U.S.–Saudi business BRIEF

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King Abdullah Names Crown Prince and Appoints New Ministers

H.R.H Prince Naif Bin Abdul Aziz Al-Saud, Crown Prince and First Deputy Prime Minister of Saudi Arabia.

In the final months of 2011, Custodian of the Two Holy Mosques King Abdullah reshuffled a number of key ministerial positions and made structural changes within the Saudi Government.

Most notably, following the death of H.R.H. Crown Prince Sultan Bin Abdul Aziz Al-Saud on October 22, 2011, H.R.H Prince Naif Bin Abdul Aziz Al-Saud was appointed Crown Prince and First Deputy Prime Minister of Saudi Arabia. Crown Prince Naif will remain in his position as Minister of Interior. King Abdullah made the appointment after consulting with the Allegiance Council, a body of leading royals which makes succession decisions.

Crown Prince Naif has served in the Saudi Government since 1953, when he was appointed the Governor of Riyadh. Since that time he has served as Deputy Minister of Interior and later Minister of State for Internal Affairs and Minister of Interior. In his role as Minister of Interior, Crown Prince Naif has led the Saudi effort against violent extremism in the Kingdom and has coordinated efforts with U.S. intelligence agencies.

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Successful Atlanta Forum Sets Participation Record

H.H. Prince Faisal Bin Abdullah Al-Saud, Minister of Education

H.E. Abdullah Alireza, former Minister of Commerce and Industry

The U.S.-Saudi Arabian Business Council (USSABC) and the Committee for International Trade (CIT)/Saudi U.S.-Trade Group (SUSTG) hosted the second annual U.S.-Saudi Business Opportunities Forum that took place at the Omni CNN Center in Atlanta, Georgia, on December 5-7, 2011. Strengthening U.S.-Saudi commercial ties, the three-day event featured a number of plenary discussions, business workshops, Davos-style panels, outreach activities, and networking events.

The unprecedented success of the Forum is evidenced by the nearly 1,200 U.S. and Saudi businesspeople and government officials in attendance, surpassing participation at the 2010 Chicago Forum, and becoming the largest gathering of U.S. and Saudi businesses. Additionally, the event witnessed the signing of a number of memoranda of understanding between U.S. and Saudi businesses in the fields of marine construction, offshore oil and gas technology, and infant healthcare.

The Forum was organized under the patronage of H.E. Abdullah Alireza, then-Minister of Commerce and Industry, in collaboration with the the U.S. Department of Commerce and leading Atlanta business organizations.

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STATISTICS
CORNER

Saudi Arabian Exports to the U.S. (monthly) - 2009-2011 ($U.S. Millions)

	2009	YTD	2010	YTD	%Change, 09-10	2011	YTD	%Change, 10-11
January	2,096.0	2,096.0	2,063.2	2,063.2	-1.6%	2,526.3	2,526.3	22.4%
February	1,203.4	3,299.4	2,040.7	4,103.9	24.4%	3,383.9	5,910.2	44.0%
March	1,282.6	4,582.0	2,582.7	6,686.6	45.9%	3,757.7	9,667.9	44.6%
April	1,588.4	6,170.4	2,995.1	9,681.7	56.9%	3,163.5	12,831.4	32.5%
May	1,827.6	7,998.0	2,695.3	12,377.0	54.8%	3,887.1	16,718.5	35.1%
June	1,697.0	9,695.0	2,906.8	15,283.8	57.7%	4,416.9	21,135.4	38.3%
July	2,051.4	11,746.4	2,451.6	17,735.4	50.9%	4,194.6	25,330.0	42.8%
August	1,844.9	13,591.3	2,630.6	20,366.0	49.8%	4,244.3	29,574.3	45.2%
September	2,229.5	15,820.8	2,690.1	23,056.1	45.7%	5,147.4	34,722.7	50.6%
October	1,951.0	17,771.8	2,424.2	25,480.3	43.4%	3,304.0	38,026.7	49.2%
November	2,236.9	20,008.7	2,986.5	28,466.8	42.3%	4,335.6	42,362.3	48.8%
December	2,037.3	22,046.0	2,953.2	31,420.0	42.5%			

Source: U.S. Census Bureau

Saudi Arabian Imports from the U.S. (monthly) - 2009-2011 ($U.S. Millions)

	2009	YTD	2010	YTD	%Change, 09-10	2011	YTD	%Change, 10-11
January	805.5	805.5	837.6	837.6	4.0%	932.4	936.4	11.3%
February	951.7	1,757.2	1,053.9	1,891.5	7.6%	807.2	1,743.6	-7.8%
March	926.8	2,684.0	924.4	2,815.9	4.9%	1,263.6	3,007.2	6.8%
April	1,017.6	3,701.6	1,000.9	3,816.8	3.1%	1,196.6	4,203.8	10.1%
May	757.9	4,459.5	965.5	4,782.3	7.2%	1,180.7	5,384.5	12.6%
June	777.5	5,237.0	985.4	5,767.7	10.1%	1,008.1	6,392.6	10.4%
July	859.0	6,096.0	822.3	6,590.0	8.1%	1,075.8	7,468.4	13.3%
August	832.6	6,928.6	1,001.1	7,591.1	9.6%	1,032.7	8,501.1	11.9%
September	953.9	7,882.5	900.2	8,491.3	7.7%	1,186.8	9,687.9	14.1%
October	981.9	8,864.4	1,026.4	9,517.7	7.4%	1,347.4	11,035.3	15.9%
November	842.0	9,706.2	880.9	10,398.6	7.1%	1,267.7	12,303.0	18.3%
December	1,097.5	10,803.7	1,192.3	11,591.0	7.3%			

Source: U.S. Census Bureau

Saudi Arabia's GDP Grows 26.1 Percent Year-on-Year

According to the Central Department of Statistics and Information, Saudi Arabia's GDP reached $272 billion (SR1.02 trillion) in the first half of 2011, compared to $216.27 billion (SR811 billion) during the same period in 2010. This is a 26.1 percent increase year-on-year, when unadjusted for inflation. The Central Department of Statistics and Information attributes the growth in part to higher oil output and strong energy prices. GDP of the oil sector alone increased 38.9 percent to $152.91 billion (SR573.41 billion). In August, the IMF predicted Saudi Arabia's real GDP would grow by 6.5 percent by the end of 2011 to $571 billion (SR2.14 trillion). ■

"KING ABDULLAH NAMES CROWN PRINCE AND APPOINTS NEW MINISTERS" *CONTINUED FROM COVER*

Speaking at the opening of the fifth annual Global Competitiveness Forum in Riyadh in 2011, Crown Prince Naif said that the Saudi Government realizes the importance of investment and innovation, which has been a driving factor in the diversification of the economy towards a knowledge-based society. Prince Naif emphasized that the main focus of the Saudi Government's Ninth Development Plan (2010-2014) is to increase the international competitiveness of the Kingdom by continuing to develop its economic sectors. Crown Prince Naif remarked that Saudi Arabia "will continue on the path of reforms and will provide more and better returns and incentives to those who are willing to invest in Saudi Arabia."

H.R.H. Prince Saud Bin Naif has been appointed as President of the Crown Prince's office, succeeding Ali Bin Ibrahim Al Hudaithy. Prince Saud now serves as Special Advisor to the Crown Prince with the rank of Minister. Abdul Rahman Al-Rubaian was appointed Special Secretary to the Crown Prince with the rank of Minister, succeeding Muhammad Salim Al-Murri.

Ministry of Defense

H.R.H. Prince Salman Bin Abdul Aziz Al-Saud, Minister of Defense

With the passing of Crown Prince Sultan, who had held the position of Minister of Defense and Aviation, King Abdullah appointed H.R.H. Prince Salman Bin Abdul Aziz Al-Saud, former Governor of Riyadh, to Minister of Defense.

H.R.H. Prince Sattam Bin Abdul Aziz, who had been serving as Deputy Governor of Riyadh, will replace Prince Salman. Prince Muhammad Bin Saad will be the new Deputy Governor of the province with the rank of Minister.

In his position as Governor of Riyadh, Prince Salman supervised and encouraged the expansive growth of the city from a mid-sized town into a major urban metropolis by developing capital projects and attracting foreign investment in the region.

Prince Salman is also very active in charitable activities. He serves as President of the Prince Salman Center for Disability Research, which conducts and funds high-quality laboratory and field research on all aspects and ages of disability. He is also President of the Prince Fahd bin Salman Charity Association for Renal Failure Patients Care, which is the largest dialysis center in the Middle East, equipped with 140 machines to serve 800 patients daily.

Prince Salman is Chairman of the Saudi Research and Marketing Group and owner of the Arabic international newspaper *Asharq Al-Awsat*, which is headquartered in London and has a large circulation in Saudi Arabia.

The decree named as Deputy Defense Minister Prince Khaled Bin Sultan, who previously served as the Assistant Minister of Defense and Aviation and has succeeded Deputy Minister of Defense and Aviation Prince Abdul Rahman.

Ministry of Commerce and Industry

H.E. Dr. Tawfiq Bin Mohammed Al-Rabiah, Minister of Commerce and Industry

In December, King Abdullah appointed Dr. Tawfiq Bin Mohammed Al-Rabiah to the position of Minister of Commerce and Industry, succeeding H.E. Abdullah Zainel Alireza who had served since 2008.

Dr. Al-Rabiah was formerly the Director General for the Saudi Industrial Property Authority (MODON). Serving in the position since 2007, Dr. Al-Rabiah launched development programs for new industrial cities, while also expanding and reestablishing existing ones. In addition, government and commercial services in the industrial cities were substantially improved, and MODON privatized water and central cooling services, along with developing telecommunications and data services.

Before joining MODON, Dr. Al-Rabiah was a major contributor in the establishment and development of family factories and businesses in Saudi Arabia. His expertise includes working as Director General of the Information and Communications Technology sector at the Saudi Arabian General Investment Authority (SAGIA), where his efforts were central in attracting large international investments in the sector.

Ministry of Economy and Planning

H.E. Dr. Muhammad Al-Jasser, Minister of Economy and Planning

H.E. Dr. Muhammad Al-Jasser has been appointed Minister of Economy and Planning, succeeding H.E. Khalid bin Mohammed Al Gosaibi. Dr. Al-Jasser had until his new appointment served as the Governor of the Saudi Arabian Monetary Agency (SAMA). Dr. Al-Jasser had served as the Governor of SAMA since 2007. He joined SAMA as Vice Governor in 1995. His previous positions include Acting Deputy Minister of Finance for Budget and Organization, as well as Executive Director for Saudi Arabia at the International Monetary Fund. He was awarded the King Abdulaziz Medal of the First Order.

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"SUCCESSFUL ATLANTA FORUM SETS PARTICIPATION RECORD" *CONTINUED FROM COVER*

The Forum commenced on December 5, 2011 with nearly 1,200 attendees.

