MoPTT).

ETIHAD ETISALAT COMPANY (MOBILY)

Etihad Etisalat Company (Mobily) was incorporated as a joint stock company in August 2004. Mobily is the second mobile operator in the Kingdom of Saudi Arabia. Mobily signed a management agreement with Emirates Telecommunications Corporation (Etisalat), United Arab Emirates, for a seven-year renewable term. The company increased its capital to SAR seven billion in 2008.

The company also launched the 3G services in 2006 in addition to several other value added services. Mobily is considered one of the biggest 3G mobile operators in the Middle East.

In 2012, Mobily won the “Euromoney” award for the best-managed telecommunication companies in the Middle East.

CEO
Dr. Khaled bin Abdulaziz Al Ghoneim

“Our telecommunications industry plays an important role to stimulate economic competitiveness” - Dr. Khalid Al-Ghonaim.

- CEO STC since June 2012.
- Vice Chairman of Oger Telecom Limited.
- Prior joining STC, Al-Ghonaim managed to turn AL-Elm information Security Company into a profit making organization.
- Graduated from King Saud University with a Bachelor of Computer Engineering.
- Completed Masters Degree in Electrical and Computer Engineering from Carnegie Mellon University, Pittsburgh, PA, USA.
- PHD in Electrical & Computer Engineering from Carnegie Mellon University.

Managing Director & CEO
Mr. Khalid Omar Al Kaf

“We are committed to achieve the highest level of management transparency,” he said when Mobily received the Euromoney Award.

- Khalid Omar Al Kaf was appointed chief executive officer and managing director of Etihad Etisalat (Mobily) in July 2005.
- An Emirati national, holds a Bachelor of Science degree from George Washington University, Washington D.C., 1986.
- Hired by Emirates Telecommunications Corporation (Etisalat).
- As general manager of Etisalat’s Network Services division, he played a definitive role in building a state-of-the-art third generation mobile network in the United Arab Emirates.
ZAIN SAUDI ARABIA

Zain Saudi Arabia is the third mobile network operating company in Saudi Arabia, operating GSM technology. It was launched in August 2008. The company offers local calls and SMS at local rates throughout the One Network countries – Bahrain, Burkina Faso, Chad, the Republic of Congo, the Democratic Republic of Congo, Gabon, Iraq, Jordan, Kenya, Malawi, Niger, Nigeria, Saudi Arabia, Sudan, Tanzania and Uganda.

CEO
Mr. Fraser Curley

In a comment about Zain’s partnership with Vodafone, “We see this partnership will help us further develop the Saudi telecommunications industry and strengthen the Kingdom’s leadership role as the largest and most sophisticated telecommunications hub in the Gulf region.”

- Previously Managing Director at Bridge Connect Limited.
- Partner, TIME markets at Arthur D. Little International Inc
- Director Mobile Communications (DETECON) at Deutsche Telekom
- President & CEO at Detecon, Inc.
- Engineering Manager at Cornix Systems Ltd, Coventry, England
- Graduated from the University of Manchester – Institute of Science and Technology, majoring in applied physics and Electronics.
- Earned his Master Degree in Telecommunications from the University of London.

ETIHAD ATHEEB TELECOM COMPANY (GO)

GO is the key Brand of Etihad Atieeb Telecom Company, the leading Cloud Telecommunications Operator in the Middle East. The company received the second fixed telecommunication licensed operator (Nomadic) from the Communications and Information Technology Commission (Saudi Arabia) (CITO) in 2007. Under the scope of its license, valid for a period of 25 years, the company is allowed to establish and operate a facilities-based public fixed telecommunications network including international gateways and to provide fixed line communication services at the local, national and international levels. GO is an alliance of Atheeb Trading Company, Al-Nahla Trading Company, Batelco of Bahrain, and Traco Company with a capital of 1,5 billion Saudi Riyals.

Managing Director & CEO
Mr. Emad Ahmad Maali

Since October 2012

ADVANCED ELECTRONICS COMPANY

(AECL) is a limited liability company in Saudi Arabia that was established in 1988. AEC is specialized in advanced electronics research and manufacturing for defense and communication among others. In 2006 it signed an agreement with Acer to manufacture personal computers as part of the Saudi governments program to make PC’s affordable to its population.

CEO
Dr. Ghassan Bin Abdulrahman Al-Shibl

“77 percent of the 2,100 employees of the company are Saudis. Moreover, more than 90 percent of these Saudis are working in the company’s engineering and technical fields,” - Dr. Ghassan Al-Shibl
To cope with the changing role of Saudi businesses, we expanded our portfolio of offerings while reinforcing our position and role as a system integrator and focusing on the value added services we deliver to our customers”.

“Tabadul system is integrated with the Saudi EDI platform,” explains al Mubarak, “which links various government departments and authorities, including the Ministry of the Interior, SASO (the Saudi Organisation for Standardisations), the Saudi Drugs and Food Authority, CITC and many more. It is part of the government’s effort to create a comprehensive e-government system. As soon as the system was up and running, we jumped several places forward in the World Bank’s list of countries offering the greatest ease of doing business,” said Musaab Ibrahim al Mubarak, CEO of Tabadul to GGC.
@Biz: Why Aren't you connected?

W Guides: Find me in Saudi · 227
WITNESSING THE HOSPITALITY REVOLUTION
Every other step you take in Saudi Arabia from Jeddah to Riyadh from Mecca to Damman, there is a hotel construction site. Saudi Arabia is the world’s fastest growing country in number of hotel rooms and it seems there is no limit to it.

The unparalleled growth witnessed in the hospitality sector over the last few years triggered by the positive economic upturn and the higher influx of domestic and religious travel, have created an unmatched demand for the hospitality sector to further develop their presence in the country.
In 2013 alone around 21 new hotels will add 7,000 extra hotel rooms to the kingdom and that is only the beginning. In fact, a country with a fast growing population of 27 million containing a very high percentage of youngsters with high purchasing power who are increasingly mobile domestically cannot be overstated as an attractive investment destination. Or at least that seems to be the prevailing opinion in the international hospitality industry: a number of major international brands are either refurbishing their hotels in Saudi Arabia or expanding their presence there. International chains are reaching out to the smaller cities such as Hail and Tabouk. The new evolution in the sector is even starting to tackle the mid-level income sector with 3 and 4 star hotels, a change from the formerly almost exclusively five-star approach to KSA. The expansion caters to the growing number of nationals travelling inside their own country and visitors coming to the country mainly for religious or business purposes. And the number is rising every year with 2012 witnessing the highest number of visitors in the history of the kingdom reaching 12 million.

In 2010, Mecca registered 1.8 million foreign pilgrims during Hajj. At that time it was an all-time record figure but in 2012 the figure almost doubled to 3.1 million pilgrims —or 3.65 million counting the unregistered ones-. They spent some SR62 billion ($16.5 billion) 10 percent over 2011 and an average of SR7,000 to SR15,000 per individual.

Thus religious tourism alone accounts for 3 percent of the country’s GDP and provides 75% of Saudi Arabia’s earnings from international tourism and 60% of domestic tourism. During the pilgrimage, the hajj terminal in Jeddah’s King Abdul Aziz International Airport alone receives over 100 planes delivering some 20,000 people every day.

Given these numbers, it is not surprising that just one single real estate developer in Mecca, Jabal Omar Development Co., has recently embarked on the construction of 27 hotels with a combined 15,000 rooms, the first of which opened in 2011.

Hospitality investments are particularly gaining momentum, especially in the key cities of Mecca and Medina. In anticipation of the 15.8 million visitors expected to flock to Saudi Arabia for religious tourism by 2014, the investment company Abdul Latif Jameel Real Estate Investment Co. (ALJREIC) is involved in a SR10 billion tourism project that includes the Jabal Al-Kaaba project, which is expected to add more than 8,000 hotel rooms to the market over the next five years under the Anjum Hotels’ brand.

In Mecca alone, more than 100 high-rise buildings with a total room capacity of 34,480 are currently under construction at a total cost of SR 18.3 billion.
Dr Salah Al-Bakheet, vice president for investment at the Saudi Commission for Tourism and Antiquities (SCTA) recently announced that the SCTA's long-term vision for the Kingdom's hospitality sector estimates that visitor numbers will reach 88 million by 2020, while the number of hotel rooms would rise from 117,097 in 2008 to 254,310. Tourism revenues are also predicted to reach US $31.5 billion in 2015 and $61.9 billion for 2020.

And with the Muslim community expanding worldwide and growing at its peak rate, the United Nations World Tourism Organisation (UNWTO) estimates that there are approximately 600 million national and international religious and spiritual voyages in the world, of which 40 per cent take place in Europe and around half in Asia with the world's largest form of mass religious tourism taking place at the annual Hajj pilgrimage to Mecca.

This is one of the reasons behind the decision of King Abdullah, Custodian of the Two Holy Mosques, to embark in the largest expansion of the Prophet's Mosque that will increase capacity by 1.2 million worshippers in 2040. The expansion project will be carried out in three phases with the first phase increasing capacity to around 800,000 worshippers. Infrastructural restrictions have forced the government to set a maximum on the number of pilgrims allowed to participate every year, in order to avoid overcrowding and related dangers. The new project will ease the access to a higher number of pilgrims to the Holy city of Mecca and the Prophet's Mosque.

With a total amount of SR25 billion only on compensation payments, some buildings and 23 hotels in the area will be demolished to create space for the expansion project while 21 new hotel projects will be completed in the coming years to make up for the shortfall of over 4,000 hotel rooms.
Fuelled by religious tourism, hoteliers have witnessed rocketing revenues reaching 100 percent over last year’s performance which have propelled in return massive expansion plans for Saudi Arabia of every hotel brand in the world.

Although local regulation only allow international companies to operate hotels in Saudi Arabia but not own property there, the research company STR Global Construction Pipeline Report for Middle East & Africa estimates that the boom in Saudi Arabia will increase the number of branded hotel beds available by 58 percent in the next few years.

Starwood, one of the world’s largest hotel companies, runs currently around 3,000 rooms in the Kingdom through its ten hotels including the Sheraton, Le Meridien and the Westin brands but it has plans to manage five more hotels, adding about 1,300 rooms to the market. In November 2012, Wyndham Hotel Group announced a plan to expand the brand with ten Days Inn hotels over the next seven years in the Kingdom.

In August 2012, STR reported that Saudi Arabia’s room growth reached 8.45 percent, representing the largest growth in the Middle East if all 6,413 rooms in the country’s total active pipeline open as per schedule. In Jeddah only the growth rate reached an incredible 70.7 percent with 4,225 rooms expected to open.

Another world recognised brand, Hilton Hotels, runs currently six hotels in Saudi Arabia but will increase the number to 14, six of them in Mecca.

Even the well known local brands as Al Khozama is to invest more than US$140m to expand its hospitality operations in the kingdom building new hotels or refurbishing existing ones. Al Khozama Centre in Riyadh will be converted into a four-star deluxe property while Kingdom Holding, the investment company of billionaire prince Walid bin Talal, plans to open a five-star hotel with 1,000 rooms in Mecca among other plans.
AN UNTAPPED TOURISM DESTINATION
Contrary to traditional belief, Saudi Arabia offers a surprising climatic variety, comprising not only the well-known central desert plateau of Najd and the Red Sea coast, but also the green, forested mountain lands around Abha in the southwest, where the population’s attire, customs and lifestyle is more reminiscent of bordering Yemen. The kingdom is a mix of green valleys and sand dunes, edgy mountain ranges and pristine beaches, camels and desert and overall rich heritage sites that are increasingly being discovered over the past years and tell the world about the rich pre-Islamic Arabian Peninsula history. However, most of the country’s tourist attractions are still underdeveloped.
Contrary to traditional belief, Saudi Arabia offers a surprising climatic variety, comprising not only the well-known central desert plateau of Najd and the Red Sea coast, but also the green, forested mountain lands around Abha in the southwest, where the population’s attire, customs and lifestyle is more reminiscent of bordering Yemen. The kingdom is a mix of green valleys and sand dunes, edgy mountain ranges and pristine beaches, camels and desert and overall rich heritage sites that are increasingly being discovered over the past years and tell the world about the rich pre-Islamic Arabian Peninsula history. However, most of the country’s tourist attractions are still underdeveloped.

In the kingdom, virtually closed to the international community for plain tourism purposes, tourism, as such, has been traditionally restricted to religious and business travel with tourist visas only exceptionally given away.

However, Prince Sultan bin Salman, chairman of the Saudi Commission for Tourism and Antiquities, thinks differently. “Saudi Arabia has never been a closed country,” said Prince Sultan in a CNN interview. “We have more than eight million expatriates living in Saudi Arabia and welcome millions of pilgrims throughout the year for the Hajj and Umrah [...]. There is a huge number of business people coming through and conferences are increasingly frequent, so we have more than our share to worry about for now before really opening up for tourism in any bigger way. Eventually, however, we will open the country in the sense of hosting value tourism, people who are interested in enjoying the country.”

According to recent figures released by the Saudi Tourism Information and Research Centre (MAS), the blooming industry accounted for a mere 3.2% of the Kingdom of Saudi Arabia’s total GDP in 2011 and 7.1% of nonoil GDP but with the rising number of visitors reaching KSA each year the industry is certainly on track to further increase its contribution to the national GDP.

“Tourism is the second largest provider of jobs, accounting for 26 percent of the total,” Prince Sultan pointed out and the flow of tourists to Saudi resorts in recent years is constantly increasing with “more than 10 million people attending tourism festivals during last summer,” Prince Sultan underscored.

According to the latest data released by the World Travel and Tourism Council (WTTC), the Saudi travel and tourism industry is forecast to increase by a minimum of 4.2 per cent year-on-year.
Saudi Arabia tourism is ready to take off. And although it is doing so in its landmark cautious and discrete fashion, it has seen the turn of the century planning the development of a tourism industry as part of its wider project to diversify the base of the country’s economy. To perform this feat, a dedicated tourism authority was created: the Saudi Commission for Tourism and Antiquities or SCTA.

“When the commission was created in 2000,” explains Dr. Abdullah Al-Jehani, SCTA’s vice-president for marketing and media, “we studied the situation and worked out a development strategy involving all domestic stakeholders and cooperating extensively with international consultants. This has resulted in the 20-year ‘Tourism Development Plan 2020’, which was approved by the Council of Ministers in 2004.”

One of its core missions is to transform the oil kingdom harbouring the cradle of Islam into a top-notch high-class tourist destination developing first of all their own internal tourism and in doing so, changing the Saudis mindset when it comes to holidays.

No wonder, then, that the 2020 tourism development plans is mostly focused on domestic and religious tourism which offers a highway to the government’s commitment to diversity the kingdom’s economy. As one of the most democratic industry sectors in terms of employment, it causes a domino effect in various other sectors such as transport, hospitality, aviation and services.

