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Delegates arrive at one of the Saudi Regional Forums that took place in Manchester and Edinburgh. For report see Page 2 and 3.

Special Report

This issue of the bulletin includes a special feature from the Eastern Province Chamber of Commerce & Industry reporting on the many new opportunities opening up in Saudi Arabia as the Kingdom's SMEs sector undergoes a process of rapid expansion. See page 4.

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Saudi SMEs Report

Growing Investment Opportunities for Saudi SMEs

Big Potential for Networking with Large-scale Sector as Ancillary Industries

By

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A significant feature of the 3rd SMEs Forum held recently at the EPCCI was the vast array of investment opportunities for small and medium industries offered by 5 leading Saudi companies – Saudi Arabian Basic Industries Corporation (SABIC), Saudi Aramco, Saudi Electricity Company (SEC), Saline Water Conversion Corporation (SWCC) and Al Zamil Group. These five companies today depend on foreign sources for a part of their requirements of spare parts and other needs, which can be met by SMEs in Saudi Arabia. SMEs Forum has thus revealed possibilities of setting up hundreds of small and medium units in the Eastern Province. The importance of investment opportunities in improving the national economy can be summarized as follows: develop local industries, reduce imports from abroad, help Saudization process, and generate new jobs.

The annual average imports of spare parts for the three of these companies are as follows: (1) SEC: SR 173 million; (2) SWCC: SR 120 million and (3) Al Zamil Industries: SR 44 million. Saudi Aramco and SABIC import much larger volume of products from other countries. With big expansion plans on hand, these companies will need still larger quantities in future.

Saudi Arabian Basic Industries Corporation

The Saudi Arabian Basic Industries Corporation (SABIC) was established in 1976 to add value to Saudi Arabia's natural hydrocarbon resources. Today, SABIC is among the leading petrochemical companies in the region in terms of sales and turnover product diversity.

SABIC's manufacturing network in Saudi Arabia consists of 18 affiliates. Most of these are based in the Al Jubail Industrial City on the Arabian Gulf. SABIC is also a partner in three regional ventures based in Bahrain.



The vision that led to the creation of SABIC was closely associated with the aspirations of Saudi Arabia as a fast developing nation. SABIC continues to play an important role in achieving some of those aspirations, including the development of the country's human resources. SABIC is owned by the Saudi Government (70%) and the private sector (30%). Private sector shareholders are from Saudi Arabia and other countries of the six-nation Gulf Cooperation Council (GCC).

At the SMEs Forum, SABIC representatives drew attention to the vast business opportunities in spare parts manufacturing by highlighting the commodity groups that might be manufactured locally.