

UK TRADE & INVESTMENT SAUDI ARABIA

Chris Innes-Hopkins
Director UKTI, Saudi Arabia

VISION & STRATEGIC PROGRAMMES

VISION

- Economic Diversification
- Development of Human Resources
- Expansion of public services
- Promoting the private sector as a key partner
- Streamlining and modernising the governance structures of the public sector

Privatisation

- Desalination, Water & Wastewater
- Power
- Mining
- Telecom

Diversification

- Economic Cities
- Clusters Programme
- Encouraging foreign investment in different sectors

Local Content

- Transfer of Technology
- Saudisation – Netaqat
- Education and training
- Knowledge transfer & innovation

INVESTMENT INCENTIVES & OPPORTUNITIES



- Access to large domestic market and 50 million potential GCC consumers
- 100% foreign ownership in most sectors
- No personal income tax
- Corporate tax - 20% on profits
- Customs Exemption for machinery and raw materials for manufacturing.
- SAGIA facilitating role.
- Favourable terms for industrial projects in regions
- No restriction on repatriation of profits.

Niche goods & services
Quality & VFM

Innovation
Technology transfer & Partnerships

Commitment
Reliability
Integrity

To make money !!

- Good opportunities for the right UK companies to win new business, currently more than 200 UK/Saudi JVs.
- Saudis want long term partners who share the same vision and willing to invest in KSA

EDUCATION & TRAINING



- Ms Mumtaz Abdullah, Senior Trade Officer, Education & Training
 - The 2010 budget was \$36.7 billion (25% of the total Saudi Budget)
 - The 2011 budget is even higher by 8% (\$39.6 billion)
 - **RECENT PROJECTS:**
 - TATWEER(Education reform)
 - KING ABDULLAH SCHOLARSHIP PROGRAM
 - PRINCESS NOURA UNIVERSITY
 - Expansion of technical and vocational training
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HEALTHCARE

- Mr Syed Zaman, Senior Trade officer Healthcare
 - The 2010 budget was \$16.3billion
 - The 2011 budget was \$ 18.3billion and in March 2011 an additional SR 16 billion was allocated bringing the total allocation to (\$22.6billion)
 - **NEW GOVERNMENT PROJECTS :**
 - Building of 12 new hospitals & Primary care centers
 - King Abdullah Centre for Tumors(SR906 Million)at King Faisal Specialist Hospital
 - Establishing medical colleges and hospitals at all the Kingdom's 24 government universities
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Mass Transport

- Abdul Muqtadar, Trade & Investment Officer Ports & Rail

RAIL SECTOR:

- 450 km High Speed Mecca-Medina Rail Link in progress. Project Management support by Scott Wilson (£14.5m contract).
- Jeddah Airport Tram system. US \$ 96m contract awarded to Bombardier-UK.
- Dual high-speed railway line between Riyadh and Dammam. Contract awarded (US \$ 100 million) to Archirodon. To be linked with Jeddah-Riyadh Landbridge project (tender awaited)
- Makkah Railway Network: Train network in the Holy City, estimated cost US \$ 2 bn. Project to be offered for bidding in the last quarter this year.

Mass Transport

PORTS:

- ❑ King Abdullah Economic City (KAEC) Port Project (Industrial & Commercial) – Estimated cost US \$ 5 bn.

 - ❑ Logistic Port Area: Public tenders to be announced in first quarter of 2012 for the development of logistic operation areas at Jeddah Islamic port. Estimated cost US \$ 50m.

 - ❑ Construction of 6 New Berths at King Fahad Industrial Port-Yanbu. Estimated to cost US \$ 1bn. Tenders to be invited mid 2012.

 - ❑ New Container Terminal awarded, King Abdul Aziz Port Dammam- US \$ 860 million.
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Mass Transport

AIRPORTS:

- ❑ Construction of new Jeddah International Airport. Cost US \$27bn. Atkins and Arup-UK are involved in project design & management

 - ❑ New Madinah International Airport: A Public Private Partnership (PPP) project to facilitate pilgrims. Contract won by TAV (Turkey) with Saudi Oger

 - ❑ Expansion of King Khalid International Airport in Riyadh
Estimated cost US \$ 1 bn.