According to WTTC, investment in Saudi Arabia’s travel and tourism industry will increase by 6.7 per cent in 2012, and rise by 3.3 per cent yearly over the next ten years to 29.5 billion riyals in 2022, representing 4.5 per cent of the kingdom’s total investment.
Over the past few years, significant investments has been made in tourism infrastructure, including airport expansions and high-speed rail lines, as well as government-financed training programs, mostly in the form of public-private partnerships. Visa procedures have meanwhile been eased for non-religious and business visitors and the hotel pool has been surveyed and classified using a standardised a star system. The issuing of visas for the umrah has also been simplified, as part of the general ongoing process of bureaucratic streamlining decreed by king Abdullah. Umrah visas can now easily and electronically be transformed into tourist visas for those who wish to stay on for a few days and visit other parts of the country. Business visitors are also encouraged to extend their stay beyond the duration of the conference or trade fair they came for and to book a trip to the archaeological site of Madain Saleh or a tour in the desert.

However, there are still a number of restrictions on the issuing of tourist visas, starting with the exclusion of unmarried women under 35 who are only allowed to visit when accompanied by a male relative. “In any case, the problems with tourist visas will get solved in the future. Right now, this is not a major issue,” says Dr. Al Jehani. “Let me put it this way: the tourism sector is now in the stage of product development. When the product is finished and turns out to be attractive, the product owners will exert pressure to provide access to it for more potential customers. As for now, the focus is on domestic tourism.”

Part of this domestic tourism is health tourism: Riyadh in particular has some very reputable specialist hospitals, such as the King Faisal Foundation’s Hospital, which has treated state leaders from all over the region. Due to the size of the country, however, even Saudi patients may have to travel far for treatment. As several family members usually accompany their relative under treatment visiting the hospital daily and surrounding the patient with care and attention, this in turn creates an increased demand for local accommodation.

And indeed, SCTA overall plan is already paying back. Holidaying at home is becoming more of a popular choice for Saudi youth, becoming more curious to discover their homeland. “The Saudi market, which is very stable economically and financially, has yet to be serviced with a number of projects for which there is a very big and clear demand and even pressure - especially from the younger part of the population, which is the majority. Saudi society has changed dramatically over the past decade. It has become more open and modern. This change is slow but irreversible,” explains Dr. Salah Al Bukhyyet, head of the SCTA’s Investment Authority.

In February 2010, the government announced its plan to build a $13 billion tourist city on a designated 100 km² area in Al-Qqair, south of Khobar on the eastern coast, which presently offers long stretches of virgin sandy beach but little else. Another project will be developed on Jeddah’s Obhur Corniche, this one projected to include a permanent centre for festivities and a heritage village.

Many other sites have been identified on the Red Sea coast, in the provinces of Tabuk, Yanbu, Mecca, Asir, and Jizan. The SCTA estimates that all the planned Red Sea resorts together will ultimately create 557,000 hotel rooms and 413,000 jobs.

Souk Al-Okaz, another large SCTA project, is currently under development in and around the city of Taif, a traditional summer resort in the mountains near Jeddah and Medina.
Other tourism development projects also include major new shopping centre schemes under construction in Riyadh and Jeddah; the revamp of Jeddah old city; King Abdullah Financial District in Riyadh which includes the Info.HUB and Butterfly Dome, which primary tourist attractions showcase a library, a media activity rooms, a tourist information area, an exhibition space and other community facilities. In April 2012, Prince Alwaleed initiated the decision to build the world’s tallest tower in Jeddah, the Kingdom Tower with a total height of over 1,000 metres and a total investment of SR4.6bn The Kingdom Tower will be the centrepiece and the first construction phase of Kingdom City Jeddah. The overall estimated cost of the entire Kingdom City project is anticipated to be SR75bn ($20bn).

In conclusion, there are a million reasons to discover this country and a billion reasons to invest in its burgeoning tourism sector. As Dr. Salah Al Bukhyet succinctly puts it: “Saudi investors have the cash, the logistics and knowledge of the localities, while foreign investors have the expertise. Combining both elements is, I think, the magic formula for the coming five years.”
The SCTA was created to explore the tourist potential of Saudi Arabia, identify concrete measures to develop it, initiate individual projects and draft a general strategy. This has taken the form of a twenty-year plan which aims to increase the flow of tourists from 20.8 million in the base year 2000 to 45.3 million in 2020. This projected flow is estimated to consist of 34.4 million domestic tourists and 10.9 million foreigners, mostly from the GCC countries and other Arab States. In other words, domestic tourism will be the primary target group for the country’s budding leisure and holiday industry – beside the already existing religious tourism of the hajj and the Umrah. Attracting foreign tourists for leisure purposes – as opposed to stays for reasons of business and religion – only takes up a peripheral part of the strategy.

The mission statement of the commission reads: "As the cradle of Islam, the Kingdom of Saudi Arabia aims to develop sustainable tourism to the socio-cultural, environmental and economic benefit of all, reflecting its cherished Islamic values, heritage and traditional hospitality. The Kingdom [...] will harness its unique endowments to develop tourism in a sustainable manner, providing a high quality experience, while contributing to economic diversification, employment creation, environmental and heritage preservation, cultural awareness and community enrichment."

The document outlining the strategy further states: "The development of the tourism industry in Saudi Arabia is viewed as private sector driven. In this regard the private sector must play the role of main and effective stakeholder in the sustainable tourism development that can be achieved by direct investment in the tourism sector, enhancing tourism sub-sectors and related support services, development and marketing of the tourism industry, application of quality standards in the industry and training and educating national manpower in the field to guarantee quality and development of services."

Foreign investment is encouraged too, although not so much for financial purposes – KSA is a net exporter not only of tourists but also of investors – as for the technical expertise of investors accustomed to dealing with touristic projects, a know-how that is still lacking in the kingdom.

Indeed, given its potential, the tourism industry remains a key element in diversifying the economy.
Delightful stay. Delicious dining. Now with even more incentive.

Enjoy luxurious weekends starting from SAR 1259*

Allow Al Faisaliah Hotel, A Rosewood Hotel, to indulge you with matchless personal service and sumptuous culinary delights. For the essence of relaxation, pamper yourself with the organic Bath Menu therapies – prepared in your room by your personal butler.

*Valid for Wednesday, Thursday and Friday nights only. All rates are per room per night, single or double occupancy and includes 15% service charge. Subject to availability.

For reservations, call: T +966.1.2732222, F +966.1.2733001 or visit rosewoodhotels.com
With the global financial crisis still present in most of the economies of the world, only a few countries continue being attractive to investors because they are solid in both, economic performance and strong market demand. The jewel of the crown is undoubtedly Saudi Arabia that in moments of crisis responds with the highest expenditure ever recorded in the Kingdom. With a growing interest of international investors, the MICE industry is being pushed to its heights.
“The easiest and fastest way to close a deal is face to face, being here and knowing the country, meeting the people and experiencing the way of doing business” says Edouard Rabitat, general manager of the largest exhibition organiser in the Kingdom of Saudi Arabia, Riyadh Exhibition Company (REC). “If you want to do business in Saudi, you have to come and do it by yourself” he explains mentioning that although before investors used to go to the renowned MICE destination of the Gulf Region, Dubai, now they are turning its engines to Riyadh or Jeddah.

“We cannot compete with Doha or Dubai but the reality is that people that go there are actually looking for Saudis to do business. It is easier to go to Dubai than to Saudi Arabia but after the economic crackdown people are starting to look to the real market and Saudi Arabia is the strongest of the region. Although it is still a bit tough to convince people to come to the Kingdom we are seeing a stronger push from the Embassies to bring business”.

And if we relate to the numbers, Edouard is very right. The sector is living its honeymoon. “In the last two years the world economy has been a disaster so all the traditional big companies are looking for new markets but not just any market, -he points out-, they need to look for a safe and strong destination that you can consider a future for your business”.

Indeed, with the largest budget of its history recently approved and a number of royal decrees increasing expenditure Saudi Arabia looks more like a Wonderland for investors.

“The last decrees of the King to increase salaries and economic help to the young population for housing purposes together with the determination to spend more money on education and health is a real push for all the international companies to come to the kingdom and take advantage of the opportunities rising in Saudi Arabia”, explains Rabbat.

And according to the market needs, REC organised eight shows during 2011. “The way we do our shows is diversifying and in line with the needs of the market. Most of them are trade shows, B2B with international companies and local companies who are interested to enter this wealthy country”, says Rabbat.

The REC shows follow the business opportunities of the Kingdom and are focused on tourism, health, education, electricity and energy, telecom and IT, agriculture, building, plastic and packaging and a motor show to complete the year.

However, there are still restrictions for the growth of the MICE sector in the Kingdom that can be summarised in three: the visa process that has nevertheless ease over the years; the segregation of sexes, that blocks women entrance to some of the shows and the lack of infrastructure to accommodate the growing demand.

For Rabbat “the visa process is not a big issue compared to what it used to be. There are a lot of facilities now given to international exhibitors. What we feel is more important and needed now is to lift the ban on females to attend to some of our exhibitions”.

REC organises its shows diversifying and aligning them with the needs of the market and opportunities in the Kingdom.

Rabbit explains that at the higher education show they invite over 300 universities and for the last two years they have had the visas granted for ladies “without any problems”. However, for some other exhibitions as MEDICARE, the process is more tedious. “We are in talks with the Ministry to open the show to the ladies and normally, if you ask for something that is feasible it is granted.

There are still restrictions for the growth of the MICE sector in the Kingdom that can be summarised in three: the visa process, the segregation of sexes and the lack of infrastructure.

Finally, according to the general manager of Riyadh Exhibition Company, the infrastructure is a problem only in the short term. In the long run it is already solved. There are a number of new four and five stars hotels being built to accommodate the demand and there is a project within the Chamber of Commerce to expand the space for exhibitions in the capital. “As the demand on exhibition space becomes stronger, so does the interest of investors looking for MICE programs promoting also other cities like Qassim, Baha, etc. Exhibitions are the right spark that ignites business as they attract companies and investors where they can meet, discuss and seal”, proclaims Rabbat.

“I would like to give the chance to all international companies to look to Saudi Arabia as a good destination for their future business, not only big companies, but also medium and small companies that should come by themselves find the right partner to do business here and see what is here for them”, he finishes.
MOTTO
Pure Arab Hospitality
A lifestyle boutique hotel in the heart of Riyadh

With 92 premium rooms, 23 executive rooms and 49 congress suites, Mena Hotel Riyadh is also equipped with a business center and two conference rooms as well as a spa and a gymnasium.
With a calmed look and projecting a strong determination, Dr. Fahad Al-Jarboa, the CEO of the leading travel group in Saudi Arabia and a giant the MENA region, Al Tayyar Travel Group, is turning the engines on preparing for a big race. Aiming to become the Thomas Cook of the Middle East, Al Tayyar is well positioned to use its strong home base in the Kingdom as a springboard for its targets. And being the leader of the Saudi Arabian tourism market that attracts 11 million tourists every year that spend around SR 30 billion cannot be taken for granted.
Since its start over thirty years ago with a small reservation office in Riyadh run with a total capital of only one million Riyals and four employees the group has gone a long way. Today it employs around 2,500 people, it has increased its capital to SR800 million according to the 2009 figures; has 14 affiliated companies under one umbrella and owns large stakes in a variety of travel based businesses in and outside the kingdom such as Al Saeeda Airlines in Yemen and Alshamel International, a Kuwaiti travel firm. It runs 20 offices overseas and in the kingdom it owns some 300 branches in all regions of the kingdom— including 25 in all airports- and many “implants” inside the ministries and big companies.

Incorporated in 1979 and based in Riyadh, Al Tayyar Travel Group offers a fully integrated service to both, outbound and inbound tourists starting with hotel or ticket reservations to special design trips, travel services related to the increasing number of pilgrims that come to the Kingdom for Hajj and Umrah and even a bodyguard service. In 2010 the company served 3,200 clients and issued over 3 million tickets.

“We have the vision to continue being the largest travel and tourism group in Saudi Arabia and within the MENA region providing everything a traveller needs wherever he needs it,” starts explaining Dr. Al Jarboa. “We aspire to become a global player and be able to compete with the big names internationally. Our operation already stretches as far as North America, the Far East, Malaysia and the North of Europe because we serve the students who are granted overseas scholarships as part of the King Abdullah Scholarship Program abroad providing them with all the services they need from cargo travel to packages, hotels, car rentals…. everything”.

Since its start over thirty years ago with a small reservation office in Riyadh run with a total capital of only one million Riyals and four employees the group has gone a long way. Today it employs around 2,500 people, it has increased its capital to SR800 million according to the 2009 figures; has 14 affiliated companies under one umbrella and owns large stakes in a variety of travel based businesses in and outside the kingdom such as Al Saeeda Airlines in Yemen and Alshamel International, a Kuwaiti travel firm. It runs 20 offices overseas and in the kingdom it owns some 300 branches in all regions of the kingdom— including 25 in all airports- and many “implants” inside the ministries and big companies.

Incorporated in 1979 and based in Riyadh, Al Tayyar Travel Group offers a fully integrated service to both, outbound and inbound tourists starting with hotel or ticket reservations to special design trips, travel services related to the increasing number of pilgrims that come to the Kingdom for Hajj and Umrah and even a bodyguard service. In 2010 the company served 3,200 clients and issued over 3 million tickets.
GROWING THROUGH ACQUISITIONS: AN INTEGRATED TRAVEL GROUP

But Dr. Nasser Al Tayyar aims high. He expects to keep on growing at a minimum of 15 percent year on year. “This is what we aim to achieve through the expansion of our operations; the introduction of new products and well targeted acquisitions”, he explains. “We are interested on both horizontal acquisitions and vertical acquisitions within the channel. We are looking into buying more men sits in the airlines so that we will be able to offer travel packages during the high seasons and companies that provide hotel allotments”.

The group recently acquired 51 percent stake in Moasim one of the two biggest companies operating in Mecca and Medina specialised in buying hotel allotments. Now we will have a much bigger inventory in Mecca and Medina and it will help us have more to offer to our existing client base and to our booking engine.”

And liquidity is not a problem for Al Tayyar. The revenue has jumped from SR 1,513 million in 2005 to over SR3, 000 in 2009 with net profits rising some 130% to just over SR 395 million. With available cash there is no doubt the company will use all its means to take advantage of the tourism sector reality in Saudi Arabia: “There will be consolidation in the sector because there is a high segmentation and also because Saudi Arabia is a good market where big players are looking into having a stake. There won’t be enough room for the little players or the one that rely on cheap prices as the quality will be a big factor because as the market develops so does the consumer taste, the traveller,” explains Al Jarbooa.

“I feel that some of the smaller players will merge together or seek buyouts. We, at Al Tayyar, are assessing opportunities. We would like to buy some of the smaller players within the travel agencies and also we would like to buy accommodation companies. We have our own portfolio of companies for properties, three in Riyadh and one in Taif but we are looking to have access to hotel rooms either through allotments or the right to sell rooms or acquiring hotels if there is the opportunity. If the option presents itself I’m sure our board of directors will be interested in assessing the opportunity”, declares a very convincing Dr. Fahad.

Indeed Al Tayyar is becoming a fully integrated travel and tourism group transforming itself from a strictly travel agency to a wholesaler through its B2B booking engine and a global player.