The Saudi delegation to the event was led by H.H. Prince Faisal Bin Abdullah Al-Saud, Minister of Education, and included several other ministers and high-ranking Saudi Government officials, namely H.E. Dr. Abdullah Al-Rabeeah, Minister of Health; H.E. Dr. Muhammad Al-Jasser, then-Governor of the Saudi Arabian Monetary Agency (now Minister of Economy and Planning); and H.E. Dr. Hashim Yamani, President, King Abdullah City for Atomic and Renewable Energy (KA-CARE).

From the U.S. side, attendees included The Honorable Rebecca Blank, Acting Deputy Secretary of Commerce; The Honorable Anthony Miller, Deputy Secretary of Education; The Honorable Daniel Poneman, Deputy Secretary of Energy; The Honorable James Smith, U.S. Ambassador to Saudi Arabia; The Honorable Nathan Deal, Governor of Georgia; and The Honorable Kasim Reed, Mayor of Atlanta.

The Forum discussed business opportunities across all sectors of the Saudi economy. Concurrent panels were dedicated to new developments in education, downstream petrochemicals, industrial infrastructure, agriculture, finance, oil and gas, healthcare, nuclear and renewable energy, water and electricity, and entrepreneurship.

Lubna Olayan, CEO and Deputy Chairperson, Olayan Financing Company

Setting the Theme

Opening the Forum program, Lubna Olayan, Chief Executive Officer and Deputy Chairperson of Olayan Financing Company, provided an overview of U.S.-Saudi business relations. Speaking about Saudi Arabia's special relationship with the U.S., Ms. Olayan hoped that the Kingdom's growth, development, and success would lead to even closer ties between the two business communities. She explained that "progress requires change and real change requires progress. The only logical conclusion therefore is that we are better served by cooperating in managing change rather than closing our eyes to it."

Mayor Reed followed noting that "Saudi Arabia is so much more than a country that is based on energy exports. In the end of the day Saudi Arabia is clearly moving towards a knowledge economy. And we want to be your partners in that effort… We understand the value of a strong relationship with a great nation that is the Kingdom of Saudi Arabia."

U.S.-Saudi Commercial Ties

Acting Deputy Secretary of Commerce Rebecca Blank spoke about the historic commercial relationship between the two nations and announced that the U.S. Department of Commerce would lead a business development mission to Saudi Arabia in 2012, its third since 2010. Referring to President Obama's National Export Initiative (NEI), which identifies Saudi Arabia as a priority target for U.S. exports, Secretary Blank said her department is "making every effort to seek out opportunities where U.S. businesses can help Saudi Arabia meet its economic goals."

Minister Alireza affirmed that the "NEI will help to create more jobs, and Saudi Arabia and the U.S. should complement and leverage each other's comparative advantage to build a

The Honorable Rebecca Blank, Acting Deputy Secretary of Commerce

value added relationship." He explained that Saudi Arabia has embarked on a 5-year $388 billion (SR1.46 trillion) investment program that emphasizes private sector growth. Specific industries targeted for investment are downstream petrochemicals, where 80 new basic petrochemical production projects will be completed in the next five years; renewable energy, with $3 billion (SR11.25 billion) worth of investment in solar energy; housing construction, which is the fastest growing market in the Middle East and has just received $66 billion (SR247.5 billion) from the Saudi Government to supplement immediate construction needs; and healthcare, where $4 billion (SR15 billion) is being invested in medical projects and new hospitals.

The Saudi Government also plans to support the development of small and medium-sized enterprises and increase funding for research and development activities to 3 percent of GDP by 2020. "The real wealth of any nation," Minister Alireza said, "is its people." Investment in education will comprise a quarter of the national budget as Saudi Arabia moves away from its dependence on hydrocarbons and towards a knowledge-based economy.

Doing Business in Saudi Arabia

Another component of the program featured a number of leading U.S. and Saudi businessmen and government officials offering insight on doing business in the Kingdom. Saleh Al-Husseini, Shura Council Member, described the incentives the Saudi Government has put in place for potential investors. U.S. companies that register in the Kingdom are guaranteed full ownership and repatriation of their capital, and are treated equally to national companies under Saudi law. Corporate profits are taxed at 20 percent and a low 5 percent tariff applies for the GCC as a whole. The goal of the Kingdom's regulatory system, Mr. Al-Husseini said, is to make Saudi Arabia the least expensive place for a company to do business.

Khalid Al Abdulkarim, Chief Executive Officer of Al Abdulkarim Holding, explained that much of the success enjoyed in industry over the past years has been a result of U.S. and Saudi joint venture partnerships. The most important thing a new U.S. company can do, he explained, is to visit Saudi Arabia and learn firsthand about great opportunities available. Further, Rami Alturki, President of Khalid Ali Alturki & Sons Co., affirmed that companies must be patient and knowledgeable before entering any international market, and he stressed that it is key for any U.S. company to set up operations in Saudi Arabia, either directly or with a partner, rather than work from other regional locations.

Providing a U.S. perspective on doing business in the Kingdom, Fred Stewart, Managing Director of VSD Global LLC, explained that after deciding to enter the Saudi market in 2008, VSD participated in number of USSABC business development missions to Saudi Arabia. Advanced planning, cultural research, and the relationships built from these visits were the keys to VSD's success in the market, Mr. Stewart explained.

Investing in Human Capital

In a plenary discussion focusing on education, H.H. Prince Faisal Al-Saud, Minister of Education, stated "that it is imperative to invest in human capital. Our youth represent the most sustainable resource for the development of the country,

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Plenary: Education - Investing in Human Capital. Left to right: Steve Clemons, Director, American Strategy Program, New America Foundation; H.E. Dr. Khaled Al-Sabti, Then-Vice Minister of Boys Education; H.H. Prince Faisal Bin Abdullah Al-Saud, Minister of Education; The Honorable Anthony Miller, Deputy Secretary of Education; The Honorable James Smith, U.S. Ambassador to Saudi Arabia; and Jeff Barnes, Leader - Global Leadership Development, GE

U.S.-Saudi Business Opportunities Forum

Samra Alkuwaiz, Partner, Osool Capital

H.E. Dr. Tawfiq Bin Mohammed Al-Rabiah, former Director General of the Saudi Industrial Property Authority, now Minister of Commerce and Industry

Left to right: Abdulaziz Al-Quraishi, Saudi Arabian Co-Chairman, USSABC; H.E. Abdullah Alireza, former Minister of Commerce and Industry; and The Honorable Kasim Reed, Mayor of Atlanta

H.H. Prince Faisal Bin Abdullah Al-Saud, Minister of Education, recognizes the "Messengers of Peace."

Workshop: Opportunities in Agriculture. Left to right: Julia Devlin, Senior Private Sector Development Specialist, World Bank; Dr. Abdullah Al Obaid, Deputy Minister for Research and Development, Ministry of Agriculture; Eng. Taha Al-Shareef, Team Member, King Abdullah Initiative for Agro-Investment Abroad, Ministry of Commerce and Industry; Zemedeneh Negatu, Managing Partner for Ethiopia and the Head of Transaction Advisory Services for Eastern Africa, Ernst & Young; Donnie Smith, Director, Center of Innovation for Agribusiness, State of Georgia; and Lloyd Harbert, Deputy Administrator, Office of Country and Regional Affairs, U.S. Foreign Agricultural Service.

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providing us with long-term returns even when the natural resource of oil is depleted." Echoing U.S. President John F. Kennedy, Prince Faisal affirmed that, "our progress as a nation can be no swifter than our progress in education. The human mind is our fundamental resource." As an example of Saudi Arabia's commitment to education, Prince Faisal noted that the national budget from education had tripled since 2000, amounting to $40 billion (SR150 billion) in 2011, 26 percent of total expenditure.

Prince Faisal explained the strategic directions that guide the Kingdom's continuing efforts to improve its educational system and his ministry's plans to restructure Saudi educational facilities into an active, decentralized, and innovative system. To do this the Saudi Government has established the Tatweer Holding Company to serve as a bridge between the public and private education sectors. He also said an independent regulator would be established to evaluate both public and private school curricula.

Then-Vice Minister of Education, H.E. Dr. Khaled Al-Sabti, now Deputy Minister of Education elaborated on these initiatives listing early-childhood education, English language instruction, and computer and technology training as priorities for the ministry over the next few years. The ministry is also pursuing e-learning and virtual schools programs, as well as improving teacher training.

Deputy Secretary Miller spoke to the benefits of education for students, business, and society as a whole. He encouraged the private sector to look for ways their technology could prepare students for the jobs of the future.

Developing a World-Class Healthcare System

As another major priority of the Kingdom, healthcare is receiving substantial investments on the part of the Saudi Government. H.E. Dr. Al-Rabeeah, Saudi Minister of Health, provided an overview of the Saudi national healthcare system noting that the Ministry of Health is responsible for around 60 percent of health services. As such, a rapidly growing population has posed challenges to the Saudi health system, including increasing healthcare costs, limited resources, and geography. Despite these challenges, Minister Al-Rabeeah noted that Saudi Arabia's immunization programs have been widely successful, and in addition to eradicating polio, Saudi Arabia would be only the third country in the world to eradicate the measles later this year.

Additionally, the Ministry of Health is currently studying health systems from around the world to develop an integrated and comprehensive healthcare system for the country. The ministry is moving away from smaller, rural hospitals in favor of larger facilities that boast higher occupancy rates and provide better service. In all, Minister Al-Rabeeah listed eight objectives that must be reached in order to implement the new healthcare system: restructure hospitals, improve primary healthcare services, streamline patient referral systems, build an ambulance transportation system, integrate medical information and e-health systems, develop human resources, ensure an adequate supply of pharmaceutical products, and implement accreditation programs for ministry facilities.

H.E. Dr. Abdullah Al-Rabeeah, Minister of Health, and Dr. Ileana Arias, Deputy Director of the Centers for Disease Control and Prevention, discuss ways to deliver top quality healthcare.

Offering insight on the U.S. healthcare system, discussion panelists emphasized the importance of focusing on patients and pointed to the benefits of primary care and preventative medicine in reducing costs and improving the overall quality of healthcare provided. The panel included Dr. Ileana Arias, Deputy Director of the Centers for Disease Control and Prevention; Mark Bertolini, Chairman, Chief Executive Officer and President of Aetna Inc.; Dr. David Stacher, Director of the Satcher Health Leadership Institute at the Morehouse School of Medicine; and Professor Anthony Kalloo, Chief of Gastrology at Johns Hopkins University and the Chief Scientific Officer of Apoloenduosurgery Inc. They stressed that quality healthcare grows from investing in research—a strategy Minister Al-Rabeeah agreed must play a large part in Saudi Arabia's development going forward.

A follow-up panel titled "Building the Healthcare Sector through Innovation and Technology" gave participants a deeper understanding of business opportunities in the Saudi health sector. Ministry of Health officials and private sector experts explored the demand for technology, training, and public-private partnerships in the Kingdom. Dr. Walid Fitaihi, Chairman and Chief Executive Officer of the International Medical Center in Jeddah explained the importance of innovation in the development of the healthcare industry. Dr. Abdullah Abdullah, Chairman and Chief Medical Officer of Nesticon, LLC., discussed possibilities for using telemedicine and the internet to better service patients in less accessible areas of Saudi Arabia.

