

OPPORTUNITY ARABIA 8

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SAUDI ARABIA – LAND OF OPPORTUNITIES



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Positive Economic Outlook

- **Budget Surplus**
- **Booming Economy - > \$1 bn / day revenue**
- **Business diversification – private sector growth**
 - **Significant Investment in Infrastructure**
 - **Growing Population – increased demand**
 - **Financial Stimulus - \$150 bn**

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SAUDI ARABIA – STRATEGY/OBJECTIVES

1. **LARGEST WORLD PRODUCER OF PETROCHEMICALS (110 MM MT/Yr by 2015). DOMINATE WORLD PETROCHEMICAL MARKETS (FOCUS FAR EAST/SOUTH ASIA)**
 - **SABIC: 40 – 72 MM MT/Yr by 2012**
 - **ARAMCO: 10 MM MT/Yr by 2012**
 - **Private Sector: 4 MM MT/Yr – 18 MM MT/Yr by 2015**
2. **DIVERSIFY INDUSTRIAL BASE (MORE JOBS/PROSPERITY)**
 - **Move manufacturing capabilities more downstream**
 - **Develop mining of mineral resources**
3. **CREATE INTERNAL/FOREIGN INVESTMENT OPPORTUNITIES**
4. **DEVELOP INFRASTRUCTURE (TRANSPORT, RAIL (LAND BRIDGE, HOSPITALS ETC.))**

AGGRESSIVE GOALS!!

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MAJOR MARKET OPPORTUNITIES

Oil, Gas & Petrochemical

- ARAMCO - Equip/Materials (\$19 bn budget)
- Services (\$ 23 bn budget)
- SABIC - Capital commitment \$ 21 bn

Training & Education – Ministry of Education allocated \$26 bn
(Universities, Colleges, Schools)

Power and Water - \$100 bn capital investment over next 20 yrs

Mining (Ma'aden) - Mining equipment, Machinery, Technical support

Transport – Road and Rail (Land bridge)

Banking and Insurance

Services - Environmental, Security, Engineering, Technical, etc.

Retail - Largest economy in ME. Multi \$bn market potential

Significant Activities in EP

- Exploration: Aggressively searching out additional oil/gas reserves (Even in Rub Al-Kali)
- Refining: New Export refinery in Jubail (\$ 6 bn)
- Petrochemicals:
 - Jubail II in progress – 25 new World Scale Industries. Total investment \$68 bn.
 - ARAMCO \$ 20 bn Petrochem JV with DOW in progress
- Mining:


New mineral City (Ma'aden) at Ras Al-Khair. Producing Phosphate & Aluminium. Industrial facilities, infrastructure, deep sea port and 1200 km rail link. Capital investment \$ 25 - 30 bn.

DOING BUSINESS IN SAUDI ARABIA – POSITIVES

- **Strong Competitive Economy (WEF - # 21)**
- **Ease of Doing Business (World Bank rated 11 / 178)**
 - **Demand for Expertise not just Investment**
 - **Friendly Working Environment**
 - **Strong Saudi-British Relations**
- **Good Support on the Ground (Embassy & BBG's)**

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DOING BUSINESS IN SAUDI ARABIA – CONSIDERATIONS

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- Cultural Awareness
 - Exchange Rate Fluctuation (SR6=1UKP)
 - Local Partners and Bureaucracy
 - Saudization
 - Personal Safety & Security
 - Need to Visit and Build Relationships

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THE NEXT STEP

If you have a commercial interest in the Saudi Market – It is time to make a visit.

- **Resources (UK): UKTI, MEA or Local Chamber**
- **Resources (KSA) – Commercial Offices, British Embassy**
 - **British Business Groups (700 members)**

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