

Saudi Delegation Seeks Foreign Investment

Noozz Editorial
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Today sees the second round of the Saudi Government's promotion of investment opportunities in the Kingdom. The forum is being held in Manchester at the city's Town Hall.

A similar forum titled "Trade and Investment Opportunities for British Companies in Saudi Arabia" was also held in Edinburgh on 24th of January. The event was presented by the Committee on International Trade of the Council of Saudi Chambers of Commerce and Industry (CIT) and was attended by prominent Saudi and British diplomats and businessmen. The event was supported by a number of leading business organizations, such as the Arab British Chamber of Commerce.

Saudi Arabia's Ambassador to the United Kingdom and Ireland, HRH Prince Mohammed bin Nawaf, HRH Princess Lolowah Al Faisal, Member of the Committee on International Trade, Sir Sherard Cowper-Coles, British Ambassador to Saudi Arabia and Jeffrey Culpepper, CEO of Deutsche Bank, Saudi Arabia were some of the distinguished delegates attending the forum.

The main purpose of the forum was to attract foreign direct investment (FDI) to the Kingdom. Saudi Arabia has recently been experiencing an economic boom spurred by high global oil prices. The Kingdom will spend \$624 billion over the next fifteen years on various infrastructure projects and seeks to develop partnerships with British companies to carry out these works. Spending will be targeted at a variety of sectors including the oil and gas, petrochemical, power and water, transportation and mining industries. British companies have a long history of doing business in Saudi Arabia. Since 1985 BAE has been supplying Saudi Arabia with Tornado fighter jets and the company recently signed a deal to provide the Kingdom with the new generation Eurofighter. This deal alone is believed to be worth around \$10.6 billion.

Omar Bahlaiwa, Secretary General of CIT, when asked if Saudi Arabia offered any specific opportunities to Scottish companies, said there were many opportunities for Scottish companies to do business in the Kingdom adding that "It is up to Scottish companies, not to explore these opportunities from Glasgow or Edinburgh, but to come out to Saudi Arabia to explore the opportunities for themselves". Mr. Bahlaiwa added that the Kingdom offered large, medium and small investment opportunities.

Under the leadership of HRH King Abdullah Bin-Abd-al-Aziz Al Saud, Saudi Arabia has embarked on a steady reform process. These reforms have been far reaching, changing the country's laws and regulations enabling the Kingdom to become much more accessible to international businesses. In December 2005, Saudi Arabia became a member of the World Trade Organisation (WTO), which has made it even easier for foreign firms to do business in the Kingdom. As Hussein Al-Athel, Secretary General of the Riyadh Chamber of Commerce and Industry pointed out, to obtain a visa to enter the country only takes a day, removing the final obstacle potentially delaying business opportunities. The World Bank also recently ranked Saudi Arabia as having the best overall environment in the region for doing business. The liberalisation of the financial policy has also increased the country's privatisation process. For instance, there are plans to privatise Saudi Arabian Airlines, which has

the Middle East's largest fleet of aircraft. However, Sami Al-Mukhaizeem, a Director at Saudi Aramco, in regards to the country's privatisation process, said "We don't want to bite off more than we can chew."

The Kingdom offers huge investment opportunities in the oil and gas, petrochemical, transportation, infrastructure, mining, construction and financial sectors. Saudi Arabia plans to spend \$1 billion a year, for the next five years, on upgrading and expanding the country's refining sector in order to meet the increasing demand for petroleum products from Asia, Western Europe and North America. In addition to the refining sector, opportunities also exist in equipment manufacturing, seismic drilling and engineering services. The pre-qualification process has already begun for the Saudi Landbridge project, a 3,000 km railway link which will connect various mines and ports to Saudi cities. The project is due to be offered out to tender in the second quarter of 2007.

One of the event's highlights was HRH Princess Lolowah Al Faisal's address to the forum. During her speech Princess Lolowah touched upon the developing and prominent role of Saudi women in the Kingdom and stressed the historic Saudi-British relationship.

The Kingdom's security climate was discussed by many of the speakers during the event. Saudi officials, including HRH Prince Mohammed bin Nawaf, stressed the great steps the Kingdom had taken to defeat the threat of terrorism. Since 2003 Saudi security forces have been battling against terrorism and in recent times have had great success in eradicating the threat. As Hussein Al-Athe noted, Saudi Arabia is a safe place with which, and in which, to conduct business. British Ambassador to Saudi Arabia, Sir Sherard Cowper-Coles also pointed out that Western countries could learn a lot from how Saudi Arabia has tackled terrorism.

Following the Manchester event, CIT also plans to host a similar forum in Germany by the end of this year with conferences in Canada also being a possibility.

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