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The Honorable Nathan Deal, Governor of Georgia

Peter Robertson, U.S. Co-Chairman, USSABC and Former Vice Chairman, Chevron

Panel: Opportunities in Finance and Investment Panel. Left to right: Saleh Al-Husseini, Member of Majlis Al Shura; Secretary William Cohen, Chairman and CEO, The Cohen Group; Dr. Ahmed Alkolifey, Executive Director for Saudi Arabia, IMF; Alberto Verme, Chairman, Europe, Middle East, and Africa Banking, Citi; and Ahmed Al-Khateeb, Managing Director and CEO, Jadwa Investment

Left to right: H.E. Eng. Khaled Almolhem, Director General, Saudi Arabian Airlines; Khalid Al Zamil, Managing Director, Strategic Planning, Zamil Group Holding; Dr. Ihsan Bu-Hulaiga, Chairman, Joatha Business Development Consultants

Michael Dolan, Senior Vice President, Exxon Mobil Corporation

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Building the Future of Energy

The Honorable Daniel Poneman, Deputy Secretary of Energy, and H.E. Dr. Hashim Yamani, President of the King Abdullah City for Atomic and Renewable Energy affirm the two countries' commitment to developing the alternative energy sector.

The Forum also featured a highly anticipated plenary discussion on the future of nuclear and renewable energy in Saudi Arabia. H.E. Dr. Hashim Yamani, President of the newly established King Abdullah City for Atomic and Renewable Energy (KA-CARE) gave an overview of the massive development plans being put in place by the city. Created in April 2010, KA-CARE's mission is to contribute to the sustainable development of Saudi Arabia through leading research and industry in the fields of nuclear and renewable energy.

Dr. Yamani noted that at its current rate, energy demand in the Kingdom is expected to reach 120 giga-watts (GW) by 2030. Supplying this demand through conventional oil and gas combustion turbines would require more than 8.3 million barrels of oil per day, hindering Saudi Arabia's ability to supply world consumers of fossil fuels. To avoid this, Dr. Yamani hopes to supply almost half of Saudi Arabia's electricity needs through a $100 billion (SR375 billion) program to construct 16 nuclear energy plants over the next 20 years.

This and additional plans in solar and other forms of renewable energy create huge opportunities for U.S. companies. U.S. firms have already invested more than $200 billion (SR750 billion), or 18 percent of total foreign direct investment in the Kingdom, and Dr. Yamani expects this trend to continue in the alternative energy sector. U.S. Deputy Secretary of Energy Daniel Poneman affirmed the U.S.'s commitment in partnering to produce safe and sustainable energy in the Kingdom. Secretary Poneman applauded the U.S.-Saudi relationship for the benefit it provides to the region. “In the energy sector specifically,” he said, “Saudi Arabia's leadership in global markets is helping to strengthen energy security for the United States and for countries around the world.”

Maintaining a Stable Global Financial System

H.E. Dr. Muhammad Al-Jasser, former Governor of the Saudi Arabian Monetary Agency, now Minister of Economy and Planning.

Since global financial troubles began in 2008, Saudi Arabia has stood out among G20 economies for remaining a stable and healthy economy during the downturn. H.E. Dr. Al-Jasser, then-Governor of SAMA (now Minister of Economy and Planning), expressed his support for strong regulation by national banks. He assured the audience that “SAMA fully intends to implement Basel III requirements on schedule.”

Dr. Al-Jasser also noted that Saudi Arabia's success over the last decades has been due to its counter-cyclical fiscal policy, which had allowed it to reduce the national debt to GDP ratio to 7 percent. Coupled with conservative regulations for the private banking sector, this fiscal policy has allowed Saudi Arabia to avoid many of the losses suffered in other parts of the world financial system. Using its spare oil capacity, Dr. Al-Jasser confirmed, Saudi Arabia will continue to contribute to global financial stability in oil prices and banking.

Investing in Georgia

The program featured two technical workshops designed to help U.S. and Saudi businesses enter new markets successfully. One, titled “Investing in Georgia,” discussed the benefits of investing in Georgia. Centrally located in the southeast region of the U.S., the largest and fastest growing region in the country, Georgia has access to a large consumer base. As a result, Atlanta is home to a high concentration of Fortune 500 companies' headquarters, such as The Coca-Cola Company, Georgia Pacific, and Turner Broadcasting. While agriculture makes up a substantial part of the state's GDP, industries such as automotive manufacturing, biosciences, and information and communication technology (ICT) are strong factors in the economy.

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Left to right: Khaled Al Seif, President and CEO, El Seif Group; Abdallah Y. Al-Mouallimi, Ambassador and Permanent Representative of Saudi Arabia to the United Nations; The Honorable James Smith, U.S. Ambassador to Saudi Arabia.

Brian Kemp, Secretary of State, Georgia Department of State, and Muhtar Kent, Chairman and CEO, The Coca-Cola Company

Panel: Higher Education as an Enabler to the Knowledge Economy. Left to right: Dr. Abdulaziz Jazzar, Executive Partner, Malaz Group; Dr. Mezyad Alterkawi, CEO, Riyadh Technology Incubation Center; Dr. Steven McLaughlin, President, Georgia Tech Global, Inc.; Dr. Mohammad Al-Ohali, Deputy Minister of Higher Education

Left to right: Dr. Nawaf Aldress, Member, Board of Directors, Abdulmohsen M. Aldrees & Sons Holding Co.; Eng. Abdulmohsen Aldress, Chairman & CEO, Abdulmohsen M. Aldrees & Sons Holding Co.; Omar Wohabe, Partner, Wohabe Law Offices; and Jim Billingsley, Executive Vice President, Brand Energy & Infrastructure Services, Inc.

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Further, Georgia is home to a world-class university system that provides an innovative workforce for potential employers. Gretchen Corbin, Deputy Commissioner of the Georgia Department of Economic Development, highlighted one state program, called "QuickStart," which provides free employee training for companies that open facilities in Georgia. She also noted that Georgia's exports to Saudi Arabia were valued at $420.5 million (SR1.58 billion), while the state imported $31.3 million (SR117.38 million) from the Kingdom. In closing, Ms. Corbin told Saudi companies that "Georgia is eager for your business, but more importantly, Georgia is eager to build lasting relationships with Saudi partners."

Larry Williams, Vice President of Technology Industry Development at the Metro Atlanta Chamber of Commerce, further described the role Georgia plays as a logistics hub for the greater southeast region of the U.S. Approximately 80 percent of U.S. consumers are within a two hour flight or a two day truck delivery from the state's superior air and sea ports. In fact, Atlanta's Hartsfield-Jackson International Airport is the most efficient and largest in the world in terms of passenger volume, and the Port of Savannah is the second largest in the U.S. Important for Saudi investors, Mr. Williams mentioned that approximately 2,800 international companies from 60 different countries have facilities in the Atlanta area, a testament to the state's efforts to attract and reward foreign investment.

Outreach in Atlanta

In addition to the events taking place at the Omni CNN Center, members of the Saudi delegation took the opportunity to meet with various organizations in the Atlanta metro area. Deputy Minister of Commerce and Industry Abdullah Al-Hamoudi and other officials visited the Georgia Institute of Technology (Georgia Tech). The group was received by Dr. Steve McLaughlin, Vice Provost for International Initiatives at the campus and President of Georgia Tech Global, Inc. The group discussed the commercialization of research and development innovation in the energy sector.

A second group, led by Dr. Khaled Al-Sabti, visited the Georgia Department of Education. Participants in the discussion explored the Career Academies Project, a Georgia initiative that prepares high school students for technical and academic education in the future.

A Saudi delegation also participated in an interfaith dialogue at the Ebenezer Baptist Church in Atlanta. Local Christian, Jewish, and Muslim leaders discussed with the delegation ways to establish trust, dialogue, and common action to further understanding and collaboration between people of different faiths. In addition, a group of Saudi and U.S. female executives held a business roundtable at the Metro Atlanta Chamber. The women shared their experiences in the workplace, compared the business environment in the U.S. and the Kingdom, and discussed ways to promote women leaders in the international community.

A Stronger U.S.-Saudi Business Relationship

H.E. Dr. Abdulrahman Al-Saeed, Advisor to the Royal Court, expresses optimism following three days of business dialogue.

The Forum concluded with remarks by The Honorable Wyche Fowler, Chairman of the Middle East Institute and former U.S. Ambassador to Saudi Arabia, and H.E. Dr. Abdulrahman Al-Saeed, Advisor to the Royal Court. Both reflected on the reasons for entering the Saudi market, as well as the business optimism and energy resulting from the three days of dialogue, networking opportunities, and business connections.

The U.S.-Saudi Arabian Business Opportunities Forum provided a wealth of information and contacts for U.S. businesses interested in the Saudi market. Firms were given an inside view into upcoming projects, business culture, and best practices. Businessmen currently engaged in the region enjoyed the chance to strengthen and build on the relationships that have made the U.S.-Saudi commercial partnership so important for both countries. ■

During the Forum Khalid Ali Alturki & Sons, Co. signs memorandum of understanding with Stanley Healthcare Solutions. Left to right: (Seated) Zaki Saade, Vice President of ICT & Industrial, Khalid Ali Alturki & Sons, Co.; John Tripp, Chief Financial Officer, Stanley Healthcare Solutions; (Standing) Rami K. Al Turki, President, Khalid Ali Alturki & Sons, Co.; and John Rae, Sales Manager, International, Stanley Healthcare Solutions

The U.S.-Saudi Arabian Business Council would like to thank the following Forum sponsors for their continuing commitment to U.S.-Saudi business relations.

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"KING ABDULLAH NAMES CROWN PRINCE AND APPOINTS NEW MINISTERS" *CONTINUED FROM PAGE 3*

Ministry of Education

H.E. Dr. Khaled Abdullah Al-Sabti, Deputy Minister of Education

H.E. Dr. Khaled Bin Abdullah Al-Sabti was made Deputy Minister of Education following the appointment of H.E. Faisal Bin Abdulrahman Al Muammar as a consultant to King Abdullah and the Secretary General of the King Abdulaziz Center for National Dialogue. Also appointed to the Ministry of Education was Dr. Hamad Bin Mohammed Al-Sheikh in the position of Deputy Minister for Boys' Affairs.

Ministry of Hajj

H.E. Dr. Bandar Bin Mohammed Haggar, Minister of Hajj

H.E. Dr. Bandar Bin Mohammed Haggar, former Vice Chairman of the Shura Council, was appointed Minister of Hajj, succeeding H.E. Dr. Fouad Bin Abdulsalaam. Minister Bandar will be responsible for coordinating and facilitating the world's largest religious gathering. Dr. Mohammed Bin Ahmed Jafri will now serve as Vice Chairman of the Shura Council.

Ministry of Civil Service

H.E. Dr. Abdul Rahman Bin Abdullah Al-Barrak, former Assistant Chairman of the Shura Council, was appointed Minister of Civil Service, succeeding H.E. Mohammed Bin Ali Al-Fayiz. Dr. Fahad bin Matad Al-Hamad will assume the role of Assistant Chairman of the Shura Council.