 - ❑ Upgrading of other regional airports to follow
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KSA Projects Announcements

- **Economic cities** will need \$100bn of investment to provide homes & jobs for local nationals
 - **Long term investment in infrastructure, transport:**
 - Airports: 6 projects (\$6.7bn)
 - Ports: 2 Projects (\$3.2bn)
 - Railway: 23 projects (\$25.6bn)
 - More than 3,000MW a year of new power capacity required for the next 10 years
 - Wastewater facilities in all main cities
 - **Residential**
 - General Housing Authority- 500,000 units
 - National Guard- 17,000 units
 - **Education:**
 - Schools/Colleges(610, \$37bn)
 - **Healthcare:**
 - Hospitals , health related facilities (\$18.4bn)
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SAUDI BUSINESS CULTURE

DOs

- Consult UKTI in Saudi Arabia
- Demonstrate quality & Commitment
- Understand that the decision making process & culture is different even from other Gulf States.
- Invest in relationship building.
- Evaluate your business partner thoroughly.
- Understand the corporate structure, and identify key decision makers.
- Take local legal advice
- Visit, visit, visit!

DON'Ts

- Sign-up with the first partner you meet - beware of agency collectors.
- Expect e-mail responses.
- Hurry... be patient.
- Generalise, there are many differences between East, West and Central province.

All aspects of life in Saudi are governed by the teachings of Islam

TRADE FIGURES

- ❑ UK exports of visible goods to Saudi Arabia increased by 16% to £3.1 billion in 2010.
- ❑ Saudi exports to UK increased by 39% to nearly £1 billion in 2010
- ❑ Figures do not include exports of UK services and goods shipped via UAE ports (worth at least another £2- £3 billion)
- ❑ UK is the second largest cumulative foreign investor in the country after the US.
- ❑ There are approximately 200 UK/Saudi joint ventures with a total investment estimated around \$US17.5bn.
- ❑ But competition increasing particularly from Far East (China and Korea)

TRADE MISSION CALENDAR

- Mass Transport Mission(1-5 October)
 - Lord Darzi senior clinicians delegation (8-9 October)
 - High End Interior Design trade mission (10 October)
 - Technical & Vocational Training (15-22 October)
 - MEA (18-26 November)
 - DSO (19-24 November)
 - PPP (early December tbc)
 - Healthcare industry trade mission (12-14 December)
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UKTI SERVICES