In 2007 and 2009 the group announced that it was looking to raise funds through an IPO (Initial Public Offering) to expand its operations both globally and nationally. Globally by acquisitions of British and Australian firms amongst other, and especially in the markets it is already present like the US, Canada, Malaysia, Thailand and India. Nationally, the company wants to grow organically but increasing its number of offices and horizontally, by acquisitions. Although so far the company has not performed the announcement, it is expected to happen sometime at the end of 2011 or beginning of 2012.

In its webpage the chairman of the company, Prince Sultan Bin Mohammed Al-Saud, admits, “We hope that the company will soon become a publicly traded company on the Saudi Stock Market and that the average citizen would be able to own part of this pioneering national company”. This is a statement strong enough to keep investors aware of rising and unique investment opportunities within the number one travel Group of the Kingdom.
Although Al Tayyar has focused in the business travel market and more specifically in the government sector travelling market since its beginnings the company is building its strategies to increase its market share in the individual market.

“Our strategy is to build our on-line capabilities using technology to capture a bigger market share in the individual family market segment, as we like to call it”, says Dr. Fahad Al-Jarboa. “It is a natural move if we take the tourism industry globally. While there have been cuts in corporate and governmental travelling worldwide, the individual continues travelling. People will never confine their vacations to their own countries. It is the nature of human beings to always want to go to new places. It is the business travel the one that is shrinking and although travelling will continue to be driven by business needs as an strategy we are diversifying into on-line business to reach more individuals”

According to Mr. Al-Jarboa, Al Tayyar market share of the retail market is about 10 percent but in the corporate market depending on the addressable market - domestic, inbound and outbound- the share ranges from 21 percent to 44 percent.

“Since the company was created the focus has always been on the business travel market so, as a strategy, we developed our business model around providing the best service for the corporate and government sector. That’s why we have many “implants”, or offices that we “plant” inside the ministries, big companies, etc.

Within the government sector the market share changes. In the education ministry, for example, Al Tayyar covers over 50 percent of all travels servicing the King Abdullah Scholarship Program that sends young Saudi students abroad.

“Quality improvement is one of our objectives so we want to make sure that we are always there to listen to our customers and hear their feedback to develop our products and services and be always at the forefront with technology and everything that can make travelling easier”.

The Individual Market: Al Tayyar’s Next Victim
The Need for Infrastructure Development: The Missing Link of the Chain

Saudi Arabia has long been determined to diversify its economy from oil revenues to other sectors. Tourism is not only one of the most democratic sectors that can absorb the high unemployment of Saudi within its young population, but is also the pilgrimage destination of about 1/3 of the world population and hides an untapped rich heritage. However, the efforts to increase the sector’s contribution in the non-oil GDP of the country have started only recently.

Dr. Nasser Al Tayyar believes that to increase the sector’s contribution from the current 6 percent registered last year, Saudi Arabia needs to improve the infrastructure. And his particular view of infrastructure development comes as a chain: “Accessibility to some of the destinations is crucial. For instance, Abha is a seasonal destination and during the high season, in summer, there just aren’t enough flights going in and out so they have a restricted growth capacity. Accessibility by itself will encourage capital to go into other infrastructure projects to provide the type of experience tourists are looking for in terms of entertainment. Ad to that the accommodation sector that will also see the opportunity and you will create an attractive destination with high returns. This investment will add more recruiting at the hotels and finally growth.

But in general terms, the tourism market of Saudi Arabia is basically export-oriented. “We export 5+ million tourists a year”, says Dr. Al Tayyar, “so in order become an attractive market for local and regional clients, Saudi Arabia has to work to improve it’s the quality of the accommodation and the variety of options increasing the five stars hotels for better and richer tourism experience. The ingredients are here; the capital is here; the knowledge and know how are here and it is just the infrastructure development that we are missing. When this takes place many good things will happen”, he declares.

“The development taking place in Mecca under the patronage of its governor His Royal Highness Prince Khaled Al Faisal with the railroad, the metro, the general real estate developments including the skyscrapers… all these will be used as a benchmark for the rest for the tourism industry as a whole.”
RIYADH PALACE HOTEL, THE CARING HOTEL

Located in the heart of the city and resting in more than 30 years of rich experience, the 302 Riyadh Palace Hotel`s rooms welcome you with a combination of the most traditional arab hospitality and the best international standards. Fully equipped with all amenities and a round the clock service, it will whisper you memories that you will never forget.

Reservation & Information:
P.O. Box 2691 Riyadh 11461 Saudi Arabia · Tel: +966 (1) 4054444 · Fax: +966 (1) 4053725 · E-Mail: rph@riyadhpalacehotel.com
www.riyadhpalacehotel.com
For someone that has travelled the world and live in vibrant cities as diverse as Dubai or Vancouver, coming to Jeddah was maybe not his first choice but after years running the five stars Mövenpick Hotel in Jeddah he says he can define the experience as “a very beautiful chapter of his life”
Without skimping on superlatives, Mr Maged Gubr, the general manager of the hotel, qualifies Jeddah as a city that “does not look like a brand new city like Dubai but it is a city with a culture and a history. It does not look old or new but it is a city with an attitude, a place with character”.

Anyone hearing his speech will immediately be wanting to spend some days in Jeddah and see it with his or her own eyes. Not surprisingly, as Mr. Gubr very well says, “there is a slogan in Saudi that goes, Jeddah is Different. More like a little Cairo, if you wish, but definitely very different to the rules and discipline of Riyadh.”
A Beautiful City full of Beautiful People

Jeddah is the city that never sleeps. It is a vibrant business destination all year round and a holiday destination for the summer months, especially July and August and only when Ramadan does not fall in those months. It is also the gate of the two Holy Cities of Mecca and Medina where pilgrims that have maybe been saving all their lives come for their umrah or hajj trips and it is also a giant shopping mall. It is on the pristine Red Sea coast and also has access to all the Middle East and European countries in no time. You can go to Dubai in two hours, to Cairo in one hour or to London in only four and a half hours."

But it is not only the city and its location that impress Gubr. He also has good words for the city inhabitants. “People in Jeddah are very friendly, hospitable, accommodating and understanding. Very modest and nice people who you can have business with, have a job with or simply go out with”.

He arrived in Jeddah around five years ago as the brand new manager of one of the busiest hotels in town with an occupancy rate of over 80 percent well above the 65 percent average of the rest “because we are a small hotel,” says Gubr modestly. However, he has also managed to grow the year on year numbers of the hotel by an also “modest” 20 percent. “We have grown tremendously”, he finally admits.

Mövenpick Hotel Jeddah is a five star establishment that offers 140 fully equipped rooms in the heart of the city. “We are a business hotel very conveniently located at the heart of downtown Jeddah and only 25 minutes drive away from the International airport without any traffic lights”, explains the general manager.
We are basically between the old city and the new city, in the Middle of the Medina Road that makes us accessible to the old city and also close to the Northern side of Jeddah, where the city is expanding to nowadays. If you have business in the old city and also businesses in the industrial area or the new developments this is your best location with a good value for money.

The hotel also features as a perfect venue for business meetings and conferences with seven meeting rooms fully-equipped with the latest technologies and a banquet hall with a total space of over 900 sqm for up to 250 guests.

A little United Nation's sort of staff runs Mövenpick Jeddah with over 140 employees “from all kind of nationalities, including a big chunk of Saudi people. A mosaic of employees that brings us a lot of culture to the table and an advantage to really be in contact with our guests, understanding different cultures, adding value to our services and bringing in different hospitality initiatives”, explains Gubr proudly.

Mövenpick, at the end, is one of the global brand names of the internationally admired Swiss Hospitality. And titles like this are only given for good reasons.

Jeddah is an extremely prosperous city with incredible growth rates and astonishing numbers of new developments in the way. “There are a lot of happenings now in Jeddah. There is the recently inaugurated King Abdullah University of Science and Technology (KAUST) and King Abdullah Economic City and there is the ongoing works on the pilgrimage railway that will link Mecca to Jeddah, Medina, Riyadh and in the future will go to Dubai, Bahrain and the other Gulf countries. It is a major infrastructure development that will definitely enhance the traffic in Jeddah, especially during the hajj season and will even increase the attraction of the city. Or as Gubr puts it: “Jeddah has a spirit, it attracts people”.

More info at:
www.moevenpick-jeddah.com
WHO IS WHO

AL-HOKAIR GROUP

Founded by Chairman Sheikh Abdulmohsen Al-Hokair, Al-Hokair Group’s name is synonymous with leisure and entertainment in the Kingdom of Saudi Arabia. The group is one of the largest and most recognized companies in the tourism and leisure activities industry. From amusement parks to its new hotel brand, MENA brand, the group has expanded rapidly within the tourism sector in KSA.

PRESIDENT
Musaad Bin Abdulmohsin Al-Hokair

Born in 1961. Holds a Bachelor Degree in Arts from King Saud University and a high diploma in Financial Studies from Harvard University, and has undertaken multiple courses in management and marketing.

CONTACT
P.O. Box: 57750
Riyadh 11584
Phone: +966 1 413 4444
Fax: +966 1 413 1111
info@alhokair.com

www.alhokair.com

AL-FAISALIAH GROUP

The Al Faisaliah Group is a Saudi-based conglomerate established in 1970. Its name is derived from the name of founder, Prince Abdullah al Faisal, eldest son of the late King Faisal.

Al Faisaliah Group includes 13 subsidiaries divided into several business units:

- Food and beverage - dairy products, soft drink, meat products and restaurants
- Consumer Electronics - Medical, Measurement and Media Equipment, IT and Communications (IT networking and consulting), Internet service provider and FBTC Security Systems
- Entertainment and Multimedia - Joint Ventures with companies such as SONY, SAP AG, CISCO Systems,
- Specialty Chemicals - Represents the regional interests of Bausch and Lomb.

The company is reported to have over 5000 employees.

CEO
H.R.H Mohammed Bin Khaled Bin Abdullah Al-Faisal

- Chief Executive Officer & President of Al-Faisaliah Group.
- Worked as Assistant Manager in Citibank, NI Capital Markets Group in New York.
- Worked as Assistant General Manager in the Saudi American Bank.
- Director of Al Khozama Management Company Ltd.

CONTACT

SAUDI TOURIST & TRAVEL BUREAU (STTB)

STTB was founded by H.R.H. Prince Abdullah Al Faisal Al Saud and now owned by H.R.H. Prince Saud Abdullah Al Faisal Al Saud and his Sons and Daughters. As a tours and travel company, the organization has the primary goal of establishing, developing, financing and leading business undertakings in the Kingdom of Saudi Arabia, in the Middle East region, and in other key growth areas.

CHAIRMAN & CEO
Prince Saud Bin Abdullah Al-Faisal

4rd Floor, Rm 403 Al Mathboul Plaza
Al-Maadi Street, Al-Ruwais Dist.
P.O. Box: 863, Jeddah 21421
Phone: +966 2 651 3350
Fax: +966 2 653 2233
mohtar@sttb.com

www.sttb.com
AL-TAYYAR TRAVEL GROUP

Founded as one-man establishment in 1979 & transformed to a limited liability company in 1997. On May 2 2005 it became a closed joint-stock company. As travel & tourism agents it offers issuing & selling travel tickets, air transport & cargo, car rental, charter of airplanes & ships, triploque services & international driving licenses, Hajj & Umrah services, entertainment & recreational services, construction & management of hotels, organizing land & sea cruises, commercial agencies.

Takkasusi St, Olaya, P.O. Box: 52660, Riyadh 11573
Phone: +966 1 463 3133, Fax: +966 1 465 6049
altayyar@altayyargroup.com
www.altayyargroup.com

CEO
Dr. Fahad Bin Ibrahim Al-Jarboa

• Previously Assistant VP for Marketing and Media in “The Saudi Commission for Tourism and Antiquities” (2003 -2010).
• Vice President for marketing and sales for the National Agricultural Development Company (Nadec). (2000-2003).
• Assistant professor at the institute of public administration. (1987-2000)

NAS AIR

A subsidiary of the National Air Services (NAS), is the Saudi Arabian only domestic low-cost airline. Nas Air is a limited liability licensed private aircraft operator in Saudi Arabia, with operational headquarters in Riyadh, and satellite offices in Cairo and Jeddah.

Airline Service is between the Saudi Arabian cities of Riyadh and Jeddah as well as international services to Dubai and other GCC countries as well as a rapidly growing network of international destinations.

Al Salam Centre, Prince Mohammed Bin Abdulaziz
Al Tahlia Street, Olaya Area 305161
Phone: +966 1 217 1800, Fax: +966 1 217 1830
contact@flynas.com
www.flynas.com

CEO
Mr. Francois Bouteiller

• Began in VIP operations on DC-9 and LearJet based in Singapore.
• In 1996 he co-founded and launched SwissWorld, a long-haul schedule airline based in Geneva operating B767 to serve mainly New York.
• Born in Canada, he holds as well Swiss and French nationalities.

SAAD TRAVEL & TOURISM

Established in the year 1978 in the name of ROYAL TRAVEL, the ownership was transferred to the Saad Group of Companies in 1989. In 1984 the agency was accredited as member of International Air Transport Association (IATA) and in 1991 became the member of American Society of Travel Agents (ASTA).

P.O. Box: 2288, King Abdul Aziz Blvd. Cross 15/16 St. 31952 Alkhobar
Phone: +966 3 894 9977, Fax: +966 3 895 1500
mgmt@saadtravel.com.sa
www.saadtravel.com.sa

GENERAL MANAGER
Delijan Fahad Al Delijan

ELAF TOURS & TRAVELS

Elaf Travel & Tourism Company was established in 1981 and is comprised of 10 outlets in Makkah, Madinah, Jeddah and Riyadh, all of which cover the full range of travel and tourism services.

Al Nakheel Center, Madinah Road 3541
Phone: +966 2-664-1233
Fax: +966 2-665-2830
info@elafgroup.com
www.elafgroup.com

NATIONAL COMPANY FOR TOURISM (SYAHYA)

National Company for Tourism built and launched projects like Abha Palace Hotel, New Abha Resort, Air Port Hotel and Exhibition Center, Green Mountain Restaurant, Al-Habala Resort, Al-Sooda Resort and Al-Fara Resort,. These resorts provide full package of services and facilitates to their guests.

New Abha Street 752, Abha 61421
Phone: +966 7 229 1470 / 1541 / 1516
Fax: +966 7 229 1450
director@syahya.com.sa
public-relations@syahya.com.sa
www.syahya.com.sa
Saudi Arabia’s aviation market reported its strongest growth in passenger traffic in more than a decade in 2011 up 13.6% compared to 2010, to just over 54 million passengers, even against the background of the Middle East’s regional social unrest. Saudi Arabia is currently witnessing a major economic boom with the implementation of a number of gigantic economic cities in addition to several educational, industrial, power, water, railway, health, oil and gas and industrial projects. Moreover, millions of faithful Muslims from around the world visit the holy cities in the Kingdom to perform Hajj and Umrah.
There are approximately 150,000 Saudi students pursuing their higher studies abroad under King Abdullah Foreign Scholarship Program. These developments as well as the substantial growth in Saudi population have contributed to boosting the country’s air travel market.

This has had a significant impact on Saudia. Being the national carrier, Saudia aims to secure a major portion of this market, by increasing the number of domestic and international flights and improving services to attract passengers.

