

Saudi Arabia Business Opportunities

SAUDI ARABIA — Al-Rushaid Investment Company is looking for a joint-venture partner to manufacture insulated plastic containers for food and drink — thermos bottles, food coolers, etc. The company needs new technology and experience to set up this factory. In return, it can provide financing, knowledge of local business, marketing, human resources, and construction.

Al-Rushaid Investment Company is one of the largest firms in Saudi Arabia, with annual sales of over \$800 million. It is a diversified group, with activities in real estate, manufacturing, construction, and oilfield services, and is the registered Saudi Arabia agent for such international companies as Cooper Oil Tools and Aérospatiale. The chairman, Sheik Abdullah Al-Rushaid, is a well known and well respected figure in Saudi Arabia.

Al-Rushaid is responding to a recent market study that identified a large potential demand for coolers in Saudi Arabia. As a manufacturing project, a joint venture in this field would be eligible for Saudi Industrial Development Fund subsidization of up to half the total cost.

For more information, contact Steven Goodinson, Canadian Embassy, Riyadh, tel.: (966-1) 488-2288 ext. 3353, fax: (966-1) 488-0137; or Dr. Tayseer Al-Khunaizi, Director of Business Development for Al-Rushaid Investment Company, P. O. Box 539, Dhahran Airport 31932, Saudi Arabia, tel.: (966-3) 898-0028, fax: (966-3) 898-3551.

SAUDI ARABIA — Al-Nafjan Trading and Contracting Company is looking for a joint-venture partner to bid on electrical substation contracts in Saudi Arabia.

Al-Nafjan is a medium-sized contractor with annual revenues of about \$30 million. At present the business is confined to power distribution contracts with the Saudi Consolidated Electricity Company of the Eastern province (SCECO-East), where Al-Nafjan has a good, reliable reputation. Al-Nafjan lacks the technology and experience needed to prequalify for higher voltage contracts, but foresees much future demand for substations (including control and network monitoring) and for upgrades to existing facilities.

Al-Nafjan is looking for a Canadian company to provide this technology, design expertise, and project management experience. The Canadian company could be larger or smaller than Al-Nafjan, which is not a manufacturer but would be willing to source in Canada if cost-effective. Al-Nafjan in turn would provide local business and bidding experience, as well as human resources and construction services.

SCECO-East is the largest electric utility in Saudi Arabia, with an installed capacity in 1995 of 7,197 MW (56 per cent generated from steam turbines and 44 per cent from combustion turbines). About 18 per cent of SCECO-East's production is exported to SCECO-Central (up to 1,800 MW in peak periods), where the capital, Riyadh, is located.

SCECO-East's production capacity is growing and will reach an estimated 20,000 MW by 2020.

The business of power generation and transmission in Saudi Arabia is entering a period of massive expansion. An estimated \$162 billion will be spent by 2020 to serve the needs of the country's growing population and industry, including about \$34 billion for high-voltage transmission and subtransmission systems. Various interconnection projects are also planned, including a \$2-billion project for connecting power grids of the six countries of the Gulf Co-operation Council (Saudi Arabia, Bahrain, Kuwait, Oman, United Arab Emirates, and Qatar).

For more information, contact Steven Goodinson, Canadian Embassy, Riyadh, tel.: (966-1) 488-2288 ext. 3353, fax: (966-1) 488-0137; or Mr. Abdullah Abbad, Al-Nafjan Trading and Contracting Company, P. O. Box 6359, Dammam 31442, Saudi Arabia, tel.: (966-3) 834-9436, fax: (966-3) 834-9172 or 826-6515.

SAUDI ARABIA — Al Yamamah Steel Industries Co. Ltd. is looking for a Canadian company for technology transfer or joint venture in the manufacture of steel towers for power transmission lines in Saudi Arabia.

Al Yamamah Steel has an annual turnover of about \$50 million, with a production capacity of 140,000 tons per year, primarily in steel tubes and sheets. It sells mostly to the petroleum and construction industries in Saudi Arabia.

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