Saudi Arabian Monetary Agency

Dr. Fahd Al-Mubarak, Governor of SAMA

King Abdullah promoted Dr. Fahd Al-Mubarak to Governor of SAMA. Before becoming Governor, Dr. Al-Mubarak was Chairman and Managing Director of Morgan Stanley Saudi Arabia. He has also held the position of Chairman of the Saudi Stock Exchange. Additionally, Dr. Al-Mubarak was the co-founder and shareholder of Amwal AlKhaleej investment firm.

General Authority for Civil Aviation

The duties and responsibilities of civil aviation have been transferred from the Ministry of Defense and to the General Authority for Civil Aviation (GACA). The employees, properties, documents, and financial allocations of civil aviation will also be transferred to GACA.

King Abdullah appointed Prince Fahd Bin Abdullah Bin Muhammad as the President of GACA with the rank of Minister. Faisal Al-Sugair has been appointed as the authority's Vice President. King Abdullah reconstituted the Board of Directors of GACA so that Prince Fahd will also serve as the Chairman of the Board of Directors of GACA. The President of GACA will also be the Chairman of the Board of Directors of the Saudi Arabian Airlines General Corporation and the board will be reconstituted accordingly. ■

Tell Us about Your Success

The U.S.-Saudi Arabian Business Council is always interested in highlighting success stories of member companies and mission delegation companies that have benefitted from our various networking events, business development services, or trade missions. Each issue of the *U.S.-Saudi Business Brief* features a success story in the form of a full or half page article.

The *Brief* offers significant exposure to a highly targeted audience of 8,500 senior industry, government, and academic institution decision makers in both the U.S. and Saudi Arabia.

If you are interested in submitting a success story at no cost for an upcoming issue, please contact Jay Ennis, Managing Editor, at jennis@us-sabc.org. ■

Saudi Arabia Ranks 12th Most Business-Friendly Economy in the World

According to the World Bank's *Doing Business 2012: Doing Business in a More Transparent World* report released in October 2011, Saudi Arabia ranked as the 12th most business-friendly country out of 183 economies worldwide and led the Middle East region on the list. Although down from the 10th position reached in 2010, Saudi Arabia continued to improve in a number of categories. By comparison, the United Arab Emirates (U.A.E.) ranked 33rd, Qatar 36th, Bahrain 38th, and Oman 49th. Further, the Middle East and North Africa (MENA) has a regional average ranking of 93.

The annual *Doing Business* report aims to highlight the level of ease or difficulty for a local entrepreneur to open and run a small to medium-size enterprise (SME) when complying with relevant regulations. The report measures and tracks changes in regulations affecting 10 areas in the lifecycle of a business, generally a local limited liability company operating in the largest business city. The data collected for the *Doing Business 2012* report covered the period June 2010-May 2011. The information highlights the extent of the obstacles to doing business and helps identify the sources of those obstacles in order to support policymakers in designing regulatory reforms.

Ease of Doing Business

The *Doing Business 2012* provides an aggregate ranking on the ease of doing business based on indicator sets that measure and benchmark regulations applying to domestic SMEs throughout their life cycle. For the seventh consecutive year, Saudi Arabia ranks as the best country to do business in the entire Middle East and Arab World, ahead of regional competitors such as Bahrain, Oman, Qatar, and the U.A.E. Significantly, the report ranks the Kingdom ahead of major advanced economies, such as Canada, Japan, Germany, and France, and emerging economies, such as Brazil, China, and India.

Starting a Business

Saudi Arabia is the 10th easiest country in the world to start a business, up from 14th in 2010. The rankings for regional economies such as U.A.E. (42), Oman (68), Bahrain (82), and Qatar (116), as well as the MENA's average ranking of 62 provide useful information for assessing the ease for a Saudi entrepreneur to start a business. Overall, it takes 3 procedures and 5 days to compete this process. Saudi Arabia is one of only a few countries that requires no fee (as a percentage of paid-in minimum capital) to start a business. The process costs 5.9 percent of income per capita, down from 7 percent last year. A significant reform is the Saudi Government's move to include representatives from the Department of Zakat and Income Tax and the General Organization for Social Insurance in the Unified Center in order to register new companies with these agencies. The Unified Center was created in 2010 at the Ministry of Commerce and Industry in Riyadh.

Dealing with Construction Permits

Saudi Arabia has continued to improve its standing when dealing with construction permits by streamlining the process for obtaining permits. Saudi Arabia jumped to the 64th position from 69th last year, and was also the fourth most-improved country in this category, up from sixth last year. The rankings for regional economies such as Bahrain (7), U.A.E. (12), Qatar (24), Oman (64) and the MENA regional average ranking (58) highlight the ease or difficulty in obtaining construction permits in Saudi Arabia. Today, it takes 9 procedures and 75 days and costs 19.4 percent of income per capita (down from 22.8 percent in 2010) to obtain all the necessary approvals to build a simple commercial warehouse in the country's largest city, connect it to basic utilities and register the property so that it can be used as collateral or transferred to another entity.

Getting Electricity

Saudi Arabia is the 18th country among 183 economies in terms of ease of connecting a warehouse to electricity, on par with Qatar. By comparison, U.A.E. ranks 10th, Bahrain 49th, and Oman 61st. The MENA region has a regional average ranking of 71. A local entrepreneur needs to complete 4 procedures, spend 71 days and pay 18.1 percent of income per capita to obtain a permanent connection from the Saudi Electricity Company, the only Kingdom-wide electricity utility company, and supply electricity for a standardized warehouse in Riyadh.

Registering Property

Saudi Arabia remains the top economy worldwide for registering property for the fourth year in a row. The U.A.E. ranks 6th, Oman 21st, Bahrain 30th, and Qatar 37th. Overall, the MENA region has a regional average ranking of 52. The Kingdom requires only two procedures and is one of the fastest countries, averaging two days. Further, Saudi Arabia is one of few countries that has no fee (as a percentage of property value) to register a property.

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Getting Credit

Globally, Saudi Arabia stands at 48 on the ease of getting credit, down from 45 in 2010 but ahead of the U.A.E. (78), Oman (98), Qatar (98), and Bahrain (128). The MENA region has a regional average ranking of 119. The data collected by the World Bank reflects how well the credit information system and collateral and bankruptcy laws in the Kingdom support lending and borrowing today. The economy has a score of 6 on the depth of credit information index (0-6) and a score of 5 on the strength of legal rights index (0-10). A higher score is indicative of more credit information and stronger legal rights for borrowers and lenders. The private credit bureau covers 16 percent of adults, down from 18 in 2010.

Protecting Investors

The *Doing Business 2012* report measures the strength of minority shareholder protections against directors' use of corporate assets for personal gain or self dealing. Saudi Arabia ranks 17th in 183 economies on the strength of investor protection index, down from 16th in 2010 but ahead of Oman (97), Qatar (97), U.A.E. (122), and Bahrain (126). The MENA region has an average ranking of 95. A higher ranking indicates that an economy's regulations offer stronger investor protections against self-dealing in three areas: transparency of related-party transactions (extent of disclosure index); liability for self-dealing (extent of director liability index); and shareholders' ability to sue officers and directors for misconduct (ease of shareholder suits index). Saudi Arabia has a score of 9 on extent of disclosure index (0-10), a score of 8 on extent of director liability index (0-10), a score of 4 on ease of shareholder suits index (0-10), and overall a score of 7 on strength of investor protection index (0-10).

Paying Taxes

When it comes to paying taxes, which is evaluated based on number of payments, total time, and the overall tax rate of SMEs, Saudi Arabia maintained its 10th position in 2011. By comparison, Qatar ranks 2nd, U.A.E. 7th, Oman 9th, and Bahrain 18th. The MENA region has an average ranking of 61. Although it still takes 79 hours per year for an employer to make the required 14 tax payments, the Kingdom has a tax rate of 14.5 percent of profit (2.1 percent of profit tax and 12.4 percent of labor tax and contributions).

Trading Across the Border

Saudi Arabia remains the 18th economy in the world relative to the ease of trading across borders, falling behind U.A.E. (5) but moving ahead of Oman (47), Bahrain (49), and Qatar (57). The MENA region has an average ranking of 78. Exporting a standard container for goods by maritime transportation requires 5 documents, takes 13 days, and costs $615 (SR2,306). Importing the same container of goods into Saudi Arabia requires 5 documents, takes 17 days, and costs $686 (SR2,573).

Enforcing Contracts

With this index, the *Doing Business 2012* report analyzes data related to the time, cost, and procedural complexity of resolving a commercial lawsuit. The result is an indication of the efficiency of the judicial system in resolving a standardized commercial dispute before local courts. Globally, Saudi Arabia has maintained its 138th position on the ease of enforcing contracts in 2011. Resolving a commercial dispute through Saudi courts requires 43 procedures, takes 635 days, and costs 27.5 percent of the value of the claim. By comparison, the U.A.E. is ranked 134th, Bahrain 114th, Oman 107th, while Qatar stands at 95. The MENA region has an average ranking of 80.

Resolving Insolvency

The *Doing Business 2012* report studies the time, cost, and outcome of insolvency proceedings involving domestic entities. This ranking is based on the recovery rate, recorded as cents on the dollar recouped by creditors through reorganization, liquidation, or debt enforcement (foreclosure) proceedings. Saudi Arabia is ranked 73rd on the ease of resolving insolvency, down from 69th in 2010. Although it falls behind Qatar (37) and Bahrain (25), the Kingdom is ahead of Oman (76) and the U.A.E. (151). The MENA region has an average ranking of 98. Resolving insolvency in Saudi Arabia takes 1.5 years on average and costs 22 percent of the debtor's estate. The average recovery rate is 36.8 cents on the dollar.

Despite these rankings and the difficult phase that the global economy is currently undergoing, the International Monetary Fund estimates that Saudi Arabia's real GDP will grow by 6.5 percent and its nominal GDP will reach $571 billion (SR2.14 trillion) by the end of 2011, maintaining its position as the largest economy in the Middle East. Moving ahead, Saudi Arabia is expected to consolidate its substantial advantages—huge energy reserves, minimal public debt, low interest rates, a rapid population growth, and an ongoing massive fiscal stimulus, valued at $400 billion (SR1500 billion), to be spent through 2013. As the only Arab member of the G-20 and the largest recipient of foreign direct investment in 2010, valued at $21.6 billion (SR81 billion), Saudi Arabia will maintain its focus on economic diversification and sustained growth while looking to deepen trade relationships with the world. ■

Aviation

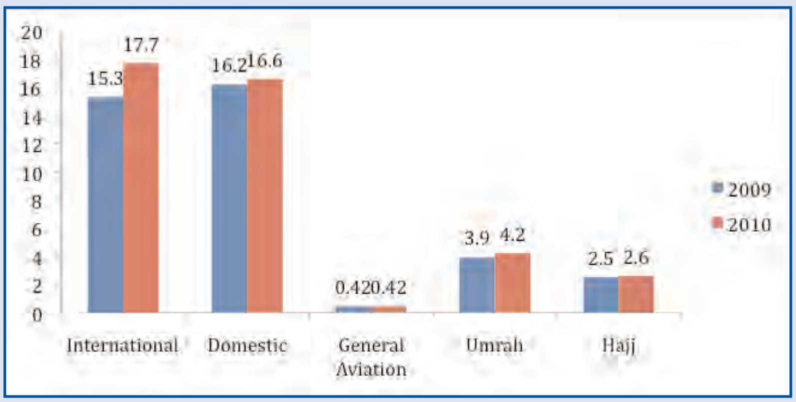
INDUSTRY SECTOR
ANALYSIS

Saudi Arabia Pushes Airport Expansion and Opens Domestic Skies

With the country's strategic location and accelerated economic development, Saudi Arabia is positioning itself to become a modern, regional aviation hub. The Kingdom's aviation sector is a dynamic industry due to its expanding population and the increasing religious tourism. The General Authority of Civil Aviation (GACA) is working to sophisticate and streamline the industry through infrastructure development, privatization initiatives, and market liberalization.