With Saudi Arabia investing more than $20 billion in its aviation infrastructure to further increase passenger traffic by 2020, expanding and building new airports, Saudia is happy with the government’s efforts to develop existing airports and build new ones to meet the growing needs of passengers. The state-of-the-art infrastructure will certainly help Saudia to extend better services to passengers. In fact, a strategic plan to address the Kingdom’s increasing passenger traffic has been set out.
Saudia has made remarkable strides during the past five years in terms of modernizing its fleet by purchasing 90 new Airbus and Boeing aircraft, upgrading its technical and IT infrastructure, privatizing its catering, cargo and ground services sectors and expanding its operations to new destinations like Guangzhou in China. Saudia also joined SkyTeam, the global airline alliance, one of the largest global alliances of airline companies, with a membership of 19 airlines. The SkyTeam membership offers Saudia’s customers access to 15,000 daily flights offered by member airlines to reach 1,000 destinations in 187 countries.
On the domestic front, Saudia welcomes the General Authority of Civil Aviation’s decision to license new airlines to operate domestic and international flights. Saudi Arabia is a big market with a lot of potential travellers. It is capable of accommodating more airline companies. Saudia currently transports more than 23 million passengers annually and is now in a better position to face domestic, regional and international competition.

Low-cost airlines in the Kingdom and the GCC do not pose a big challenge to Saudia because it offers the lowest fares in the domestic sector and attractive fares to international stations. Saudia is attracting a considerable number of passengers as a result of this strategy. Saudia has brought about a lot of improvements in marketing and customer services to win the hearts of passengers.
WELL-BEING

TRANSFORMATION
For centuries, the Kingdom of Saudi Arabia has been the spiritual healing centre for Muslim pilgrims coming from all over the world to the two Holy Cities of Mecca and Medina. But King Abdullah, the Custodian of The Two Holy Mosques’ vision of transforming the country in the healing centre of the region not only spiritually but also medical has no parallel. Combining faith and science with huge investments in the sector, the new state of the art medical facilities in the Kingdom make King Abdullah’s vision unique in its form but also in its reach.

A KINGDOM THAT HEALS WITH FAITH AND SCIENCE
In line with the basic principles of Shariah and ethics of the medical profession, the Kingdom has made giant strides in the healthcare system, making colossal efforts to extend healthcare facilities to all people in the Kingdom but to also emphasize health awareness, disease prevention and early diagnosis.

With a population growing at 2.4 percent and expected to reach 28.5 million by the end of the year, an increasing number of patients over 65 and the growing incidence of non-communicable diseases - cardiovascular diseases, cancer, diabetes- and the rise of obesity, smoking and a sedentary lifestyle, there is a considerable pressure on the region’s healthcare systems to meet the demand for timely and effective care. Additionally, the Ministry of Health provides integrated and free health services to a rapidly increasing number of pilgrims and visitors during Hajj and other seasons via a network of hospitals and health centres.

To tackle the problem and following the Kingdom’s healthcare policy motto “Patient First”, the health sector is witnessing tremendous growth and massive expansion not only with the construction of new facilities in almost all cities, towns, villages and remote areas without exception but also with extensive preventive programs that include the promotion of a diet culture, health awareness programs, and combating infectious diseases.
Saudi Arabia is considered to be the largest healthcare sector in the GCC region. And in the kingdom, health is, together with education, the big beneficiary of the national budgets’ lion share over the last couple of years. In 2012 budget, expenditure for health and social affairs increased 26 percent over the previous year to a total of SR 86.5 (US $23.1) billions. Some of the budgeted projects include the construction of five new medical cities at a total cost of USD4, 3 billions, 17 new hospitals and a number of new primary care centres throughout the Kingdom. At the beginning of 2012, there were more than 130 hospitals under construction with a capacity of 28,470 beds and 22 hospitals were completed in 2011 with a capacity of more than 3,200 beds.

All efforts to enhance the healthcare sector were first outlined in the Ninth Development Plan of Saudi Arabia (2010-2014), which also aimed at strengthening the competencies of healthcare professionals by providing intensive training on a number of medical fields. King Abdullah has invested millions in human capital by offering medical students scholarships to both the US and Canada to attend the best training at universities like George Washington or McGill.

In the recent years, the health sector of Saudi Arabia has seen structural changes that range from the compulsory health insurance system for expatriates that will eventually extend to Saudi nationals to the improvement of service provision and the inclusion of IT solutions to create the healthcare map of the kingdom and to improve efficiency.

Indeed, public healthcare spending has been growing steadily at a compound annual growth rate of 7.2% since 1999 and spending is expected to reach US$20 billion by 2016. According to “Saudi Arabian Healthcare Forecast to 2015” a report released by RNCOS, the healthcare sector in the Kingdom is anticipated to expand at a CAGR of around 7% during 2012-2015. Recent data from the health ministry show that the kingdom had 34,370 hospital beds in 2010 and 59,169 in 2011, a number that is expected to increase to 70,000 by 2016 with the number of hospitals predicted to rise from 364 to 502 driven by the medical cities megaprojects.

Although the government run institutions dominate the healthcare sector in Saudi Arabia and are expected to lead the sector in the coming years, the construct state-of-the-art medical cities together with the development of sophisticated biomedical equipment through international collaborations will eventually result in the creation of a mixed healthcare system as a growing number of private institutions are also spreading around the kingdom benefiting from the rise of the sector.
In September 2012, Saudi Arabia launched an innovative five-years collaboration program with the Washington based Institute of Health Metrics and Evaluation (IHME) to create an integrated tracking system to monitor the health status of Saudi citizens with a mandate to map out future health plans and policy priorities.

Technology and research have become the key words in the healthcare system that grow almost at the same rate hospitals are built. Only in the biotechnology field, the Kingdom has spent SR 350 million during the last three years on research projects through the national plan for science, technology and innovation lead by King Abdul-Aziz City for Science and Technology (KACST).
According to a study released by Proleads, expenditure in new hospitals and healthcare facilities across the Gulf Region reached almost $14 billion in 2012 with Saudi Arabia’s 6.6 billion total spend leading the way with a 30 percent market share.

According to the study, Saudi Arabia has a total of 83 projects ranging from the $400 million King Saud University Medical City in Riyadh to the $5 million Qatif Central Hospital expansion in the Eastern Province. During the last years the kingdom have witnessed the raise of entire medical cities from East to West and from North to South of a country the size of West Europe. One of the latest megaprojects was announced in August 2012 when Saudi King Abdullah trumpeted the allocation of two plots of land with a combined area of more than 5.5 million sqm for the construction of King Abdullah Medical City along the Jeddah-Mecca highway (3.5 million sqm) and King Faisal Specialist Hospital and Research Centre located in Jeddah (2 million sqm). The same month, Health minister Dr Abdullah bin Abdul-Aziz Al-Rabiah inked USD1.06 billion contracts for healthcare projects in the kingdom including a specialist hospital in Jazan, a maternity and paediatric hospital in Jeddah, two hospitals in Asir, the construction of the first phase of Prince Mohammed bin Abdul-Aziz Medical City in the Northern Region, Miqat Hospital in Medina, Jomoum Hospital in Meca and 440 health centres across the Gulf Kingdom. The list never ends…

The following month, the Saudi Arabian ministry of health announced the completion of 20% of the first phase of the King Faisal Medical City built in the Southern Province of Saudi Arabia and slated to be completed by 2014. KFMC is a 262,836-square-meter, 1,350-bed medical city that includes a 500-bed main hospital, a specialized eye hospital, a heart and neuroscience hospital, a physical therapy centre, 200 housing units, 200 apartments for staff and an unspecified number of hotels. The second phase expected to be complete at the end of 2015.

In February 2012, Saudi Arabia launched healthcare projects worth SR2bn ($533.3m) including 16 medical centres and five medical warehouses, in the northwest province of Hail which will add to the already approved new SR400m 200-bed maternity and children’s hospital, a 300-bed hospital and another 15 primary health care centres in the area.

However, a Gallup poll recently revealed that Saudi Arabia still ranks last in the level of satisfaction of users with the quality of healthcare with only 60 percent satisfied with it.
**MEDICAL TOURISM**

The improvement of the medical infrastructure, specialists and technology along with the developments on research is making Saudi Arabia a destination of many citizens from neighbouring countries seeking advanced healthcare and treatment.

Although still in its early stage, the medical tourist arrivals in the country are projected to increase to 105,000 by 2016 at a CAGR of 20% for the years 2012-2016. As a rising source of revenues in the area, the medical tourism has registered a steady growth of 4.7% from 2006 to date. The rise in the private hospitals in the region is also one of the factors for the rise in the medical tourists in the region.

The medical tourism industry in the Middle is projected to attract 753,500 medical tourists and will generate revenue of USD 2 billion by 2016.

**PHARMA ON THE RISE**

Along with the overall strategy of the kingdom to diversify from oil and build a knowledge-based economy comes KSA’s intention to become a regional leader in life sciences industries with private hospitals, pharmaceutical companies and medical devices manufacturers seeking to enter the market for an unmatched double-digit growth.

Although the Saudi Arabian pharmaceutical market is the largest of the Gulf Cooperation Council (GCC), local production is still minimal and mainly involved in the manufacturing of generic products while the big share is covered by imported products that comprised mainly of patented over-the-counter (OTC) drugs.

According to the Jeddah-based National Commercial Bank (NCB) report on Saudi pharmaceuticals, imports of pharmaceuticals stood at SR9.65 billion in 2008 and are estimated to grow at a CAGR of 4.64 percent over 2009-2012 to reach SR11.57 billion by 2012.

According to NCB report, in 2008, patented drugs dominated the market, with generic drugs trailing well behind. However, the market share of patented drugs is expected to erode over the 2009-2012 forecast period as mandatory price cuts are imposed, generic-friendly policies enacted and registration for innovative drugs delayed in laboratory analysis.
In terms of health insurance premiums, the market is dominated by three companies: 63% of the total Gross Written Premium. This indicates a potential threat to health insurance providers to reduce administration costs rather than having to deal with a myriad of di

In the private sector, the Saudi Government is expected to implement mandatory health coverage for all expatriates. The resultant effect is expected to increase the demand levels on the private sector. The Saudi Government is expected to experience a healthy growth rate. Health insurance Gross Written Premium increased from 49,148 in 2002 to 55,932 beds in 2008, an increase of 13.7% over

On average residents of KSA visit healthcare facilities. The Saudi Government is expected to experience a healthy growth rate. Health insurance Gross Written Premium increased from 49,148 in 2002 to 55,932 beds in 2008, an increase of 13.7% over

The number of outpatients is considerably higher than inpatients. This is in line with the nature of outpatient treatments which are less complex and less time-consuming.

There are currently over 369 hospitals, both within the public and private sectors. The majority of these hospitals are located in Riyadh, Jazan, Hafr Al-Baten and Abha. The remaining 28 hospitals are expected to be constructed in other regions of the Kingdom.

Following in the footsteps of other GCC countries, Saudi Arabia has embarked on ambitious plans to establish 195 health centers. This is expected to provide various healthcare facilities and treatment throughout the Kingdom.

The main regulatory authority in the country is the Ministry of Health (MOH), which requires all pharmaceutical companies to be registered. The Saudi Food and Drug Authority (SFDA), established in 2003, is responsible for developing and enforcing a transparent regulatory system for the pharmaceutical sector. To create a single interface between private suppliers and the public sector, the government has set up a National Company for Unified Purchase of Medicines & Medical Appliances with a capital of SR2 billion in 2007. The SFDA is also currently in negotiations with a number of international pharmaceutical companies to create a new draft regulatory system for drug approvals.

Under the Saudi WTO (World Trade Organization) agreements, the commercial presence of foreign hospitals and pharmaceutical companies is permitted via joint ventures with Saudi firms. Furthermore, the Kingdom revised its legislation, particularly in the areas of Intellectual Property (IP) protection, import licensing, customs tariffs and fees.

The GCC pharmaceutical procurement system is based on a unified drug policy to procure pharmaceuticals being consumed in the six member countries. The common drug policy ensures joint purchases of pharmaceuticals through Gulf tenders floated by the Secretariat General of Health, Riyadh, and other respective health ministries.

Source: Ministry of Health 2009, CIH 2012
In the midst of a health revolution in Saudi Arabia with an expenditure budget for 2011 that reaches SAR 70 billion after the addition of an extra SAR 20 billion announced by the King a couple of months ago, companies like Al Hammad Medical Services (HMS) are targeting growth rates that over pass a comfortable 20 percent. With hundreds of hospitals and five new medical cities under construction there is little space for hesitation when it comes to invest or expand.
Since its inception in the market in 1989 Al Hammad Medical Services has reinvented itself many times but it was in 1995 when the company started a new generation of business adding to the disposable items distribution medical and laboratory equipment and infant food. Today it has 150 employees, five branches, a turnover of about SAR170 millions and a plan to grow over 20 percent adding new businesses to the ones already established and successful.
Our target in 2011 is to grow from 15 to 20 percent adding more agents, more products and a different sector: the dental sector. We are growing”, says Mr. Hatim Alsharreif, CCO of Al Hammad Medical Services one of the leading health products distributors in the kingdom.

HMS is a medical division of Al Hammad Group of companies based in Riyadh and founded by Eng. Mohammed Al-Hammad in 1987. The company has 5 main divisions. The pharmaceutical division distributes non-registered products from various American and European suppliers through its chain of pharmacies while the IT division provides a broad range of computing, technical and telecommunications support services to Al Hammad Medical services Co (HMS) staff. Other divisions include and medical equipment, medical supplies and disposables distribution and consumer health.

The health sector is booming now in Saudi Arabia and we expect that, in the next five years, the number of hospitals will double. There are now around 39,000 beds in the Kingdom but the government wants to increase that number to 75,000 within five years. The are now plans to build 200 more hospitals of 50 to 800 beds each plus the hospitals covering the military sector, the national guard, the security forces, the universities and of course the private sector that is also expanding”, continues Mr. Alsharreif. “We see more and more private hospitals in the Kingdom with about 200 more beds coming in the Western area and the same quantity in the Eastern area” he predicts.

The new strategy and investment will be reflected in the sector in the next five years and actually during the past two years we have been witnessing international companies moving to KSA looking for partners or merging with local companies to cover not only Saudi Arabia but all Middle East and North of Africa (MENA) area”, explains Mr. Alsharreif. “Even some big international companies are considering seriously to open their manufacture facilities here to reduce the cost of transportation and also because the recession in the Eastern World has put more pressure on the need of opening new markets… and one of the fastest growing market in the world right now is the MENA region. So I think the greatest potential of the sector lays in the Middle East”, he concludes.

The healthcare sector in Saudi Arabia is growing in all directions. It is also expanding specialised treatment to the most remote regions and starting the replacement of old medical equipment that has to adapt to the new international regulations stated by the WTO. At the same time, the system is also adding new educational centres as nursing colleges, pharmacist colleges or medical colleges to overcome the sharp shortage of qualified workforce that has to be imported at the moment against the saudisation movement established in the Kingdom long ago but with little result.
The space to grow in the manufacturing of medical products sector in Saudi Arabia remains very attractive. With the government incentives plus the low energy prices, the opportunity presents itself clearly given the fact that 90 percent of the medical products distributed in the Kingdom are imported from the outside.