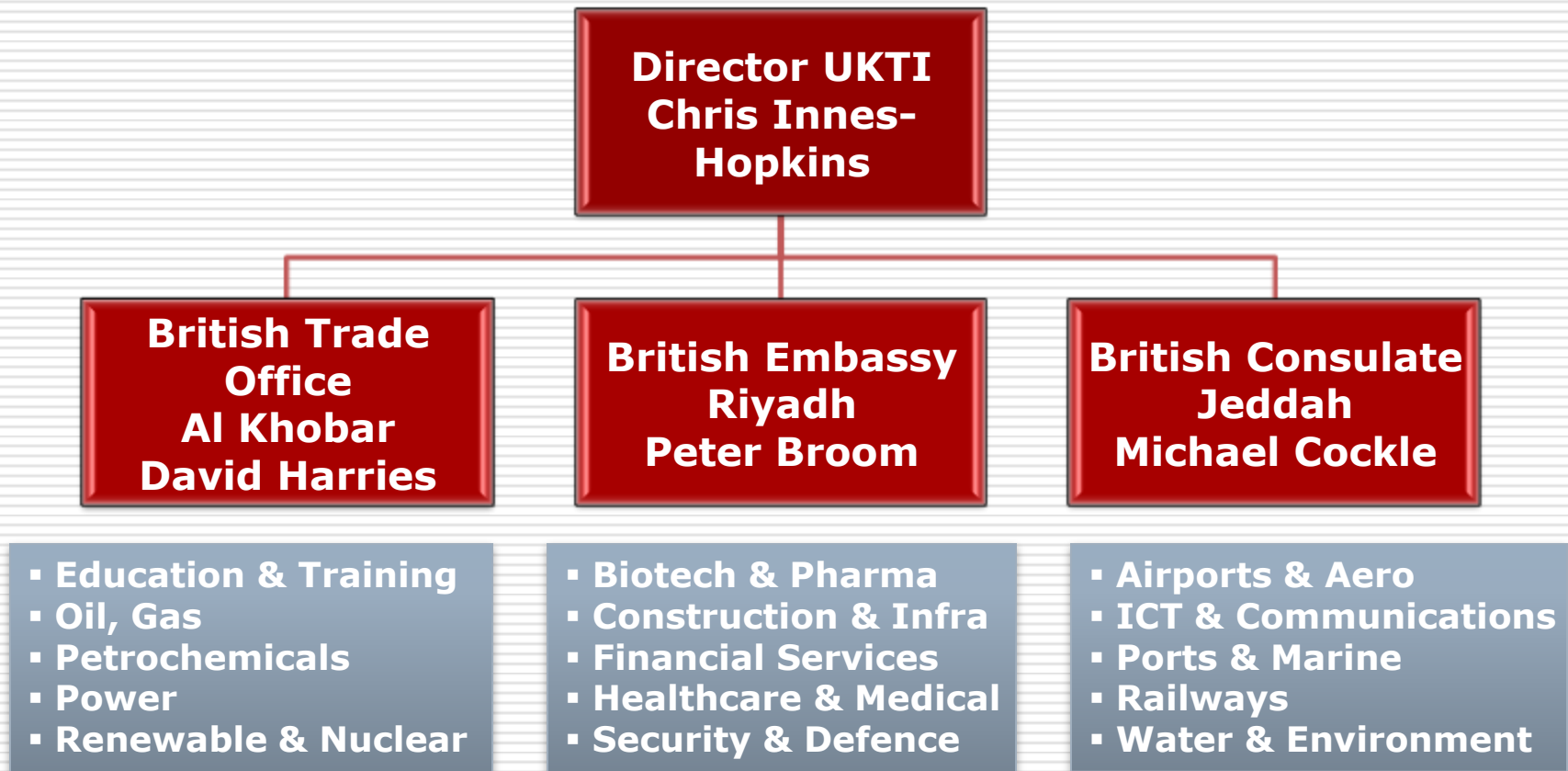
- ❑ OMIS (Overseas Market Introduction Services) which are chargeable and include:
 - Programme arrangement
 - Event Launches
 - Market research/Contacts

 - ❑ Trade Mission organisation including briefing and receptions

 - ❑ Sector Reports and Business Opportunity Service (free via UKTI website)

 - ❑ Face to face meeting with International Trade Advisers in UK and Trade & Investment Officers overseas
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UKTI IN SAUDI ARABIA



Total of 24 staff spread between all 3 posts

CONTACT US

- ❖ Construction & Infrastructure:
- ❖ Saad Al Adhami (Saad.Al-Adhami@fco.gov.uk)
- ❖ Healthcare : Syed Zaman (Syed.Zaman@fco.gov.uk)
- ❖ Education: Mumtaz Abdullah (Mumtaz.Abdulla@fco.gov.uk)
- ❖ Water: Omar Saeed (Omar.Saeed@fco.gov.uk)
- ❖ Power: Sharif Moussa (Sharif.Moussa@fco.gov.uk)
- ❖ Security & Defense: Mohammed Farooq (Mohammed.Farooq@fco.gov.uk)
- ❖ Promotional Events: Dina Yacoub (Dina.Yacoub@fco.gov.uk)
- ❖ Ports & Rail:
Abdul.Muqtadar@fco.gov.uk

- ❖ General enquiries :
commercial.riyadh@fco.gov.uk
- ❑ For further information on
Doing Business in Saudi Arabia
please refer to:
www.saudiarabia.doingbusinessguide.co.uk