GACA has launched an aggressive airport expansion program to increase capacity at the Kingdom's domestic and international airports to meet the increasing demand. According to the Authority, the number of Hajj pilgrims at the Kingdom's international airports increased by 4.2 percent to reach 2.6 million in 2010, and the number of passengers visiting for Umrah pilgrimages increased 7.8 percent to reach 4.2 million passengers. In addition, overall international passengers increased 15.7 percent in 2010 from the previous year.

Number of Flights at Saudi Arabia's International Airports (in Thousands)



GACA has more than $10 billion (SR37.5 billion) in projects underway targeting both international and domestic airports. The Authority is also working on plans to broaden its domestic coverage with 34 smaller airport rehabilitation and development projects worth a combined investment of $667 million (SR2.5 billion).

On the forefront of infrastructure development is the $11.3 billion (SR42.4 billion) expansion of King Abdul Aziz International Airport (KAIA) in Jeddah, the largest aviation project underway in Saudi Arabia. The KAIA Development Project is set to make the airport one of the world's largest airports by 2035 with the capacity to handle 80 million passengers per year.

GACA awarded Phase I of the project to Saudi Binladin Group for the overhaul and construction of a north and south passenger terminal, as well as the construction of a general aviation terminal, a desalination plant, and other facilities. Phase II is expected to be completed in 2020 with a capacity of 50 million passengers per year, and Phase III is expected to be completed in 2035, climbing the capacity to 80 million passengers per year.

Public-Private Partnerships

The Saudi Government is setting a precedent in the region's aviation industry with its planned expansion of the Prince Mohammed Bin Abdulaziz International Airport (PMBAIA) in Madinah as the first airport in the Gulf Cooperation Council (GCC) to be developed on a public-private partnership (PPP) basis. The project, estimated at $2.4 billion (SR9 billion), seeks to increase the airport's current capacity of 3.5 million passengers to 14 million passengers per year by 2024.

In November, GACA announced that it had awarded Phase I of the project to a consortium led by Turkish company TAV Airports Holding in partnership with local companies Saudi Oger, Al Rajhi Holdings, and Consolidated Contracting Company to construct a second terminal, new passenger lounges spanning 256,000 squaremeters, and a new commercial area, as well as managing and maintaining operations over the next 25 years through a build-operate-transfer scheme.

The terminal will be capable of handling 8 million passengers a year by 2015, more than doubling the airport's capacity. The terminal will conform to LEED standards, making it the first airport in the region to be recognized by such standards. The second phase of the project will include the renovation of the existing runway, while the third phase has yet to be revealed.

The International Finance Corporation (IFC), a member of the World Bank Group, has served as the lead advisor for the project and has assisted GACA in structuring the arrangement as a part of IFC's PPP program. According to the IFC, the Saudi Government wanted the expertise of the private sector to develop the airport, as Madinah is still in the midst of developing its modern infrastructure.

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Greenpoint Technologies First to Modify New Boeing 747-8 VIP Aircraft Interior

Greenpoint 747-8 Lounge

Aviation enthusiasts focus on The Boeing Company as it prepares to deliver the next new aircraft, the 747-8, a larger derivative of the popular 747-400 model. Greenpoint Technologies, based in Kirkland, Washington, will be the first to modify the new 747-8 VIP aircraft with their designed and manufactured Aeroloft™ product. The Aeroloft™ is comprised of sleeping berth modules located above the main deck in the aft section of the aircraft, which provides a private rest area. The modified aircraft will eventually be operated in the Middle East region along with many other Boeing Business Jets (BBJ). BBJs deliver from Boeing to completion centers located worldwide for interior outfitting; however, Greenpoint is in Boeing's own backyard and is an original BBJ interior completion center. Over the last five years Greenpoint has increased its growth and business relationship with the Middle East region as business continues to soar.

Privately held since its inception in 1988, Greenpoint is located between Boeing's 737 factory in Renton, Washington and Boeing's 747-8, 787 and 777 factory in Everett, Washington. The BBJ completion center employs interior designers, certification and aviation engineers, program managers, manufacturers and liaison technicians. They have expanded their operations to include a general manufacturing facility, cabinetry shop, and precision machining company. In preparation for new Boeing aircraft deliveries, Greenpoint has experienced significant growth and now employs over 250 people.

Saudi Arabia is especially significant to the aviation industry for growth in business jet ownership and operation. Greenpoint is installing a full VIP interior on a new BBJ3 for a client in the Middle East and is also modifying other aircraft for the region. Greenpoint will deliver their 18th and 19th BBJ completions in 2012. The Boeing-only completion center has modified nearly every Boeing model in its history and there is more on the horizon as the company prepares for their largest program to date, a full interior VIP 747-8 completion. Greenpoint is making history as one of only a few centers contracted for this size program.

Executive Vice President Sloan Benson

An interview with Greenpoint's Executive Vice President and President of the Texas facilities Sloan Benson describes the state of business.

1. **What do you credit for Greenpoint Technologies' success?**
   "The right people, robust processes and dedication to on-time deliveries. Everyone has worked diligently to execute on-plan without exception. Our motto "artistry engineered" is indicative of our learning; we've successfully demonstrated that robust processes from design through delivery enable us to complete our programs on time. Our customers tell us that our quality products, flexibility, and demonstrated track record are highly valued."

2. **What attracted Greenpoint to the Saudi market?**
   "The Middle East region is where many private and head-of-state Boeing business aircraft reside. We have worked with The Boeing Company for over a decade with Boeing's Defense Space and Security programs and with the Global Transport and Executive Systems group on special projects in maintaining their fleet. We are fortunate to share our experience and extensive relationships with this region's aircraft owners and operators."

3. **What are some of the challenges you have faced in the Saudi market and how have you overcome those challenges?**
   "The challenge Greenpoint initially faced was introductions and understanding the culture. By supporting associations, such as the U.S.-Saudi Arabian Business Council, we are in communication with key people who share common business goals. It's a strong network that has opened many doors for us."

4. **What advice would you give to other aviation companies who are interested in doing business in Saudi Arabia?**
   "Doing business in Saudi Arabia and the Middle East is an investment. It takes time to form relationships; though once established, they flourish into many opportunities."

5. **How has the Business Council supported Greenpoint's efforts in Saudi Arabia?**
   "The Business Council focuses on growth of business relationships in the Saudi region. The organization provides relevant information and offers vital introductions helpful in this development."

Benson summarizes it best, *"Our greatest strength is our team and how we focus on our customers. As one of our client's stated, 'you put the customer first, remain flexible, and I trust you to meet your commitments without cutting corners.'"*

To learn more about Greenpoint Technologies, visit, www.greenpnt.com or contact Bret Neely, Vice President of Sales at bneely@greenpnt.com. ■

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Shortly before the announcement of the PPP for PMBAIA, GACA signed a 15-year PPP with Plaza Premium and local company Meeza Company. The contract covers the development and operation of the VIP lounges at 12 airports, including all four major international airports. The project handover is planned to be completed in one year, covering all facilities and commencing with KAIA.

GACA first began experimenting with privatization in 2007, when it successfully completed a PPP with local company Saudi Binladin Group and French company Aeroports de Paris Management for the expansion and management of the Hajj terminal at KAIA in Jeddah.

Of the three other international airports in Saudi Arabia, analysts say that those in Riyadh and Jeddah may be well suited for PPP management projects in the future due to the volume of traffic passing through them. In 2010, over 13,600 passengers passed through King Khalid International Airport in Riyadh and nearly 19,900 passengers passed through KAIA in Jeddah.

The move toward PPP schemes is a sign that the government is serious about opening up the aviation sector to private investors and improving its ageing facilities. The civil aviation authority is also planning to privatize operations, such as aircraft refueling, parking, maintenance, hangar storage, and ground handling of passengers and cargo at KAIA and PMBAIA once construction is complete.

Saudi Arabia Opens Domestic Skies

Currently the national carrier Saudi Arabian Airlines (Saudia) and low-cost carrier (LCC) Nasair serve the domestic market of over 27 million people. However, a government-placed price cap on domestic flights has challenged private airlines with profit margins, and much of the population is underserved.

In an anticipated move, GACA announced that it will allow both local and foreign companies to apply for licenses to run domestic flights by the first quarter of 2012. The decision will allow successful and fast-developing companies in neighboring countries to launch direct services to major Saudi cities and tourist locations within the Kingdom, boosting both tourism and general economic development.

Most countries in the Gulf Cooperation Council (GCC) lack direct flights to attractive locations, making it easier for tourists outside the Kingdom to travel beyond the region, rather than vising local sights within Saudi Arabia.

Analysts predict that the move will improve the efficiency, comfort, and convenience of domestic airline routes within the Kingdom. The move should also serve to lower the costs of transport, including transit flights, across the GCC.

Saudi Aviation Travel Market (2010)

Airline Carrier	Passenger Percentage Share
Saudi Arabian Airlines	88.9
Nasair	9.2
Other	1.9

Source: GACA

The decision follows a series of moves that has opened more of the Kingdom's smaller airports to regional airlines. Saudi Arabia has four major international airports and 23 domestic airports, although many of the smaller facilities are now opening their runways to international flights, including the recently revealed plans for Abha International Airport and Al-Ahsa's airport, which opened its runways to Qatar Airways in 2011. The Taif airport is also underway for development to accommodate international tourists. Sharjah-based LCC Air Arabia began flights to Al-Qassim and Yanbu in 2011.

Price Caps on Domestic Flights

While the Kingdom works to develop its rail network and public transport, air travel has assumed an even greater significance in a country roughly the size of Western Europe. Aviation is crucial to the country's economic development as well as ensuring a sense of unity between the various areas of the Kingdom. Responding to the importance of the industry, the Saudi Government imposed in 2001, a price cap on domestic economy-class tickets to ensure that flying remains affordable.