But, despite of all the changes in the sector and the increase of competition, Al Hammad Medical Services is “already well positioned, has the best partners and distributes the highest quality products”, comments Mr. Alsharreif and adds: “we are not afraid of the competition as we have a big market, the best quality of products and qualified people”

“We work in a sector that can not be price oriented. In the health sector you are talking about patients not customers and they can be your own family. It is not just a trading business it is a service for your people and for your country. That is why our target is to improve the quality of life of our patients and to help them recover faster”, emphasizes the CCO of Al Hammad Medical Services
INTERVIEW WITH...
Mr. Ayoub Al Saleh
Founder of Al Kaws
& Mr. Ahmed Al Saleh
Managing Director of Al Kaws
Al Kaws Development Technology Company is one of the very specialised companies of the sector established several years ago with strategic alliances with both, international manufacturers & distributors and Saudi contractors to equip with the latest technologies the new-built hospitals in Saudi Arabia.

“The healthcare is booming in Saudi Arabia. Now there are more than 200 hospitals under construction; more than 6 or 8 university hospitals also under construction; plans for the construction of Prince Sultan Medical City; Riyadh Military Hospital has a huge expanding project to increase to 3,000 its number of beds and the ministry of Interior is planning for new hospitals of that same size. This is the public sector only, but in the private sector the growth goes parallel,” explains Mr. Ayoub Al Saleh, founder of Al Kaws.

Al Kaws Development Technology is specialised in medical equipment pre-installation and civil works (radiation protection and magnet shielding and operation rooms, and server rooms) mainly for capital equipment.

“We are specialists on the pre-installation work of medical equipment in the operations rooms where everything comes from the ceiling to make movement easier for the doctor and nurses during the operation and for cleaning purposes. We have more than 50 operations rooms finished in Saudi Arabia”, says Mr. Al Saleh.

As a bio-medical engineer, Mr. Al Saleh always was a visionary and founded Al Kaws long before the sector booming years that started only in 2006. Now the company is well positioned with over 200 employees and enjoys the privilege of being one of the precursors of its field.

“In the pre-installation world there are many companies in Saudi Arabia but we can say we are among the top three and actually the number one company in some of the fields we compete”, says Al Saleh explaining that this is due mainly to the professionalism of
his company and people, its International standardised practises and qualifications like the ISO, etc…

Both, the distribution arm of Al Kaws and the contracting division work outside Saudi Arabia, in Morocco, Bahrain, Qatar, Emirates, Jordan, etc “although most of our sales are in the Kingdom”, explains Mr. Ahmed Al Saleh, managing director of the company.

There are far too many projects coming from the Ministry of Health (MOH) where Al Kaws is involved through strategic partnerships that align the company with the major contractors of the Kingdom. “Most of the MOH projects are turn-key projects that go directly to the main contractors in the Kingdom such as Saudi Oger or Al Fouzan by invitation”, explains the managing director of Al Kaws. “For the rest of the projects coming from the MOH we work normally submitting our proposals and quotations and dealing directly from them”.

Al Kaws has another division totally dedicated to source out the complete IT solution products acting as distributors of worldwide manufacturers such as Dell, Cisco, Juniper and other reputed IT products functioning throughout the kingdom of Saudi Arabia

“We have another division of our company for networking, software and hardware. We are specialised in the installation of a tracking systems that traces everything in a hospital starting with the patient file to the expensive equipment, new born babies, everything… it is all computerised”, explains Al Saleh.

Actually, Al-Kaws offers an impressive product line representing some of the top brands in the IT industry providing its corporate customers with various solutions like Networking, Imaging & Content Management System, Software Development and Hardware & Software Maintenance among others.

“We are looking to expand and we need to bring the latest technology to Saudi Arabia. Our government wants to have the latest technology with the best professionals to give a better medicine for all kind of diseases and a better health in Saudi Arabia”, underlines the founder of Al Kaws, Mr. Ayoub Al Saleh in a clear wink to International reputed companies with the best technologies wishing to profit from the saudi arabian market.
WHO IS WHO

KING SAUD MEDICAL CITY

It is a tertiary care centre for medicine and surgery specialized in spinal and neurosurgery and an internationally recognized centre for training in medicine and surgery. It has 1200 ward beds + 140 unit beds. Now it became a medical city.

CONTACT
P.O. Box: 2897
Riyadh 11196
Phone: +966 (1) 435-5555
www.ksmc.med.sa

KING FAHAD MEDICAL CITY

It consists of four hospitals - main hospital, maternity hospital, paediatric hospital and rehabilitation center- making up a total of 1,095 beds. In addition there are primary care clinics, Faculty of Medicine, Medical Centers which is Prince Salman Heart Center, Neuroscience Center, Prince Sultan Hematology & Oncology Center and Specialized Diabetes & Endocrine Center. It is the largest medical facility in Saudi Arabia built at a cost of SR2.3 billion. Its estimated operating budget stands at SR300 million for medical and non-medical maintenance and catering contracts.

CONTACT
P.O. Box: 59046
Riyadh 11525
Phone: +966 1 288 9999
Fax: +966 1 461 4006
www.kfmc.med.sa

PRINCE SULTAN MILITARY MEDICAL CITY

Also known as Riyadh Military Hospital or Riyadh armed forces hospital, is considered as one of the most advanced centers in the Middle East. It’s the flagship of the RMH Program - the Medical Services Department (MSD) of the Ministry of Defense and Aviation (MODA). Was founded by King Khalid bin Abdulaziz in 1978. RMH is the first and the only hospital to conduct liver transplant, Stereotactic Radio-surgery, computer operated surgery.

CONTACT
P.O. Box: 7897
Riyadh 11159
Phone: +966 1 479 1000
Fax: +966 1 476 7472
www.psmmc.med.sa

KING ABDULAZIZ MEDICAL CITY

Was established by a royal decree in May 1983. With a bed capacity of 690 beds, it provides all types of care to all National Guard soldiers and their families, starting from primary health care up to tertiary specialized care. Recently, King Fahad National Guard Hospital with many other medical centers has been united to be part of the King Abdulaziz Medical City. Since its inauguration in February 2001 and within a short period, KAMC has been recognized as a distinguished healthcare provider.

The Emergency Care Center at KAMC is considered to be the best Trauma Care Center in the Kingdom of Saudi Arabia. It is ranked as the 4th Emergency Care Center outside the United States of America to provide (PHTLS) Pre-Hospital Trauma and Life Support program. Surgical and Critical Units include a Burn Unit, Surgical ICU, Endoscopy Unit, Operating Rooms, and Neuro-Surgical and Surgical Units.

CONTACT
P.O. Box: 22490
Riyadh 11426
Telephone No.: +966 1 801 1111
www.kfmc.med.sa
Saudi German Hospital Group is considered the largest private healthcare company in the MENA region. The first hospital started operations in 1988 in Jeddah. The group is a multi functional healthcare company considered a developer and not just an operator. It constructs its own hospitals and finances its developments with the support of local government and development banks. Saudi German Hospitals Group started in 1988 owned solely by the Batterjee family. SGH Group is now growing one hospital every year with 500 employees growth. SGH number of employees are now 3000 employees & growing at a rate of 16% a year.

**SAUDI GERMAN HOSPITAL**

Saudi German Hospital Group in Jeddah.

**KING FAISAL SPECIALIST HOSPITAL AND RESEARCH CENTRE**

KFSH is a hospital in Riyadh with 850 beds and approximately 8,500 employees. The hospital is the national referral center for oncology, organ transplantations, cardiac surgery, genetic diseases, and more. The Hospital has gained a worldwide reputation for its dedication to advancing medical science and research over the past 29 years and has established collaborative relationships with internationally recognized institutions. King Faisal Specialist Hospital and Research Centre offers emergency care and clinics for members of the Saudi Royal Family and other high-level VIP patients. King Faisal Specialist Hospital also maintains a facility in Jeddah.

**SAUDI PHARMA INDUSTRIAL & MEDICAL APPLIANCES**

Saudi Pharmaceutical Industries & Medical Appliances (SPIMACO) is a Saudi Arabia based pharmaceutical company focused on production of medicines & medical appliances. SPIMACO is a joint stock company that was established in 1986. SPIMACO is the Saudi Arabia’s major pharmaceutical manufacturer and the second-ranked drug company in the Kingdom. SPIMACO has developed a strong position in Saudi Arabia and is well positioned to sustain its growth and have a sound platform to serve export markets.

**KING KHALID UNIVERSITY HOSPITAL**

Founded in 1982, the facility is an 800-bed facility with all general and subspecialty medical services. It contains a special outpatient building, more than 20 operating rooms, and a fully equipped and staffed laboratory, radiology, and pharmacy services in addition to all other supporting services. The hospital provides primary, secondary care services for Saudi patients from Northern Riyadh area. It also provides tertiary care services to all Saudi citizens on referral bases. All care is free of charge for all King Saud University staff and students.

**KING FAHAD ARMED FORCES HOSPITAL**

The King Fahad Armed Forces Hospital is located in Jeddah. The Hospital provides a wide range of primary, secondary and tertiary medical services to members of the Saudi Arabian Armed forces and their dependents. The cardiac center is the only cardiac surgical facility in the western region.

**PRESIDENT & CEO**

Mr. Sobhi A. Batterjee

4, Batterjee Road, Al-Zahra District
Jeddah 21461
Phone: +966 2 682 9000
Fax: +966 2 683 5874

www.sghgroup.com.sa

**PRESIDENT**

Dr. Hussein Mohammed Ghannam

MBC-16 P.O. Box: 3354
Riyadh 11211
Phone: 966 1 464 7272 ext. 39455
Fax: 966 1 442 7791
kfhi@kfshrc.edu.sa

www.kfshrc.edu.sa

**CONTACT**

www.spimaco.com.sa

www.kfafh.med.sa

www.kfath.med.sa

www.ksu.edu.sa

www.medicine.ksu.edu.sa
Tabuk Pharmaceutical is the second largest domestic manufacturer with a 6.4 percent market share in 2009. The company formulates, registers, produces and markets generic, prescription and, recently, OTC drugs. Tabuk Pharmaceutical offers 86 branded generic drugs to 16 countries in the Middle East, North Africa, US and Europe, and its products were the first to be authorized for sale in European countries such as France and Denmark. It also produces eight innovative products under licensing for the Saudi market, in agreements with Japanese, Korean and European drug makers.

As we move forward to build on this storied past, and to serve more patients, stakeholders and communities, we intend to continue abiding by the highest ethical and compliance standards."

“...we are here to add a chapter in the history of medicine through developing, implementing, and practicing our vision and leaving a legacy that will be remembered for generations to come”. –Dr. Walid Fetaihi.

International Medical Center (IMC) is a top-standard privately owned multidisciplinary 300 bed hospital with a holistic approach to medicine and building a new culture with Islamic standards in healthcare. It features six centers of excellence - Children’s Health, Women’s Health, Pain and Headache Management, Diabetes, Musculoskeletal, and Plastic Surgery and Dermatology.

Is the Largest UK investor in the Saudi market which established production operation in 1992 and is currently the leading pharmaceutical company with 10.8 percent of market share. The company has a joint venture with local company Banaja Saudi Import, known as Glaxo Saudi Arabia, which has a 51 percent stake in the subsidiary.

“...we are here to add a chapter in the history of medicine through developing, implementing, and practicing our vision and leaving a legacy that will be remembered for generations to come”. –Dr. Walid Fetaihi.
If someone was to summarise what has happened in Saudi Arabia in the last years, that could well be Mr. Samy Nihad, Vice-president of Dar Al Najat Medical Technology, who says what used to be a very difficult country to work in has become a place where businessmen and investors are welcome and well treated.
Hand in hand for a
Healthier life
“It was frustrating at the beginning because people here did not appreciate time as westerns do. But now people here are changing. They are in a changing mode for the better and this is helping to ease doing business as well,” he continues. “The seed laid by the government in the education system is giving its fruits and now we can count with very good Saudi engineers working with us that excel in their jobs.”

Samy Nihad came to the country around 20 years ago under the auspice of his US classmate Mr. Yousif H Al-Hamdan, a successful Saudi politician and businessmen owner and president of Yousif H Al Hamdan Trading Co. Ltd. (YAHTCO). Under his umbrella, Nihad founded Dar Al Najat Medical Technology in 1998 as a Saudi Arabian private firm specialized in the supply, installation, operation and maintenance of various medical equipment & supplies.

“With a growing population and a lack of specialised hospitals and doctors, I admire the government of Saudi Arabia’s effort to try and tackle the healthcare needs of the society by investing a major part of the national budget in it,” explains Mr. Nihad. “But also the private sector is expanding – confirms Nihad. Since the implementation of the compulsory health insurance to the expat worker community in Saudi there are also major investments from the private sector coming up.”

Dar Al Najat supplies to both the government and non-government institutions to complete furnishing and equipping of newly built Hospitals and Medical Centres. Today Dar Al Najat is a well-established company registered and approved by the Ministry of Health as a provider of medical products and equipment. They represent a group of prominent international manufacturers that have long recognised the excellence of Najat in sales and its coverage round the kingdom. “Our best bet is our after sales service that counts with high qualified biomedical engineers specialised in maintenance and repair and also a good supply of spare parts to serve them,” says Mr. Nihad. “After sales brings customer confidence.”
“We sell to government and non-government sector and although the ratio is 80 to 20 currently we want to reduce it to 60 to 40 at least in the coming years”, says Najat’s founder arguing that diversification of customers is the key to success especially when the time lapse of the government tenders is too long or payments are delayed. He also complains that sometimes there are tenders too big for small and medium size companies to compete as they require big investment and can only be covered by two or three major companies in Saudi that also, commonly, deal with both, construction and supply which is “confusing”.

“We have established a company with good reputation and now I am building on this past experience to expand our business and to become one of the leaders of the sector. The medical sector is a prosperous business and it will continue to do so and even more professionally since the recent creation of the Saudi Food & Drug Administration by the Ministry of Health,” finishes Mr. Nihad.
As the birthplace of Islam and home to Islam’s two holiest shrines in Mecca and Medina, Saudi Arabia is largely known as a pilgrim destination. Every year over 12 million pilgrims enter the Kingdom to perform Hajj, Umrah or to visit the two Holy Mosques. Only during the Hajj period around three million people gather in Mecca. However, for non-Muslims, that cannot enter Mecca or Medina, the 1,2 million kilometres long last forbidden kingdom of Saudi Arabia also has a handful of untapped wonders to discover.

Probably the best known of all of them is Madain Saleh, a Nabatean city close to the border with Jordan in the North and considered to be as the smaller sister of world-known Petra. The second major tourist attraction of the country is the Empty Quarter, the largest desert of the world, which covers an area of 1,000 kilometres long and 500 kilometres wide. With sand dunes with heights up to 250 metres its natural beauty is unparallel.

Although rather hot at this time, one of the best moments to visit Saudi would be during April/May at the time of the National Heritage and Cultural Festival at Jenadriyah were one of the most famous camel races takes place: the King’s Camel Race with something between 20,000 and 30,000 spectators, and 2,000 camels and riders.

