

h) Appendix

Ministry of Petroleum and Mineral Resources (MP and MR)

The MP and MR has overall responsibility for efficient development and marketing of petroleum. They, in turn, have fifteen agencies covering exploration, production, refining, marketing, pipelines, shipping and shipbuilding. These agencies are either owned outright by the Kingdom or in the process of being taken over. The two most interesting sub-agencies of MP and MR are Petromin and ARAMCO.

Petromin

Petromin is responsible for all petroleum and administration and certain operations such as: production, exploration, marketing, and shipping plus some pipelines and refineries that fall outside of the geographical area assigned to ARAMCO. Petromin is a relatively new and fast-growing organization and some lines of control are still obscure to outsiders. Procurement appears fragmented but a centralized agency will probably develop as more refineries and pipelines go into operation.

Ministry of Industry and Electricity

The Ministry of Industry and Electricity is responsible for licensing of joint ventures and works in conjunction with the Saudi Industrial Development Fund (SIDF) and the Ministry of Finance, to review proposals and administer loans and grants. (This system is also explained in separate papers.)

SABIC

Since many of the key primary and secondary industries in the master plan could not be developed by the private industry, the Saudi Government set up an organization called the Saudi Basic Industries Corporation (SABIC) in 1976, to spearhead planning, construction and operation of primary petrochemical and associated hydrocarbon industries, plus iron, steel and aluminum or any other industry deemed to be beyond the resources of the private sector. Their authority also includes product marketing the products of the basic industries, particularly natural gas, as a feedstock. To this point, SABIC ventures are being executed as joint ventures between it and major multinationals. (A complete list is included in the appendix, page 59.) The foreign partners are invariably responsible for design and construction of the plants, which are then executed by prime contractors or