



SAUDI BRITISH
JOINT BUSINESS COUNCIL

20 January 2015

Doing Business in Saudi Arabia

Chris Innes-Hopkins, UK Executive Director
Saudi British Joint Business Council



Strategically located in the heart of the Middle East, Saudi Arabia is:

- The Middle East's **largest economy**: GDP of \$750bn & average growth of 6.5% p.a. over the last decade.
- The only economy to offer **scale and substance**, and our most important trading partner in the region.

Key Facts

- Population of **30 mil** (of which 60% are under 25)
- No personal income tax & corporate tax of **20%**.
- **Key sectors** include: petrochemicals, renewable & nuclear energy, transport, infrastructure, water, education and healthcare. **Not just oil!**
- **G20 member**, 18th largest economy in the world
- Largest **stock market** in the Gulf & accounts for **25%** of the **Arab world's GDP**.
- Largest recipient of **FDI** in the Arab World.



Economic Diversification & Saudisation

- Determined to **diversify its oil-dependent economy**. Emphasis on foreign expertise and FDI, as well as Saudi companies that can be competitive, global players.
- Good progress being made. **In 2013, the non-oil private sector contributed to over half the Kingdom's GDP.**



- Saudisation policy to upgrade Saudi nationals' **skills** and **employability** and encourage Saudis into the private sector.
- Great **opportunities** for **UK services** and expertise eg: design and engineering, capacity building, and technical and vocational training across all industry sectors.

Education & Skills

- **Education** accounts for over 25% of the total Saudi budget. Increased emphasis on vocational training and private sector provision
- **Colleges of Excellence programme:** 40% of contracts awarded to UK providers in in first two waves.
- **Strategic training projects** in healthcare, railways, oil & gas, engineering etc
- **English language training** for business & overseas study
- **Corporate & professional** training: financial, management and leadership skills
- **13,000 Saudi scholarship students** in UK
- **SBJBC Education Working Group** & internships



Business Culture in Saudi Arabia

DOs

- Understand that the decision-making processes and the culture is very different.
- Invest in relationship-building.
- Evaluate your business partner thoroughly.
- Take legal advice, locally (Sharia legislation).
- Visit, visit, visit
- Commit to a long term presence and transfer of skills in the market.

DON'Ts

- Agree and sign-up with the first partner that you come across.
- Expect email responses and hurry the process.
- Generalise, as there are many differences between the East, West & Central Provinces.
- Give the impression that you aim to do business from a regional base elsewhere in the Gulf, or make comparisons with other GCC markets.

How can the SBJBC help you?

We are an independent and private sector led body, which aims to strengthen business relations at all levels between the UK and Saudi Arabia.

- We **promote** and facilitate business through our membership and high level contact networks in Saudi Arabia and the UK
- We **provide** market advice and introductions to potential partners and vetted legal and professional service providers in cooperation with UKTI and the OBNI
- We **communicate** business concerns to relevant authorities in both Kingdoms, and facilitate technology transfer and expertise exchange through our working groups



SAUDI BRITISH
JOINT BUSINESS COUNCIL

SBJBC UK Contact Details

SBJBC UK is a company limited by guarantee. The UK Chair is **Rt Hon Baroness Symons of Vernham Dean**. The Saudi Secretariat is based at the Council of Saudi Chambers in Riyadh. We will open an SBJBC UK office in Riyadh shortly.

For further details please contact:

Chris Innes-Hopkins

UK Executive Director
SBJBC UK

10 Grosvenor Gardens
London SW1W 0DH
Tel: 0207-824-1933

E: director@sbjbc.org
<http://www.sbjbc.org>

Thank you!



SAUDI BRITISH
JOINT BUSINESS COUNCIL