However, tourism infrastructure is not developed in Saudi and tourists are still rare in the country. Although the Saudi Commission for Tourism and Antiquities started to provide tourist visas a couple of years ago only for groups and under severe surveillance, it has become intermittent and scarce. Due to this, tourists in Saudi Arabia are mainly those that live in the country working as expats.
Saudi Arabia’s day-to-day life is deeply rooted in Islam in its most conservative appreciation. Although there is a famous Saudi saying that goes “It’s the culture, not the religion” which might just be the case, the segregation of sexes is probably the most visible and the most incomprehensible tradition to foreign eyes.

Following Islam and tribal customs, all women in Saudi are required to have a male guardian. They cannot drive a car and can only be driven by his driver or a proven relative. They cannot mix with men that are not part of their families and the only place in the Kingdom where they actually merge together is at the city malls. The practice there is to open the Bluetooth of the mobile telephone and communicate by messages to whoever is around.

There are no bars or clubs in Saudi. Cinemas are forbidden and social life is practically inexistence outside the doors of the family home. Young men in Saudi spend their leisure time either practising some kind of sport, having football as their favourite, driving up and down the city or relaxing at the sheesha cafes that abound.

All women have to wear Abayas, both nationals and internationals, which is a long black cloak covering the body from neck to toes and down to the wrists. Although there are increasing numbers of women do not cover their faces in the Kingdom recently, most women are expected wear the hijab (head covering) and a face-veil called niqab. Needless to say that women in Saudi have no empowerment whatsoever when it comes to politics. They cannot vote or be elected although they might be able to run and vote in the local elections slated for 2015.

A woman in a Saudi hotel cannot use the swimming pool or the gym for obvious reasons. Most restaurants have a male section where women are not allowed and the family section. Some of the restaurants offer curtain’s covered tables where women can enjoy their meal without their niqab and hijab on. In these cases, there is a bell on the wall to call the waiter when necessary and only after women are again fully covered.
In Saudi Arabia, the national dish is Kabsa: rice with chicken and lamb.

**Drinks**

Alcohol is also prohibited by law and is inexistent in the Kingdom. However, employees at the international embassies located in the country have their monthly allowance and embassies parties are a must for foreigners that live in the Kingdom.

The best-known drink in Saudi is the yellow coloured Arabic Coffee full of spices and served in a traditional small cup normally accompanied by dates. The Saudi Champagne is also very common and is made with sparkling water and fruits and left to macerate for a couple of hours and the lemon-mint drink, which is both refreshing and delicious.

**Shopping**

In Saudi Arabia everything is big and that stands also for malls. People use malls as either a recreation or a way of exercising in the air-conditioned giants. There are plenty of them spread in all the main cities and are open all day.

The souks are the alternative and traditional shopping experience where you can find incense, jewellery, richly decorated daggers and swords. The gold souk in Riyadh is not to be missed.

In Saudi shops close their doors at prayer time and open again once finished.

In Saudi Arabia also boasts an array of international haute cuisine restaurants and the world renown fast food firms from McDonalds to Pizza Hut. There is also a local fast food chain from Jeddah that has become ever more popular, Al-Baik.

The national dish is Kabsa: rice with chicken and lamb.
3 1/4 cups hot water
1 cube chicken bouillon
2 1/4 cups un-rinsed basmati rice
1/4 cup raisins
1/4 cup toasted slivered almonds

Kabsa Spice Mix:
1/2 teaspoon saffron
1/4 teaspoon ground cardamom
1/2 teaspoon ground cinnamon
1/2 teaspoon ground allspice
1/4 teaspoon ground white pepper
1/2 teaspoon ground whole lime powder
1/4 cup butter
1 onion, finely chopped
6 cloves garlic, minced
1 (3 pound) whole chicken, cut into 8 pieces
1/4 cup tomato puree
1 (14.5 ounce) can diced tomatoes, undrained
3 carrots, peeled and grated
2 whole cloves
1 pinch ground nutmeg
1 pinch ground cumin
1 pinch ground coriander

Salt and freshly ground black pepper to taste

Mix together the saffron, cardamom, cinnamon, allspice, white pepper, and lime powder in a small bowl, and set the spice mix aside.

Melt the butter in a large stock pot or Dutch oven over medium heat. Sauté the garlic and onion; cook and stir until the onion has softened and turned translucent, about 5 minutes. Add the chicken pieces and brown them over medium-high heat until lightly browned, about 10 minutes. Mix in the tomato puree. Stir in the canned tomatoes with their juice, the grated carrots, whole cloves, nutmeg, cumin, coriander, salt, black pepper, and the Kabsa spice mix. Cook for about 3 minutes; pour in the water, and add the chicken bouillon cube.

Bring the sauce to a boil, then reduce heat to simmer and cover the pot. Simmer until chicken is no longer pink and the juices are clear, about 30 minutes.

Gently stir in the rice. Cover the pot and simmer until the rice is tender and almost dry, about 25 minutes. Add the raisins and cover from heat. If necessary, cover and cook for an additional 5 to 10 minutes or until the rice grains are separate.

Transfer the rice to a large serving platter and arrange the chicken pieces on top. Sprinkle the toasted slivered almonds over the dish.
The second largest city after Riyadh located on west coast of red sea, is the major urban center of Saudi Arabia. Jeddah is an industrial and active commercial center with modern features, squares and courtyards. Eighty KM long beautiful Corniche on Red Sea Coast is the leading recreation point for local residents during the weekend. King Fahad Fountain became a landmark sending beautiful colored water up to two hundred and sixty meters. Excavations in the old city suggest that Jeddah was founded as a fishing hamlet in 500 BC and the archaeological studies have shown the area was settled earlier by Stone Age and visited by Alexander the Great in 356BC. There may be about dozen museums or collections with a wide variety of educational aim and professionalism. The historical area in Jeddah is an eminent and unique pattern for architecture with beautiful residential buildings, palaces, mosques and shopping centers still maintaining its urban heritage.
TAIF

Famous in agricultural production (grapes, pomegranates and red roses) Taif is located in western side of Saudi Arabia elevated about 2000 meters above sea level make it favourite summer resort. Pre and post Islam Fortifications, Mosques, Palaces and archaeological embankments indicate their date and history especially the Souk Okaz played a distinguished role in Arab poetry, literature and culture.

RIYADH

Situated in the center of Arabian Peninsula on a large plateau, Riyadh is the capital and largest city of Saudi Arabia. During the pre Islamic era the settlement at the site called Hajar reportedly founded by the tribe of Abu Hanifa. The old town of Riyadh within the city walls contains some significant architectural remnants and the most prominent is the Musmak Fort besides some traditional mud brick houses. The household of 800 people first major construction in 1937 beyond the walls was Murabba Palace later restored in traditional manners. There are other traditional towns in the area where the urban sprawl reached and currently encompasses including Diriyah, Manfuha and Wadi Laban to name a few. 1000 feet high Kingdom Tower is the tallest skyscraper in KSA and 36 tallest building in the world won 2002 emporis award.
DAMMAM

The most oil rich region in the world Dammam is the capital of eastern province. Within two decades of oil discovery the mud bricks huts of the fishermen had given way to the modern housing compounds. Tombs, remnants of dwelling and historical references indicate that the area was inhabited more than 2000 years ago, however most vestiges of human habitation buried by the encroaching desert sands. Panoramic view of natural beauty, Dammam Corniche is the most popular tourist attraction forms part of gigantic seaside project stretching from Aziza beach to Tarut Island expanded greatly during past three years. Aramco Exhibitions and National Museum is a MUST for visitors to the region. Twenty Eight KM long and twenty three meters high King Fahad causeway is another great landmark connects Dammam with Bahrain opened for transportation in 1986.

ABHA

The most popular tourist destination engulfed by clouds and surrounded by dense forests, Abha is the capital of Asir province situated 7200 feet above sea level towards south-western fertile mountains with excellent cool climate comparing to other Saudi cities. Handmade stone and mud homes still inhabited over 300 years looks like truncated pyramids with slight graduation from one layer to the next keeping the rain from saturating the walls and washing them away. Festivals and cultural events are organized throughout the year to attract visitors from across the country. Abha has a well known marketplace which is open daily busy with activity and people moving about for local bargains for fruit, vegetables and coffee beans. Among other items local specialty like Ornate Silver Bedouins Jewellery or hand woven baskets are amazing products to buy. To ancient Egyptians this region was known as the land of spices and incenses. To utilize the aesthetic potential several parks has been established and the most important among which is the Asir National Park and Hebla Park provided with cable lift service.
**HOFUF**

Closest to the world largest conventional oil field, Hofuf is the major urban center of Alahsa oasis towards eastern side of Saudi Arabia. Legend places this as the burial place of Laila Majnoo the star crossed pair of the most popular love story in the Arab world and queen of Sheba also visited this city. The area is dotted with millions of dates and palm trees and recognized as one of the world seven natural wonders. Ibrahim Fort, Camel Market and Traditional Souk are worth visiting for history and culture lovers. In the long history of this region Inhabitants have included the Kanomites, Jun Hermites, Tasmis, and Banu Abdul Qais. Juwana mosque is considered to be the second mosque built under Islam after the Prophet PBUH mosque.

**HAIL**

Largely agricultural with wheat, dates, barley, fruits, vegetables and irrigated gardens, Hail is an oasis city located in northwest of Saudi Arabia. There are several historical places and fortresses dates back to Othman era in addition to Thammadi artcifacts, Zubaida Route and ancient lakes and wells. Hail is also a transit point for Pilgrims heading towards Makkah from Iraq and Syria and the home town of generous Hatim Altai. International Hail Rally is one of the largest sports event on both regional and International arenas categorized as an official round at world rally desert championship held under the supervision of FIA, participated by the world champions. An annual festival also held in Hail where the cultural exchange takes palace, lined up with variety of programs, workshops, exhibitions to enlighten the public on desert life.
JOUF

The cradle of Nabatean and Assyrian culture, AlJouf is located in north side of Saudi Arabia, enriched with large number of historical and archaeological sites dates back to more than 5000 years. AlJouf is also famous for woven carpets, sword and dagger manufacturing besides orchards trees and high mountains slope.

MADAIN SALEH

Madain Saleh, also called AlHijir is a pre Islamic archaeological site located in the northwest of Saudi Arabia, dates back from first century CE, and constitutes the largest settlement after Petra by Nabatean Civilization. Traces of Liyanite and Roman occupation can also be found in Situ while accounts from the Quran tell of an earlier settlement of the area by the tribe of Thamud in the third millennium BC. Madain Saleh has about 130 dwellings and tombs carved out from the mountains extended over some 130 SKM which is now part of world heritage under UNESCO.
NAJRAN

Surrounded by Orchards and Rocky Mountains, Najran is located in Southwest of Saudi Arabia near the frontier with Yemen and is famous in agriculture with beautiful gardens, public parks, peaches, apricots, apples, grapes, lemon and oranges. 73 meters high Najran Dam provides an opportunity to the tourist to enjoy the unparalleled natural beauty on both sides of the dam. Historical artifacts available in the area include rock drawings and inscriptions particularly one can’t miss the Alakhdoor antiquities sites. The history of Najran could be traced back to 4000 years ago and the most prosperous trading time believed to be during first and second century BC.

TABUK

Located along Northwest coastline, Tabuk history dates back to 3500 years, since Madyan and Dedan inhabitance in the region mentioned in the holy books. Tabuk is well preserved with pre / post Islam historical monuments and archaeological sites including Prophet PBUH Mosque, Turkish Fort, Hejaz Train Station and Albida Inscriptions, Fahah Mountains, etc… Tabuk is also known for its agricultural products especially gladiola, lilies, statice and the most modern agricultural complex ASTRA FARM produce tomato, cucumber and lettuce.
TAIMA

An oasis located in northeast side of Saudi Arabia dates back to 8th century BCE is famous for Bir Haddaj Well, the oldest and largest well in the kingdom from Babylonian times. Taima used to be an important caravan stop for Muslim Pilgrimage arriving from Damascus and also known as an ancient agricultural town producing peaches, melon, pomegranate, fig and plum now a days. The area is enriched with historical and archaeological wonders including Alain Palace, Archaeology Museum, Alhamra Palace, cemeteries and Lihyante Inscriptions.

YANBU

Yanbu is a natural harbour located along western Saudi coastline dates back 2500 years when it was a staging point on the spice and incense route from Mediterranean region. The industrial city of Yanbu functions not only as a prominent port on red sea but also a community center for inhabitants. Yanbu diving is outstanding in terms of visibility and abundance of soft corals due to the strong current there. The reef consist of a sloping wall in most places that goes down around 100 feet or more before reaching a less sandy bottom.
The most popular hotel in Riyadh is undoubtedly the Faisaliah Hotel, located at the heart of the city in the Faisaliah Tower. It is a top-end hotel and one of the most exclusive places for gathering in the capital.
Al Faisaliah Hotel, A Rosewood Hotel

PO Box 4148, Olaya I King Fahad Road, Riyadh 11491, Saudi Arabia
T: +966.1.273.2000
F: +966.1.273.2001
Reservations: 888.ROSEWOOD
alfaisaliah@rosewoodhotels.com
www.rosewoodhotels.com/en/alfaisaliahhotel

Four Seasons Hotel Riyadh at Kingdom Centre

Kingdom Centre, P.O. Box 231000, Riyadh 11321, Kingdom of Saudi Arabia
Hotel reservations: +966 (1) 2115 888
Front desk: +966 (1) 211-5000
@FSRiyadh
Four Seasons Hotel Riyadh
www.fourseasons.com/riyadh

Riyadh Palace Hotel

PO Box 2691, Riyadh 11461, Saudi Arabia
T: +966.1.405.4444
F: +966.1.405.3725
rph@riyadhpalacehotel.com
www.riyadhpalacehotel.com

Mena Hotel Riyadh

26th Street, Olaya District, Riyadh, Saudi Arabia
T: +966.1.288.4433
www.mena-riyadh.com/riyad

Hotel Al Khozama, A Rosewood Hotel

Olaya road, p.o. box 4148, Riyadh 11491, Saudi Arabia
T: +966.1.465.4650
F: +966.1.464.8576
Reservations: 888.ROSEWOOD
alkhozama@rosewoodhotels.com
www.rosewoodhotels.com/en/hoteldalkhozama
RIYADH

FURNISHED APARTMENT

Marriott Executive Apartments Riyadh, Makarim

c/o Al Ma’ather Street, Al Wazarat District, Riyadh 11464, Saudi Arabia

T: +966.1.283.5300


JEDDAH

HOTEL

The Westin Jeddah

@ North Courniche, Jeddah, Saudi Arabia

T: +966.2.658.8200

www.starwoodhotels.com/Westin

JEDDAH

HOTEL

Jeddah Hilton

@ North Corniche Road, Jeddah, Saudi Arabia

T: +966.2.659.0000

www.placeshilton.com/jeddah

JEDDAH

HOTEL

Mövenpick Hotel Jeddah

@ Madina Road, Jeddah, Saudi Arabia

T: +966.2.667.6655

www.moevenpick-hotels.com/jeddah

JEDDAH

HOTEL

Crowne Plaza Jeddah

@ Al Maadi, Al Hamra, POBox 10924, Jeddah, Saudi Arabia

T: +966.2.661.1000

www.crowneplaza.com

JEDDAH

HOTEL

Hotel Mercure Grand Golden Jeddah

@ King Fahed Road sitten, near Al Yamama Gold Market, Jeddah, Saudi Arabia

T: +966.2.645.6666

www.accorhotels.com

WelcoMe to tHe KingdoM
Hotel Novotel Dammam Business Park

📍 Al Khobar dammam Highway, PO Box 5138, Dammam 31422, Saudi Arabia
Tel: +966.3.845.8888
www.accorhotels.com

Qasr Al Sharq, A Waldorf Astoria Hotel

📍 North Corniche Road, Jeddah, Saudi Arabia
Tel: +966.2.659.9999
www.placehilton.com/qasr-al-sharq

Sofitel Hotel

📍 Cornish Road, Al Sahil, Khobar, Saudi Arabia
Tel: +966.3.881.7000
www.accorhotels.com

Hotel Mercure Al Khobar

📍 Prince Turki Bin Abdul Aziz, St Corniche Al Khobar, Saudi Arabia
Tel: +966.3.898.9880
www.accorhotels.com

KHOBAR HOTEL

KHOBAR HOTEL

KHOBAR HOTEL

JEDDAH HOTEL

DAMMAM HOTEL
A chain of events has followed the Royal Proclamation decreed in 2008, which gave orders to identify, protect and maintain Islamic sites in the Kingdom. A program for the rehabilitation of ancient mosques was started by the Ministry of Islamic Affairs in partnership with the Al-Turath foundation. In April 2010, Saudi Arabia held the first international conference on Urban Heritage in Islamic Countries, hosting hundreds of participants representing more than forty countries. Only a few months later, Prince Sultan bin Salman inaugurated the exhibition ‘Roads of Arabia: Archaeology and History of the Kingdom of Saudi Arabia’ at the Louvre in Paris. The 350 artefacts on display brought together for the first time in history, making it the largest and most important historical exhibition on Saudi Arabia ever organised.