The price caps place significant pressure on private airlines operating in the Kingdom. In an effort to introduce competition into the sector, GACA granted licenses to both Nasair, a subsidiary of National Air Services, and Sama airlines in 2007. With the price caps, the carriers were not able to levy a fuel surcharge on their customers to mitigate their higher costs. As such, both airlines increasingly moved into the international market, where the fare caps do not apply. Both carriers found high passenger volumes and profitability to compensate for losses in the domestic market. Today, Nasair has a fleet of 15 aircraft and operates 450 flights per week with the majority of destinations in the Middle East, Turkey, India, and Pakistan. On the other hand, Sama Airlines was forced to suspend operations in August 2010 after reporting significant loses.

As the national carrier, Saudia benefits from a subsidized cost of fuel, which mitigates the effects of the price caps but does not eliminate them completely. Saudia spent a number of years without product development; however, the airline

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teamed with The Boeing Company last February to modernize the 777 fleet and enhance passenger experience and environment. The project involves modifying the interiors of 22 of Saudi'as 23 Boeing 777-200 Extended Range aircraft.

The passenger cabin modification program began in early 2009 after certification of the new Business Market seating configuration. The modifications were scheduled to be completed in 2011. Boeing Commercial Aviation Services, working with the airline team, developed a cabin layout that provides increased comfort and amenities for passengers while providing the airline with an attractive, new in-flight identity. Boeing also provided the engineering services and program integration.

Market Liberalization Presents Opportunities

GACA will continue in its efforts to not only upgrade the Kingdom's aviation infrastructure, but also liberalize the industry's structure and introduce privatization. Saudia is moving through a slow process of privatization, which was started in 2006, and entails splitting the carrier into six units. Saudi Airlines Cargo has already been partly privatized while the ground-handling services unit was merged in March of last year with National Handling Services and Attar Travel Company. The airline said it hopes to hold a much-delayed IPO this year of its catering service, which is estimated to be worth up to $540 million (SR2.03 billion).

The liberalization and growth of the Saudi aviation market holds long-term potential for private companies to develop their operations in the Kingdom. Not only are their opportunities within facility management and construction, but the continued expansion and update of the airlines' fleets, such as Saudia's $3.3 billion (SR 12.38 billion) order of 12 Boeing 777 aircraft in 2010, present numerous opportunities for suppliers and manufacturers down the supply chain. For example, Goodrich Corporation was selected last June by Saudia to supply wheels and carbon breaks on Saudia's fleet of 12 new Boing 777-300ER aircraft. Opportunities will continue to expand as foreign companies position themselves in the market. ■

MEMBER HIGHLIGHTS

Al Faisaliah Group Forms Joint Venture with U.S. Company Accenture

Al Faisaliah Group Holding Co. Ltd. (Al Faisaliah Group) announced the formation of a joint venture with U.S. company Accenture, focused on improving the information technology (IT) capabilities of both companies. According to the agreement, Accenture now has a majority stake in Al Faisaliah Business & Technology Company (FBTC), a subsidiary of Al Faisaliah Group. The joint venture combines Accenture's management consulting, technology, and outsourcing experience with FBTC's enterprise architecture, systems implementation, and technology consulting skills and will provide a comprehensive set of IT services to Al Faisaliah Group's clients in Saudi Arabia. FBTC will become a division of Accenture. ■

Al-Khodari Awarded Two Sewage Contracts

Abdullah A.M. Al-Khodari Sons Co. (Al-Khodari) has been awarded two sewerage contracts in Saudi Arabia valued at $26.93 million (SR101 million). Al-Khodari will build the first phase of a sewerage network in Gulwa City in Bahah Province located in western Saudi Arabia. The second contract is for the second phase of a sewerage system in Afif City in the Riyadh Province. Both projects were awarded by the Ministry of Water and Electricity and should be completed within the next three years. ■

Alturki Achieves Trace Transparency Accreditation

Khalid Ali Alturki & Sons Co. (Alturki), one of the largest diversified business groups in Saudi Arabia, was recently awarded a membership certification by Trace International, a non-profit anti-bribery and business transparency organization, based in Annapolis, Maryland. Alturki received the certification after a due diligence review of the company and its subsidiaries. All Trace members are required to follow a strict code of conduct as part of their membership, complete an anti-bribery training course, and update their due diligence information annually.

Speaking about the certification, Mr. Rami Alturki, President of Alturki, said “Our businesses have always been committed to operating with the highest ethical standards; the successful due diligence review of our company followed by the Trace membership accreditation further reiterates our loyalty to maintaining a transparent, corruption-free environment throughout our business processes." ■

Ford Opens Office in Riyadh

Ford Motor Company announced plans to open a branch office in Riyadh, Saudi Arabia. The company made the announcement at a ceremony celebrating the 25th anniversary of Al-Jazirah Vehicles Agencies Co. Ltd. (Al-Jazirah), a distributor of

MEMBER HIGHLIGHTS

Ford Motor Company announced plans to open a branch office in Riyadh, Saudi Arabia. *Courtesy of Wrecked Magazine.*

Ford and Lincoln cars and trucks in the Kingdom. Ford's new office will allow the company to provide better service to Al-Jazirah by assisting with vehicle ordering as well as marketing and after-sales efforts. The office is expected to open in the second half of 2012. Ford is the fastest growing automotive brand in Saudi Arabia, with a record 47,000 car and truck sales estimated for 2011. ■

Jacobs Wins Contracts from Sadara, Marafiq, and ISACC

Sadara Chemical Co. awarded Jacobs Engineering Group work for the chlorine plant located on the planned $20 billion (SR75 billion) petrochemicals complex in Jubail Industrial City. *Courtesy of Arab News.*

Jacobs Engineering Group (Jacobs) won several engineering, procurement, and construction contracts in the fourth quarter of 2012. Saudi company Idea Soda Ash and Calcium Chloride Company (ISACC) awarded Jacobs a contract for the construction of a soda ash and calcium chloride production facility in Jubail Industrial City. Jacobs will provide engineering and management services for the project, which has an estimated value of $293.3 million (SR1.1 billion). The facility will be the first of its kind in the Gulf and will have a production capacity of up to 800,000 tons per year. The project will provide soda ash and calcium chloride for use in oil and gas drilling operations and the manufacturing of glass and detergents within Saudi Arabia.

Jacobs also won the contract from Marafiq Power & Water Utility Company for Jubail and Yanbu (Marafiq) for project management consultancy services for its new water facility in Yanbu. According to the contract, Jacobs will provide quality assurance, safety assurance, permitting support, engineering review, construction oversight, and start-up commissioning oversight for the project. The companies did not disclose the value of the contract, but the overall Yanbu water facility project has a value of over $1 billion (SR3.75 billion).

In addition, Sadara Chemical Co. (Sadara), a joint venture between Saudi Aramco and The Dow Chemical Company (Dow), awarded Jacobs work for the chlorine plant located on the planned $20 billion (SR75 billion) petrochemicals complex in Jubail Industrial City. Earlier this year, Jacobs carried out the front-end engineering and design for the project.

Sadara issued the main automation contract for its chemical complex in Jubail to ABB Ltd. ABB's work on the project will include supplying process automation and safety systems, project management, project engineering, commissioning assistance, and post-commissioning site support. ABB will also provide technical training in engineering, operation, and maintenance. When completed in 2015, Sadara's plant in Jubail Industrial City will be the largest plastics and chemicals production complex ever built in a single phase. ■

King & Spalding Advises AlAhli on Rights Issue

King & Spalding LLP and its affiliate office in Riyadh, the Law Office of Mohammad Al-Ammar, advised AlAhli Takaful Company (ATC), an affiliate of the National Commercial Bank, in a $21.33 million (SR80 million) capital increase on the Saudi Stock Market (Tadawul). ATC, a provider of Islamic insurance has been publicly listed on the Tadawul since 2007. King & Spalding advised ATC on the documentation and legal compliance of the capital increase after the later received approval from the Saudi Capital Market Authority earlier in 2011. The new rights issue will enable ATC to meet its solvency and reserve requirements, while allowing for the growth and development of the business. King & Spalding's Islamic finance and Middle Eastern investment practices are comprised of nearly 20 lawyers in New York, London, Dubai, Abu Dhabi, Riyadh, and Atlanta. ■

Parsons Wins Contract from Ministry of Housing

Parsons was awarded a contract from the Saudi Ministry of Housing for the development of 25,000 to 30,000 new housing units.

Parsons was awarded a contract from the Ministry of Housing in Saudi Arabia for the development of housing units, the first package awarded as part of a program to build 500,000 houses over the next several years. The package includes 12.36 square miles (32 square kilometers) of land spread over 11 sites and will result in 25,000 to 30,000 new houses. Parsons will provide master planning, neighborhood planning, infrastructure design, and the design of various housing types, as well as construction supervision of all 11 developments. The Ministry's entire housing project is worth an estimated $66.67 billion (SR250 billion). ■

QInvest Begins Operations in Saudi Arabia

QInvest Saudi Arabia, a subsidiary of Qatari investment bank QInvest LLC, earned a license from the Capital Market Authority in August to conduct business in Saudi Arabia and

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has now commenced activities from its Saudi office. QInvest Saudi Arabia provides managing, arranging, advising, and custody services for a wide range of corporate, institutional, and individual clients through the company's three business lines: investment banking, investment management, and wealth management services. The company will work to bring new investors to the Kingdom, as well as provide services for current investors country-wide. ■

SABIC Wins "Company of the Year" Award and Funds Autism Research

The SABIC Ultem resin manufacturing facility in Mt. Vernon, Indiana received the "Most Valuable Pollution Prevention Award for Innovation in Sustainability" for 2011.

Saudi Basic Industries Corporation (SABIC) has been named "Company of the Year - Chemicals" by the People's Choice Stevie Awards. Begun in 2002, the Stevie Awards' goal is to raise the profile of exemplary companies and individuals among the press, the business community, and the general public. Speaking at the award ceremony held in the U.A.E. on October 11th, Eng. Mohamed Al-Mady, Vice Chairman and Chief Executive Officer of SABIC said, "SABIC has won this honor due to its leading position in the global petrochemical industry. It is a result of SABIC's global team work, and is a reflection of our remarkable business achievements. We are pursuing the right policies in serving our customers, and are eager to continue leading the industry forward." More than 35,000 business professionals from around the world voted on the recipients of the awards.

SABIC also received recognition for its Ultem resin manufacturing facility in Mt. Vernon, Indiana, which received the National Pollution Prevention Roundtable's (NPPR) "Most Valuable Pollution Prevention Award for Innovation in Sustainability" for 2011. The award recognizes SABIC's role in reducing greenhouse gas emissions and water use during its resin production. The factory has introduced a purification process that converts excess material from its resin production process into reusable material that is sold commercially rather than discarded. The NPPR is the largest membership organization in the U.S. devoted solely to pollution prevention and provides a national forum for promoting the development, implementation, and evaluation of efforts to avoid, eliminate, or reduce pollution at the source.

