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**Title** : Saudi Arabia's infrastructure sector holds opportunities for S'pore firms  
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SINGAPORE: The construction, oil and gas, and retail sectors are booming in the Middle East.

Trade promotion agency IE Singapore said Saudi Arabia's demand for infrastructure development means there are investment opportunities for Singapore companies.

As the largest of the Gulf Cooperation Council countries, it has a population of over 24 million people and an unemployment rate of nine per cent.

To meet their housing needs and to create jobs, Saudi Arabia is going full steam ahead to attract foreign investors for infrastructure projects such as economic cities.

Currently four economic cities are under construction.

Lim Ban Hoe, regional director, Middle East & Africa, IE Singapore, said: "In the case of Saudi Arabia, they have a large population and there is always this national interest to take care of its own people. So the areas of concern are housing, good healthcare and so on."

It is estimated that the kingdom needs about one million new homes over the next five years.

Mr Lim added: "In Saudi Arabia, what we have seen is that they have built up a lot of resources and reserves over the last few years, especially when oil prices were high. So there are a lot of sectors that have a lot of projects that are coming on stream over the next few years - in cities like Riyadh and Jeddah and so on.

"They've announced a lot of projects in infrastructure cities coming up and so on. Over and above infrastructure, they have a lot of plans for health care, for ICT development and even for things like logistics and so on."

Currently, there are only about 30 Singapore firms in Saudi Arabia in comparison to 150 to 200 in Dubai, leaving plenty of room for new entrants to the market.

Big Singapore firms such as Sembcorp and Parkway have already established a foothold in the Middle Eastern market. For Singapore firms that are apprehensive about venturing into Saudi Arabia, getting a local partner helps although it is not always necessary.

Thomas Riesenberg, president & CEO, MACH7, said: "How does a Singapore operation enter into the Middle East, understanding (their) culture and the climate. We are very fortunate to have partnered with a Qatar-based company. We're talking to this partner about helping us engage in Saudi."

Singapore signed its first free trade agreement with the GCC last year and that will facilitate Singapore firms' entry into the region.

While the agreement is yet to take effect, experts said it would effectively mean Singapore firms could qualify as local firms when doing business in countries such as Saudi Arabia. - CNA/vm