Indeed, apart from being the cradle of Islam and home of the twin holy cities of Mecca and Medina, Saudi Arabia also has a long and magnificent pre-Islamic heritage, which has been largely neglected in the past. “Saudi Arabia has always been known as the seat of Islam; it’s been known for its oil wealth and its economy; (more recently) it’s been known (…) for its political presence around the world and for its efforts to initiate dialogue between the religions. But Saudi Arabia has never been known for its ancient history. (…) The stabilising role Saudi Arabia plays in the world economy (…) is really built upon thousands of years of civilization,” commented Prince Sultan bin Salman bin Saud, Chairman of the SCTA in an exclusive interview with CNN.

Long before Lawrence of Arabia or Wilfred Thesiger ever made it to the Arabian Peninsula, many other civilisations had already left their mark on the kingdom. Strategically located as the hub of many ancient trade and pilgrim routes, the peninsula played a significant role in the development of civilisation, with evidence of human population stretching over a million years into the remote past. In the 21st century, as a major player in world politics and a member of the G20, Saudi Arabia is fully aware that in order to build the future, it must preserve its past.
Although there has been little previous interest in pre-Islamic heritage, archaeological remains actually date all the way back to the neighbouring civilisations of Mesopotamia, Iran and Egypt and the classic Greek or Roman civilisations. From at least the third millennium BC onwards, there were economic and cultural exchanges between the Gulf region and Mesopotamia. Later, Saudi Arabia became the crossroads of the incense route that travelled from Yemen to Gaza and Petra, and from there to all the exquisite palaces of the known world. Saudi Arabia was also a stop on the famous spice route that has connected China and India to the Mediterranean since Roman times. The strategic location of the peninsula favoured the creation of a number of wealthy cities, such as Daryat Al-Faw, Thaj or the mysterious Gerrha with its legend of gold and ivory palaces. Some of the objects found in these locations have a markedly Hellenistic style, including a mask, currently on display at the ‘Roads of Arabia’ exhibition, which closely resembles that of Agamemnon.

In the north of the country the city of Tayma became a major trade center after it took over the function of capital of the Lihyanite kingdom from nearby Al-Ulah. In the 4th century BC the Nabateans took the reins of the region. Originally based in the well-known city of Petra in Jordan, the Nabateans moved their capital to Madain Saleh in Saudi Arabia around the 100 CE, when Petra was conquered by the Romans.

Madain Saleh, known as Hegra in the Nabatean age, is for many the most impressive heritage site of Saudi Arabia - not only for its beauty, but for its history. There is proof of the presence there of Nabonidus, the last king of the last Babylonian empire in the first century CE, who retreated to the region to ‘meditate’, leaving his son in Babylon to rule. In the 2nd century CE, the Roman emperor Marcus Aurelius conquered the city, integrating it in the Roman Empire. Into that melting pot of cultures eastern and western, meeting point of traders and armies, Islam arrived in the 6th century CE. Gradually, the caravans filled with precious materials, spices and incense were substituted by pilgrims on their way to Mecca. As the cradle of Islam, Saudi Arabia is not only the owner of unique valuable Islamic sites and pieces of art, but also the keeper of the legacy left behind by millions of pilgrims on their way through the peninsula. Indeed, Saudi Arabia itself is a living museum and its most precious heritage stands as entire cities, some of them very well preserved. Such is the case of the desert mud and stone architecture of the first Saudi capital, Al-Diyya, capital of the first Saudi state (1744-1818). Although it is actually one of the best preserved villages in the kingdom, it is currently undergoing a thorough renovation. Given its national importance, it might soon be proposed as a world heritage site.
Prince Sultan bin Salman and the SCTA have embarked on an unprecedented effort to preserve ancient remains and restore the country’s architectural heritage, transforming the constructions into public spaces, whether cafes, museums or libraries, showcasing the country’s rich past.

“We believe it is essential to foster an atmosphere of understanding and pride of our heritage within the country as a critical component of our national identity, establishing new museums, both of general interest and thematic, including the Qur’an Museum in Medina, and restoring historic buildings associated with the Saudi state, that will be converted into cultural and educational centres for our communities,” Prince Sultan said in a recent speech.

Millions are being invested in cultural education in an effort to reignite the interest of youngsters in traditional arts and crafts. Teachers and students are being introduced to museums and heritage sites. Historic town centres, villages and markets are being restored either by the government or by private initiatives financed through soft loans and other incentives. Fourteen teams of archaeologists from local universities, assisted by international experts, are exploring ancient sites around the country. The King Abdul Aziz Foundation and Library, the King Fahd Library and the Al-Turath Foundation are collecting ancient manuscripts, artefacts and pictures to add to the archives of the kingdom’s history.

At the landmark 2010 International Conference on Urban Heritage in Islamic Countries, Saudi Arabia announced a national five-year program for the preservation and restoration of urban heritage involving local communities, supported by the Ministry of Municipal and Rural Affairs, the provincial governorates and other concerned authorities. “We must ensure through national public policy that we preserve our ancient Islamic urban heritage as it is a guide and an accumulated history, the seat and place of origin of the revelation of our Islamic religion. We therefore take great pride and honour to preserve our Islamic urban heritage not only for our generation, but for future generations, and last but not least as a source of learning and inspiration for our Islamic religion,” said Prince Sultan to the audience at the conference. “We have laid out the key foundation for the people’s acceptance of urban heritage in collaboration with the public and private sectors in order to make a real shift towards rooting urban heritage’s values in their minds,” he added.

All of these actions are designed to strengthen the sense of unity, ownership and belonging, especially among the young Saudi population in a period of fast growth and development. In the long run, it is also conceived as the creation of a national asset that will later boost a sustainable tourism sector. In recent years, Saudi Arabia has been investing heavily in tourism infrastructure, in an effort to make the country one of the most exciting tourist
destinations in the region. As the tourism industry grows, it will generate employment and revenues, thereby itself becoming a means of economic diversification: "Saudi Arabia has been moving on all tracks, in all directions to position itself and to correct the misconceptions. Correcting the misconceptions is not a marketing thing for us. It is really a future thing for us. We in Saudi Arabia are playing a huge role today in the world, a very positive role and this role is in fact becoming even greater as we move into the G20 countries, as we move into the dialogue of religions, as we move into the role Saudi Arabia plays in resolving regional issues. Saudi Arabia today is the cornerstone of political and economic happenings in the Middle East but also a player in the future of this world," commented Prince Sultan."
On July 13th, 2010, ‘Roads of Arabia: Archaeology and History of the Kingdom of Saudi Arabia’, a landmark exhibition of Saudi Arabia’s most precious ancient artefacts, opened its doors at the Louvre Museum in Paris. It has already attracted more than 10 million visitors rushing to see pieces of art that had never left the kingdom before. A gold-plated Ottoman-era door to the Holy Kaaba and a large rock stone with a more than 6,000 years old Arabic inscription are just two of 350 rare pieces on display. The itinerary exhibition will continue to travel Europe, the USA and East Asia.

Illustrating the different historic periods and civilisations of the Arabian Peninsula, the show highlights the role of the country as the cradle of Islam, but also carries a number of valuable pre-Islamic artefacts. A stone age tool of around one million years of age is the oldest artefact on display. Part of the exhibition is also dedicated to the three Saudi states, focusing on the age of King Abdulaziz Ibn Saud, the founder of modern day Saudi Arabia. The exhibition is part of a cultural exchange program between the SCTA and the Louvre Museum, which in 2005 exhibited its own Islamic art collection in the National Museum of Saudi Arabia.

As prince Sultan told CNN: “Many of the great civilizations emanated from Arabia. Islam, a great religion today, has emanated from this part of the world too. So when Islam came to Arabia, it didn’t come to an empty land or a void. It didn’t come on a blank sheet of paper. It came on the shoulders of great civilizations and that was intentional I believe. Islam came to the crossroads of trade routes that crossed Arabia from south to north and east to west, and Mecca was the place where Islam happened. The word of Islam spread from Mecca. Arabia has always been present in world history and the world economy at a certain point in time was literally run from Arabia.”
EXTRAORDINARY ARCHAEOLOGICAL SITES IN THE KINGDOM OF SAUDI ARABIA

**Madain Saleh**  
(*200 BCE-106 CE*)
A great Nabatean city similar to Petra in Jordan, and located only a few hundred kilometres from it. Offering extraordinary tomb facades that are a vivid testimony of the greatness of the Nabatean culture, it was the first UNESCO World Heritage site of Saudi Arabia.

**City of Taima**  
(*1200 BCE*)
The capital of the Babylonian Empire during the reign of King Nabonidus, the City of Taima was an ancient oasis on trade routes, famous for its defensive walls.

**Rock Engravings in Jubbah**  
(*7000-BCE to the present*)
The rock engravings of Jubbah, unique in the country, are located in the Nafud dunes of northern Saudi Arabia. The government is contemplating submitting the Jubbah site to UNESCO for consideration as a World Heritage site.

**Darb Zubaydah**  
(*7th Century BCE*)
A great monument of the early Islamic period, built under the Abbasid Caliphate on the pilgrim road linking Kuffa to Mekka, it is one of the most impressive Islamic antiquities left in the country.

**Qaryat Al-Fau**  
(*300 BCE-400 CE*)
An archaeological site rich in pre-Islamic bronze sculptures discovered and excavated by archaeologists from King Saud University.

**The town of Al-Diriyya**  
(*1744-1818*)
The historic capital of the kingdom, it is one of the largest surviving settlements in the country to preserve, the traditional desert mud and stone architecture. Al-Diriyya is now being restored and has been proposed as a world heritage site.
Located in the middle of the Arabian Peninsula and born out of the desert sands, Riyadh has become one of the busiest business capitals in the world where tradition and modernity, highways and breathtaking landscapes mix perfectly. Riyadh is a city of contrasts where you can find the best Ferrari running next to cars that are almost falling into pieces. It has small traditional coffee shops and endless souq aisles next to the most impressive and huge shopping malls and outstanding luxury hotels and restaurants.

With over 5 million inhabitants in the heart of the city and over 7 millions in the entire region, Riyadh extends over an area of 1,500 square kilometres, roughly the size of a country like Estonia. Except from the famous King Fahad road, the most important driving artery of the city connecting North and South where all the high-rise modern buildings are, Riyadh is structured with low rise buildings that create an extraordinary vision as you land in the capital. If there is something they have in abundance that is land…. The Gardens, which is the unusual meaning in Arabic for a desert city like Riyadh, is in the heart of the recent history of Saudi. It all started in nearby Diriyah—now under strict renovation—where the Saud tribe was born. In 1744 Mohammed bin Saud formed the first alliance with the cleric Mohamed bin Abdel Wahhab to fight out the Ottomans but it wasn’t until 1932 that they were finally able to recapture the city and announce the creation of the modern Kingdom of Saudi Arabia, with its capital in Riyadh and with King Abdullah bin Saud at its leader.

If you are planning a trip to Riyadh, don’t forget to check out for the weather. Summers can be very very hot and dry. However, during the winter, it can get chilly at night. That’s to say, go in March!
10am

After a good breakfast start the day by enjoying the city from the viewing platform of the landmark of Riyadh, the Kingdom Centre tower. Located in Olaya, the business district of Riyadh, it goes up 99 floors or just above 290 metres. Owned by the Saudi Prince Al Waleed bin Talal, and built at a cost of roughly USD400 millions it is a piece of architectural art. Take the elevator and reach the 56 metres long sky-bridge at a breathtaking speed of around 180 km/h to the 99th floor. Then, relax and enjoy the view.

11am

As you might already be ready for adventures, a desert trip may be the best way to get you ready for a good typical lunch afterwards. Driving only half an hour South of downtown Riyadh you will be jumping along the desert and up and down the dunes until you end up in one of the most amazing views of Riyadh that people call “The end of the World”. High rocky mountains compete with the desert landscape and you can feel here the traces of history walking up the stairs built centuries ago by the Ottomans. Drive then to Diriyah, the first capital of the Kingdom and the place where it all started up to the unification of the Kingdom. Diriyah is the house of the Saudis and is currently undergoing a massive renovation following the most ancient techniques to preserve the heritage hidden in it.

13pm

You must be very hungry now. So why not enjoying a typical Saudi meal at Najd Village? It serves Saudi food in a Saudi setting (designed like a central-region village) and it is certainly almost unique in the Kingdom. It’s the perfect place to sample kasba (meat with rice), or the Najd region speciality, hashi (baby camel). The set menu includes 14 different mains, coffee, dates and even bachoor (incense). Prices are reasonable and locals love it!

15pm

No siesta at this time. Just a few more historical visits. The Masmak Fortress that dates back to 1865 is one of the most significant monuments in the country. Not far from it, you will smell the incense aroma coming from the old souq, Swords, gold, carpets and very antique objects can be found in the narrow aisles of Riyadh’s souq. If you still have time and are not already exhausted, the Murabbah Palace is worth visiting. It was built in 1946 by the first King of Saudi Arabia, King Abdul Aziz.

19pm

Walking through the corridors of the National Museum will help you understand better the Saudi History with a unique state of the art display of Saudi Arabia’s past and current history. You will be guided through Saudi Arabia’s heritage through old manuscripts to the oil industry start up.