In the Kingdom, Saudi Kayan Petrochemical Company (SAUDI KAYAN), a subsidiary of SABIC, began commercial production at the company's petrochemicals complex in Jubail Industrial City. Most of the plant's production units are now operational, including the company's 350,000 ton-per-year (t/y) polypropylene plant, 400,000 t/y polyethylene plant, 260,000 t/y polycarbonate plant, and 566,000 t/y ethylene glycol plant. Once fully operational, the complex will have an overall capacity of 4 million t/y. SABIC owns a 35 per cent stake in the complex and SAUDI KAYAN owns 20 percent, with the remaining 45 percent listed on the Saudi Arabian Stock Exchange, the Tadawul.

Closing 2011, SABIC donated $12 million (SR45 million) to fully fund an agreement between King Faisal Specialist Hospital and Research Center (KFSH), the University of North Carolina at Chapel Hill, and the U.S. center for Autism Speaks to conduct a research study on autism in Saudi Arabia. The goal of the project is to eventually establish a Saudi Professional Development Center for Autism at KFSH and to create a network of connected local autism centers to collaborate with international partners to promote the use of evidence-based practices for children and youths with autism in the Kingdom. In addition to beginning research, the KSFH team is visiting with families affected by the condition in Saudi Arabia's major cities over the next 18 months. There are currently around 2,700 people diagnosed with autism in Saudi Arabia. ■

Saudi Aramco Subsidiary Issues Contract to WorleyParsons for Kidan

South Rub Al-Khali Co. (SPAK), a joint venture between Saudi Aramco and Shell Oil Company was awarded an exploration license in the Rub Al-Khali region of Saudi Arabia, for the Kidan gas field, located near Saudi Aramco's current 750,000 barrel per day Shaybah oilfield. SPAK plans to drill three wells and complete an appraisal of the Kidan field by the end of 2013.

Shortly afterward, SPAK awarded WorleyParsons a contract to study and develop gas facilities at the Kidan gas field in south-eastern Saudi Arabia. WorleyParson's contract will determine the feasibility of building a large sour gas processing plant at the site, in addition to other facilities. The contract represents one part of SPAK's planned $8 billion (SR30 billion) development plan in the Kidan field. The company hopes to eventually extract more than 1.4 million cubic meters per day of natural gas and natural gas liquids from the area. In July 2010, SPAK completed a similar gas exploration in Rub Al-Khali that involved the drilling of seven wells at an estimated cost of $2.5 billion ($SR9.375 billion).

Another subsidiary of the national oil company, Saudi Aramco Total Refining and Petrochemical Company (SATORP), completed the issue of a $1 billion (SR3.75 billion) Islamic bond (sukuk) to fund the development of the company's refinery in Jubail. The sukuk was launched on

October 16th after it was oversubscribed 3.5 times. The deal was arranged by Saudi banks Samba Financial Group and Banque Saudi Fransi, as well as Germany's Deutsche Bank. In total, the SATORP refinery will cost about $14 billion (SR52.5 billion) to develop and is expected to be completed in mid-2012. SATORP is a joint venture between Saudi Aramco and French company Total. ■

SEC Awards Contract for Al-Qurayyah IPP, Riyadh PP-10, and Installs Solar Plant

The SEC inaugurated the Farasan Diesel Power Generation Plant, the Kingdom's first remotely installed plant to be grid connected. *Courtesy of The Oil and Gas Year.*

The Saudi Electricity Company (SEC) awarded a $2.85 billion (SR10.69 billion) contract for the development of the Al-Qurayyah independent power project (IPP) to a consortium led by ACWA Power International, an international power and water company owned in part by Saudi company A.K. Al-Muhaidib & Sons Group of Companies. The consortium, which also includes Samsung C&T Corporation and MENA Fund, will be called Hajr for Electricity Power Company. Located in the Eastern Province, the plant will deliver 3,927 megawatts to the SEC, making it the largest gas-fired, combined cycle power project in the world. It will also be among the most fuel efficient plants of its type, with 52 percent efficiency. The contract is under a 20-year power purchase agreement starting in June of 2014. The winning consortium and SEC will each own a 50 percent stake in the project, which will be developed on a build-own-operate basis and will conclude within 33 months. Upon completion, the plant will be operated by the First National Operation & Maintenance Company, a subsidiary of ACWA Power. This is the third IPP that the SEC has issued as part of its IPP implementation program, an initiative to attract more private sector investment in Saudi Arabia's power generation sector.

The SEC also awarded a $1.43 billion (SR5.36 billion) contract for Riyadh Power Plant 10 (PP10) to Arabian Bemco, a company partially owned by Saudi Binladin Group. Arabian Bemco will convert PP10 from simple cycle to combined cycle technology. Arabian Bemco will add 10 steam turbines, 40 heat-recovery steam generators, and 10 air-cooled condensers to the plant. The expansion will add a capacity of 1,300 megawatts (MW) to the existing generation capacity. The project should be completed within 46 months. PP10 is still in the final stages of completion, including the initial $3 billion (SR11.25 billion) construction project, also awarded to Arabian Bemco and expected to be completed in the fourth quarter of 2011.

In addition, the SEC inaugurated the Kingdom's first remotely installed plant to be grid connected. The 500 kilowatt photovoltaic plant is located at the SEC's Farasan Diesel Power Generation Plant, located off the Southwest coast of Saudi Arabia. In June 2011, the SEC announced the signing of a memorandum of cooperation with Japanese company Showa Shell Sekiyu K.K. (Showa Shell) and its subsidiary Solar Frontier, which is partially owned by Saudi Aramco. Solar Frontier completed the installation of the photovoltaic solar panels and the plant came online in August of this year. The pilot system is projected to displace 28,000 barrels of diesel during its lifespan, reducing the cost of diesel transport and handling while protecting the natural reserves of the island. Under the agreement, Showa Shell will own the project for up to 15 years, after which the assets will be transferred to the SEC. ■

Shoaibi Group Opens Office with McDermott

Suhayl Bin Abdul Mohsin Al Shoaibi & Sons Holding Co. Ltd. (Shoaibi Group) and U.S. engineering, procurement, construction, and installation company McDermott International, Inc. have officially launched a new joint venture in Saudi Arabia known as McDermott Arabia Engineering (McDermott Arabia). The new company was established in July and inaugurated October 12, 2011. McDermott Arabia's office will be located in Al-Khobar, and the company will provide a full suite of engineering services including front-end engineering and design and offshore commissioning. McDermott Arabia will also provide engineering training for Saudi nationals through McDermott's Graduate Engineer Development Program. ■

Sikorsky Signs Contract with Royal Saudi Land Forces

Sikorsky Aerospace Services (Sikorsky), a division of United Technologies Corporation, announced the signing of a follow-on contract with the Royal Saudi Land Forces Aviation Command (RSLFAC) to upgrade its fleet of Black Hawk UH-60A helicopters to the more modern UH-60L aircraft configuration. The upgrade will improve the performance, increase the mission readiness, extend the service life, and reduce the maintenance and support costs for the RSLFAC's 12 existing Black Hawk helicopters. The contract is an extension of a similar contract signed between Sikorsky and RSLFAC in May of 2010 and is part of the RSLFAC's A-to-L conversion plan involving fleet improvements for increased power and reliability and upgraded flight controls, avionics, and instrument panel modifications. ■

USSABC Draws 130 to Seminar at POWER-GEN International

The seminar at POWER-GEN International drew over 130 attendees and featured The Honorable Ambassador James Smith.

On December 14, 2011, the U.S.-Saudi Arabian Business Council (USSABC), in collaboration with the U.S. Commercial Service, organized a seminar at the POWER-GEN International Conference in Las Vegas, Nevada. Attracting more than 130 attendees, the panel featured The Honorable General James B. Smith, U.S. Ambassador to Saudi Arabia; Amer Kayani, Minister Counselor for Commercial Affairs, U.S. Embassy - Riyadh; Dr. Abdullah Alabbas, Executive Director for Generation Operation in the Central Region of the Saudi Electricity Company (SEC); and Salman Al-Malik, Vice President of Rakaa Holding. The panel presentation was moderated by USSABC President and Managing Director Edward Burton.

Mr. Burton welcomed attendees to the seminar and encouraged U.S. companies to look to Saudi Arabia for a healthy business environment with significant market potential in the power, utilities, and renewable energy sectors. “The power sector in Saudi Arabia is a crucial component for the overall development of the Saudi economy,” said Mr. Burton. “The annual growth in power demand in the Kingdom stands between 7 and 8 percent. The Saudi Government has aggressively responded to this demand through the implementation of an $80 billion (SR300 billion) investment program aimed at expanding generation capacity and upgrading transmission and distribution lines.”

Noting that many European and Asian firms have already taken advantage of business opportunities in the sector, Mr. Burton encouraged U.S. companies not to overlook such a promising market and added that the Business Council and Commercial Service are key resources in aiding U.S. companies looking to enter or expand their market presence in Saudi Arabia.

Mr. Kayani followed Mr. Burton's remarks by explaining that Saudis maintain a preference for U.S. products and services over European and Asian counterparts and that success in the Saudi market can be achieved through strategic and patient engagement. He noted that the large delegation of over 85 Saudi executives attending POWER-GEN International demonstrates the great potential for creating business between U.S. and Saudi companies. Mr. Kayani reiterated the multiple resources and services offered by the Business Council and the Commercial Service that are available to U.S. companies, especially small and medium-sized enterprises (SMEs), which are becoming an increasingly important component of the Saudi business community.

Presenting a detailed overview of the SEC's current power infrastructure and future development plans, Dr. Alabbas reported that the SEC operates 54 plants with total generation capacity of 41,927 megawatts (MW) and provides 85 percent of the country's electricity. He noted that steam turbine plants are only located in the Eastern and Western regions of the Kingdom, while the majority of power produced by combined cycle plants comes from the Central region. Overall, more than half of generation capacity comes from gas turbines, explained Dr. Alabbas, while steam turbines account for 34 percent and combine cycle turbines 14 percent.

With demand for power increasing at a significant annual rate, Dr. Alabbas stated that the SEC aims to double its generation capacity by 2020, adding approximately 41,219 MW. The majority of additional generation capacity will come from steam and combined cycle plants. Dr. Alabbas reported that by 2020, the SEC expects steam turbine power production to account for 45 percent of total capacity, surpassing gas turbine production at 33 percent and combined cycle at 22 percent.

From Left to Right: Dr. Abdullah Alabbas and Eng. Bakhitan Al-Dosari from the SEC speak with Amer Kayani, Minister Counselor for Commercial Affairs at the U.S. Embassy in Riyadh.

In its effort to double current generation capacity, the SEC is constructing dozens of new plants and upgrading existing ones. Dr. Alabbas detailed several of the SEC's major projects including the expansion of Rabigh Power Plant 6. At a cost of $3.4 billion (SR12.75 billion), the expansion project will add 2,552 MW upon completion in 2014. He further noted that the plants in Rabigh generate 32 percent of electricity power produced in the Western region. Dr. Alabbas also mentioned Al-Qurayyah Power Plant as another major development project of the SEC. Located in the Eastern region, Al-Qurayyah Power Plant is one example of the SEC's endeavors to convert several of its power plants to combined cycle, he explained. At cost of $1.85 billion (SR6.94 billion), the conversion will add an additional 1,318 MW when completed in 2013.

Providing a perspective from the private sector, Mr. Al-Malik discussed Rakaa Holding's experience and operations in the power and utilities industry. Rakaa Holding has two main subsidiaries involved in the power sector; Rakaa Turbine Co. is a major provider of turbine maintenance and repair services, while Rakaa Saudia Power & Water Co. provides services for complete project delivery in the utilities industry. Mr. Al-Malik noted that Rakaa's subsidiaries, along with many of private sector companies in Saudi Arabia, are looking to partner with U.S. manufacturers of industrial equipment for distribution in the Kingdom. The Saudi market is open and eager to acquire new technology, which will further advance the country's infrastructure base and strengthen its economy, said Mr. Al-Malik.

Ambassador Smith discussed the larger bilateral relationship between the U.S. and Saudi Arabia. "An enduring relationship between two countries starts with a solid foundation," he said, "one that was built in 1933 between the Saudi Government and Standard Oil Company of California." Ambassador Smith further explained that the U.S.-Saudi relationship, while tested at times, remains strong, especially in areas of education and trade and investment. Non-defense trade has increased 10 percent in the last several years, noted Ambassador Smith.

Ambassador Smith said that "the Saudi economy remains a bastion of stability" in contrast to other economies in the region. He attributed the Kingdom's stability to the government's efforts at providing a greater degree of stability, combating youth unemployment, and providing incentives for foreign investment. Ambassador Smith further noted that large corporations are not dominating the market share of business contracts. U.S. SMEs are playing an ever greater role in the Saudi market, which he noted as an indication that there is a bright future for American business in the Kingdom.

POWER-GEN International is the largest trade show in the industry, attracting more than 1,200 exhibitors and more than 18,000 attendees. The trade show provided the Business Council with the opportunity to promote the power generation sector in Saudi Arabia. USSABC representatives met with numerous U.S. companies that were interested in either entering the Saudi market or expanding operations in the Kingdom.

The U.S. Commercial Service led a delegation of over 85 Saudi business executives in the power industry. In honor of Ambassador Smith and the visiting Saudi delegation, the Business Council and FTR International hosted a reception and dinner, attended by 120 guests.

FTR International Inc. is an award-winning general contracting, engineering, and construction management firm that has delivered over 100 multi-million dollar projects since 1984. With offices in Los Angeles, Riyadh, Jeddah, and London, FTR maintains a diverse project portfolio that includes electrical power distribution centers, state-of-the-art science laboratories, health centers, educational institutions, aviation terminals, art and theater facilities, modern mass transit stations, port security services, complex water reclamations, and environmental sewage treatment facilities. ■

Amonix Hosts Saudi Delegation at POWER-GEN International

Eric Culberson, Director of Global Manufacturing Operations at Amonix, leads delegates on an interactive tour around the company's 214,000 square-foot facility in Las Vegas.

Amonix, Inc., a leading provider of concentrated photovoltaic (CPV) technology and member of the U.S.-Saudi Arabian Business Council, hosted members of the Saudi delegation attending POWER-GEN International for a tour of their North Las Vegas manufacturing facility on December 15, 2011.

Amonix began operations of its Gold LEED-certified manufacturing facility in the first quarter of 2011. The 214,000 square-foot facility has created hundreds of clean energy jobs in Nevada. The facility operates 24 hours per day, seven days per week, producing utility-grade solar equipment with a production capacity of 100 megawatts annually. The facility is powered by Amonix' solar power generating systems, the same product that is manufactured on the factory floor.

Saudi attendees were greeted by senior executives from Amonix, including Vahan Garboushian, Founder, Chairman of the Board, and Chief Technology Officer. The delegates included representatives from Saudi Aramco, Ali Zaid Al-Quraishi & Partners Electrical Services of S.A., and Rezayat Group, among others.

At the center of Amonix's facility, company executives provided a detailed presentation of Amonix's CPV technology and global installations, as well as discussing opportunities for partnership. Guy Blanchard at Amonix emphasized that the company's CPV technology is the most efficient solar technology on the market, producing more energy per acre than any other solar technology. In addition, Amonix systems require no water for power production and use land more efficiently than competitors.

Following the company presentation, Eric Culberson, Director of Global Manufacturing Operations at Amonix, led the delegates on an interactive tour of the facility.

Amonix installations represent 85 percent of all CPV installations worldwide. The company has identified Saudi Arabia as its top growth market due to the extreme sun exposure in the region, providing potential to supply not only the domestic market, but the global market as well. ■

NEW MEMBERS

Business Council Welcomes New Members

The Bode Technology Group
Silver Member

Bode was founded in 1995 and is a leader in providing forensic DNA analysis, highly advanced and proprietary DNA collection products, and contract research services to law enforcement agencies, state governments, crime laboratories, and disaster management organizations around the world. Bode has recently expanded its available services to enable the application of its extensive operational expertise in forensic DNA testing to customized consulting, validation, information technology, and training opportunities. Based near Washington, D.C., Bode is a fully accredited DNA testing laboratory that employs analysts, scientists, and technicians who are dedicated to developing and utilizing state-of-the-art technology to achieve its mission of being the most trusted provider of forensic DNA analysis in the world. Bode's forensic DNA experts have assisted in identifying criminals in every state in the U.S., as well as victims of war, terrorism, crime, and natural disasters. For more information about The Bode Technology Group, please visit www.bodetech.com. ■

Foster Wheeler AG
Platinum Member

Foster Wheeler AG is a global engineering and construction contractor and power equipment supplier delivering technically advanced, reliable facilities and equipment. The company employs approximately 12,000 talented professionals with specialized expertise dedicated to serving its clients through one of its two primary business groups. The company's Global Engineering and Construction Group designs and constructs leading-edge processing facilities for the upstream oil and gas, LNG and gas-to-liquids, refining, chemicals and petrochemicals, power, mining and metals, environmental, pharmaceuticals, biotechnology, and healthcare industries. The company's Global Power Group is a world leader in combustion and steam generation technology that designs, manufactures, and erects steam-generating and auxiliary equipment for power stations and industrial facilities and also provides a wide range of aftermarket services. The company is based in Zug, Switzerland, but also has offices in the U.S. and Saudi Arabia, as well as many other countries. For more information about Foster Wheeler, please visit www.fwc.com. ■

Fuller Brothers Inc.
Silver Member

Fuller Brothers Inc. is a global tire company providing non-hazardous, non-toxic products that reduce tire management costs. Fuller Brothers is based in Clackamas, Oregon, and has over 45 years of experience in the industry. The company's patented Tire Life® product is a premium liquid formula developed to benefit all companies that manage commercial fleets. When added to a tire's air chamber, Tire Life® protects the tire and eliminates wheel or rim loss from scale and pitting, while its sealing qualities improve air retention. Tire Life® greatly reduces labor costs as tire dismounting time is decreased. The product improves vehicle safety not only by reducing tire failures but by aiding in the prompt identification of tire cuts and wheel and rim cracks. It also keeps tires running up to 7.5 percent cooler than similar tires. For more information about Tire Life® or Fuller Brothers Inc., please visit www.fullerbros.com. ■

MALESA MD&D
Gold Member

MALESA MD&D (MALESA) was established as a clinic in Riyadh in 2005. In 2010, the company began providing healthcare and consumer goods, and this has since become the company's primary business. MALESA's services include the import, distribution, and marketing of medical and consumer products in Saudi Arabia. The company is a leader in the Saudi market and has plans to expand to other areas of the Middle East. MALESA is also engaged in the management and operation of hospitals. MALESA's staff is trained at various reputed international institutes and multinational medical companies. MALESA's customers include the Ministry of Health, private hospitals, and institutions. ■

N5 Company
Silver Member

N5 Company provides engineering solutions and construction expertise in the design, construction, and delivery of temporary housing and other facilities associated with large-scale, long-term projects throughout Saudi Arabia. N5 also has considerable experience in railway development in Saudi Arabia and was recently involved in the North-South Railway Project. N5 specializes in the recruitment and sponsorship of qualified technical and non-technical labor and can provide most sized projects with skilled labor for an extended period of time. N5 is looking to expand its range of services and offerings by developing relationships with U.S. companies involved in light industrial manufacturing, environmental services for commercial and residential water and waste management, architecture, interior design, construction, technical training, healthcare products and services, and agricultural solutions for arid climates. For more information about N5 Company, please visit www.n5.com.sa. ■

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U.S.-SAUDI ARABIAN BUSINESS COUNCIL

The U.S.-Saudi Business Brief is a bi-monthly publication of the U.S.-Saudi Arabian Business Council. The Business Council's mission is to foster, develop, and expand the business relationship between the U.S. and Saudi Arabia by promoting trade and investment between the two countries and contributing to the accurate depiction of the business environment within the Kingdom of Saudi Arabia.

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NEW MEMBERS

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Trident Systems

Silver Member

Founded in 1985, Trident Systems is a veteran-owned small business working to deliver innovative and affordable technology solutions for critical government and commercial needs. Trident provides an array of services from systems engineering support for combat system development to the maintenance and support of the Integrated Air Defense System in the National Capital Region. Trident specializes in rugged C4ISR military technology such as unattended ground sensor nodes (UGSN) for tactical mesh networks; electro-optic solutions for day to night situation awareness; and wearable technologies such as the wrist-mounted wearable displays that support applications including threat warning, situational tracking, streaming video, secure messaging and more. Trident Systems benefits from in-house electronic design capabilities, software engineering expertise, and a proven network of manufacturing partners. From Military Situation Awareness, to advanced sensor systems, to computer touch screens on assembly lines, Trident has the ideal solution for any situation. For more information about Trident Systems, please visit www.tridsys.com. ■

Yousef Mohammed Al-Dossary Establishments Group

Silver Member

Yousef Mohammed Al-Dossary Establishments Group, established in 1972, is engaged in real estate, transportation, manufacturing, investment, and petrol retailing. The company specializes in the installation of potable and storm water and sanitary networks, execution of roads and lighting works, and general construction. The group also provides recruitment and training services. In the real estate sector, the group's subsidiary Yousef M. Al-Dossary for Real Estate Investment Co. is engaged in acquiring, planning, and developing land for the construction of residential and commercial buildings. The group is also engaged in the transportation various types of goods using its own fleet of vehicles. Yousef M. Al-Dossary & Sons Holding Group's other subsidiaries include Al-Sharq Polystyrene Factory Co. Ltd, specializing in manufacturing polystyrene products; Al-Bajer Factory Co. Ltd. manufacturing electric hose pipes; Angad Factory for Plastic Industries Co. Ltd manufacturing molded plastic products; and United Gulf for Business Services Co. Ltd. which engages in real estate investment throughout the Kingdom and other countries in the Gulf region. For more information about Yousef Mohammed Al-Dossary Establishments Group, please visit www.aldossary-group.com. ■

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U.S.-Saudi Arabian Business Council

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