The Museum is located in King Abdulaziz Historical Centre created to disseminate the history of the peninsula and Islam. The two story building occupies 17,000 square meters. It consists of eight major halls each of which provides an independent objective presentation. These halls are arranged in a historical succession where each one has its own architectural design.

21pm

End the day with a delicious dinner and amazing view at The Globe Restaurant, located in a crystal ball at the top of the second tallest tower in the Kingdom, Faisaliah Tower. Its exceptional Modern European cuisine is complemented with an unparallel set up in Saudi and a spectacular panoramic view of the city of Riyadh below.

Just one more tip. Before your dinner you can stop by the Cigar Lounge set in the highest point of the Al-Faisaliah Tower where you can have tasty Beluga caviar and with some non-alcoholic Saudi champagne.
A weekend away in
DOHA
EZDAN
HOTEL & SUITES
Qatar, the future host country for the World Cup 2022, is undergoing a massive development that will see the birth of entire new cities, a multimodal transportation system and dozens of new hotels and entertainment spaces opening. But one element has remained intact since its opening right after the Asian Cup in 2006 and has become one of the capital Doha’s landmarks: the towers of Ezdan Hotel & Suites, located in the West Bay area, close to downtown and the Doha Exhibition Centre. Ezdan Hotel & Suites is a subsidiary company of Ezdan Real Estate Company, one of the biggest companies by market capitalization in Qatar, owned and chaired by Sheikh Thani bin Abdulla Al-Thani. It is one of the largest complexes in the Middle East and the only hospitality facility in Doha large enough to meet the residential needs of major conventions as well as business and sports events.

Ezdan Hotel and Suites, which was opened on March 1st, 2007, consists of four towers offering spectacular city and sea views. Three towers contain serviced apartments, 1,500 studios, one-, two- and three-bedroom flats. The fourth tower combines a four-star hotel offering 200 rooms and suites with 344 more serviced apartments, bringing the complex’s maximum capacity, short and long term lease combined, to 4,311 rooms. Satellite and internet connectivity is offered in all units and residents have access to swimming pools, health clubs, spas, salons, supermarkets, food courts and restaurants. The complex further contains a conference centre with six banquet halls.
Ezdan Hotel & Suites’ distinctive character lies in its huge dimensions and its ability to accommodate large groups. It has become a favoured destination of sports associations and local and regional sports teams who appreciate its wide range of facilities and its capacity to provide quality service to thousands of residents simultaneously.

Ezdan is more than a hotel. Hundreds of expats call the complex home, with large transnational companies electing to house their employees in this unique environment with all facilities at hand. Tourists also appreciate the convenience of staying at Ezdan as its location in the heart of the city and its excellent price-quality ratio make it the obvious choice. 60% of Ezdan occupancy is made by long-term corporate clients, people who actually live and work here in Doha. For short-term stays, one of our towers contains a four-star hotel and serviced apartments.

The Ezdan Real Estate Company has recently unveiled a new project in West Bay, Doha, which is to include four residential towers with medium to large-sized apartments in addition to commercial and entertainment facilities. Hotel apartments are also planned.
Ezdan Hotel & Suites is located in the West Bay area at the heart of the downtown and close to the Doha Exhibition Centre.
F&B CONCEPTS

Cherry Berry Coffee Shop
(Lobby of tower 4)
Coffee Shop, Bakery and All Day Dining with Lunch and Dinner menus (open 24 hours). Serving freshly brewed coffee, delicious home made French and oriental pastries, cakes and sandwiches, Room Service deliveries.

Pool Grill (4th Floor)
Located steps away from the Swimming Pool on the 4th Floor. Snacks, light meals and drinks.

Ungaare (4th Floor)
Specializes in Seafood and World Cuisine

Al Rafale Restaurant (4th Floor)
Traditionally cooked Arabic and Lebanese Food.

Colombiano Coffee House
(4th Floor)
Pastries, cakes and drinks.

Coffee Counter in Towers 1 and 2

BANQUETING

The Convention Centre is located on the Ground Floor of the Third Tower next to the Lobby area with easy access from different directions. The Convention Center at Ezdan Hotel & Suites was purposely designed for large and small congress. The banquet / conference rooms offer a flexible configuration, with a multipurpose room featuring wireless communications connectivity.

EZDAN Hotel and Suites is the place to stay when doing business in Qatar. Three Towers are serviced apartments comprised of 1,500 units - studios, one, two or three-bedrooms; while the Fourth Tower is a combination of a four-star hotel and serviced apartments having 200 rooms/suites and 344 apartments respectively. Rooms are equipped with satellite and Internet connectivity.

Ezdan Hotel & Suites is ideally located in the West Bay area of Doha, in the heart of the new business district, 5 minutes walking distance to the Corniche, 10 minutes to the biggest shopping mall in the city and 15 minutes by car from Doha Airport.

It offers long and short-term leases. The complex is elegantly designed with spectacular city and sea views. Its maximum capacity is 4,311 rooms in total.

The complex comprises of a Swimming Pool, Health Club, Supermarket, Spa, Male and Female Salons and several types of restaurants in the Food Court around the Pool. Recently Ezdan Hotel & Suites has also opened the Conference Centre with six Banquet Halls.

Ezdan is like a city itself. Visitors will be able to enjoy a meal in one of the different restaurants, go for a drink, do their shopping and work out at the Health Club. People will be able to enjoy the best services without leaving the complex.
استمتع معنا بالعروض الرائعة

الخليج الغربي، الدفنة، الدوحة، قطر

هاتف: 00974-3-3131919 - 1919696333 - 3131919691633 (3467)
فاكس: 00974-43439791

www.ezdanhotels.com • E: reservation@ezdanhotels.com
Following is a story of self-made South Asian entrepreneur. Think of top South Asian businessmen in Bahrain and the name of Mr. Mohammad Younis will just spring to your mind. But have you ever wondered what special qualities took him to the top of his respective business tree? He shares several common characteristics with other successful business entrepreneurs who have enjoyed a spectacular rise to riches from humble beginnings.

Find me in Saudi investigates what it takes to run a business empire, and shares the secrets of Mr. Mohammad Younis success.

The world of business can be incredibly cutthroat, high powered and difficult to break into. So where do you start if you have dreams of becoming a successful businessman?

Behind a famous award-winning company is humble top businessman, Mohammad Younis.

His fortune was not made through a lucky lottery win, nor did he inherit it. He started with nothing and has worked his way up to a business empire.

Born into a mid-class society, eldest and the bread winner who is determined to lift up his family Mohammad Younis took his courage and left his homeland to fulfil his dreams... in Bahrain.

Mohammad Younis hasn’t forgotten where he came from though. It makes him more grounded and realistic. He believes in “longevity” rather than the “one big cash-in”.

He arrived and started as a labourer in a construction site and worked hard under the blazing heat of the sun, picking up bricks from dusk till dawn. But as far as his strong-willed is concerned, Mohammad Younis did not lingered into being just a construction worker but soared up high to be one of the realty agents and later on put up his own real estate company.

“Having a clear goal and vision is one of the key to your success. You’ve also got to be incredibly focused and driven to make it in the business world while keeping your feet still on the ground “ says Mohammad Younis. “When you’re young, you’re kind of fearless, you have the ability to take risk, and that has contributed a lot to my growth in business,” he added.

Landmark Bahrain is real estate Development Company who has built a number of residential and commercial properties, and is still establishing new projects all the way to Juba, republic of south Sudan. He says construction is in his blood. He also attributes his success to his three adoring kids especially his elder and only daughter Madeeha. And rock steady wife. Now he is in a process to expand his business to the shores of east Africa and in particular south Sudan.

His daughter Madeeha is the one who’s looking after his business even up to the smallest details ensuring the high standard quality of the company is being given and running shoulder to shoulder with him to reach acquired results.

His brand Serene Landmark has also won the prestigious CNBC Arabian Property Awards, which states his dedication, professionalism and commitment to the community. He strongly believes in the word “family” which is a focal point of his business philosophy as well as his personal life.

He also invited us to visit south Sudan with a sparkle in his eye to show his achievement’s over there as he was the first businessman to visit south Sudan from Bahrain and established himself over there since its inception.
Art of living

Exotic interiors which are in harmony with the landscaped surroundings offering havens of space, comfort and serenity

Serene Landmark
P.O. Box 20139
Manama, Kingdom of Bahrain

www.serenelandmark.com
info@serenelandmark.com
stayin@serenelandmark.com
+973 17 35 43 64, 3632-7700
A weekend away in Bahrain
There are always two sides of a story when it comes to investment. With the precarious financial conditions globally and a difficult 2011 locally most companies have decided to put on hold their investments until they see a more favourable environment for them. Others, on the contrary, take it as an opportunity to invest and get prepared for the better times that will come ahead. Such is the case of the Golden Tulip Bahrain Hotel in Manama that is undergoing a millionaire thorough renovation that will undoubtedly put it on the list of best five stars hotels in Bahrain to stay.
There are always two sides of a story when it comes to investment. With the precarious financial conditions globally and a difficult 2011 locally most companies have decided to put on hold their investments until they see a more favourable environment for them. Others, on the contrary, take it as an opportunity to invest and get prepared for the better times that will come ahead. Such is the case of the Golden Tulip Bahrain Hotel in Manama that is undergoing a millionaire thorough renovation that will undoubtedly put it on the list of best five stars hotels in Bahrain to stay.

It was not enough for the Golden Tulip Bahrain having the Island’s best Friday brunch in town, probably thanks to the good culinary taste of its renowned chef that attracts locals and foreigners equally in a first-class friendly environment. It was not enough either having one of the best locations in town near everything that matters, from the financial centre to Manama’s Souk and only seven kilometres away from the airport, or to face the World Trade Centre, the landmark building of Manama, that lights up the guests rooms at night with its neon illumination. The brand still wanted to transform the hotel to the best possible choice in town and went on with the renovation despite it all.

“We started the new renovation at the beginning of February 2011 and we finished it by April 2012”, says Abdul Rahim Al Sayed, Acting General Manager of the Golden Tulip Bahrain Hotel.

With a hefty investment, the hotel has now a new reception area that welcomes guests with a fresh look and brand new furniture. The restaurant, that was already a very famous spot in Manama, is now transforming the eating culture in town and is becoming ever more famous with the well-known Wednesday’s Seafood night.

“We are very famous in outside catering and we work for major companies and Government Offices in Bahrain. Our food standard is second to none. We follow our customer needs be it Arab, French, European or Indian. Besides, there is our Friday brunch, which is very famous in Manama. We are quite busy during our Brunch and other theme nights so we have extended the lobby and the restaurant overlooking the swimming pool to provide our guests with more and better space”, says Al Sayed.

To promote the Golden Tulip Bahrain Hotel, the brand is offering different discount packages for Eid, Christmas and New Year catering to the GCC market. “We have many loyal customers from all over GCC that like to come and spend the weekend or holidays with us and we want to give something back to them by offering premium discounts” states Mr Al Sayed and continues “we also offer special discounts to the employees of SAUDI ARAMCO subsidiaries and affiliates on presentation of their ID Cards”.

“We started the new renovation at the beginning of February 2011 and we finished it by April 2012”
The brand is managed by the Flamingo Hotel Management Company in the MENA region since 1999 that has been able to expand the chain and grow it from only one Golden Tulip at that time to over 58 hotels presently expanding from Algeria to Dubai. “We have six hotels in Tunisia, around 16 in Saudi Arabia, three in Dubai. We have properties in Oman, Ras al-Khaimah, Sharjah and Jordan and we are opening a new one in Algeria next year” explains Al Sayed.

The key of the success of the management company and the brand stands at its very core nature. “We are very popular in the GCC because our management is very accommodating with local investors and have managed to get our brand known in the region in a record time, states the Acting General Manager of the Golden Tulip Bahrain Hotel, Manama.

Despite the troubled times in the MENA region the brand is not only growing in numbers but also in quality with heavy investments in both, new hotels or renovations. In Bahrain specifically the Golden Tulip keeps improving and expanding.
The hotel opened doors in 1975 and was first renovated in 2008. It features 250 air-conditioned rooms, including 21 deluxe rooms, 40 executive rooms, 18 suites, 2 restaurants and a bar. It also offers banqueting and conference rooms, outdoor catering, a fully equipped health club; a temperature controlled swimming pool and a tennis court. All rooms of the Golden Tulip Bahrain Hotel are fitted with hair dryer, mini bar, direct dial telephone, voice mail, internet connectivity and wireless, 60 channels satellite TV, tea and coffee making facilities. Disabled and non-smoking rooms are also available. The executive floors’ rooms are luxuriously furnished with 32” flat screen TV, contemporary furniture and marble entrance. The executive lounge, situated on the 5th floor, comprises a business centre with wireless Internet facility, secretarial services and a private meeting area. People can chill out and unwind at the C. Club Sports Bar after work with a nice combination of cocktails and food that opens until 2.00 Am everyday or try the most famous Japanese restaurant in Manama, Kei, located on the ground floor of the hotel and the people’s choice when it comes to authentic Japanese food.

The executive floors have been completely renovated and now the plan is to start renovation the rest of the floors too coming up with an outstanding offer that will give the visitors real value for money. “We are going to create a brand new image, more sophisticated and luxurious”, the hotel manager says. In the past two years The Golden Tulip Hotel has renovated the executive lounge, the massage rooms, the bar and now the reception and the restaurant.

But, although all these upgrades will enhance the hotel and attract more people to stay in, the truth is that the most important asset the property has is its staff. From the cleaning lady to the barman and from the receptionists to the security guard everybody has a smile to share with the guests. They will call you by your name and know your most particular tastes.

The renovation project also includes improving the quality of life of his people by refurbishing their own spaces.
New luxury, New experience

let’s
meet
again
by golden tulip

Your memorable events’ address in Bahrain.

Prepared to satisfy you with the perfect venues for all your needs.

Whether it’s a business meeting, a conference or a wedding, Golden Tulip Bahrain Hotel puts at your disposal its meeting rooms & ballrooms which are equipped with the latest to meet your needs and make your event a successful one.

Old Palace Road, P.O. Box: 1090, Manama, Kingdom of Bahrain
Tel: +973 17 535 000, Fax: +973 17 532 071, Email: info@goldentulipbahrain.com
www.goldentulipbahrain.com Facebook.com/goldentulipbahrain.com

NOW
25% DISCOUNT
*ON PRESENTATION OF THEIR ID CARDS*
it’s a land of opportunity!

The Saudi British Economic Offset Programme brings together overseas companies with local Saudi partners to develop new profitable business opportunities. British Offset offers a unique package of advice, support and project financing to companies interested in starting new joint ventures in Saudi Arabia.

Wherever you might be from, if you have an idea, we want to hear about it.

In the United Kingdom
British Offset Office
4th Floor, Cromwell House
Dean Stanley Street
London SW1P 3JH
Tel: +44 (0)30 6770 2349
britishoffset@dgsap.mod.uk

In Saudi Arabia
British Offset Office
P.O. Box 1003
Riyadh 11431
Tel: 00966 (0) 1 445 9400 ext 3436
Fax: 00966 (0) 1 445 9406

www.britishoffset.com
Now you can check-in and book your ticket through your mobile or via our website