

# The Al Yamamah Economic Offset Programme

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As part of the Al Yamamah Project, the related Offset Programme was established with the aim of transferring technology to Saudi Arabia through joint ventures (JV's) or licensing agreements.

The British Offset Office is responsible for planning, co-ordinating and administering the United Kingdom's involvement in the Programme and actively looks for ways to assist UK and other foreign companies. Experience of Saudi Arabia and the special arrangements of the Al Yamamah Economic Offset Programme make it possible for the Offset Office to offer companies detailed and confidential guidance on the development of project ideas.

Because of the Offset Programme and the unique investment opportunities in the Kingdom of Saudi Arabia, a variety of companies from the UK have already been attracted to the setting up of joint ventures in the Kingdom with an aggregate value of over £400 million. The British Offset Office has offices in the UK and Saudi Arabia and, with its merchant bank advisers (Schroder Asseily & Co Ltd and Robert Fleming & Co Ltd) can provide an unparalleled level of knowledge and experience on business in the Kingdom. Furthermore, companies working through the Offset programme benefit from the status derived from their proposals being administered on a government to government basis.

Both governments recognise that for the Offset Programme to succeed in its objectives, it must be as flexible and broadly based as possible to provide maximum benefit to all concerned. Participation is therefore open to all companies in both the civil and defence sectors, and includes ventures in the manufacturing and service industries. The only projects that are specifically excluded from the programme are primary extraction, processing and marketing of crude oil and gas.

Although there is a general procedure for developing investment ideas under the Offset Programme, this can be tailored to meet the nature and needs of a particular project. For this reason, it is essential to discuss project ideas at the earliest possible stage.

Projects which have been brought to Saudi Arabia as a result of the Offset Programme include:

Construction of a Jeddah-based pharmaceutical plant

Construction of a world-scale sugar refinery at Jeddah

Establishment of a training company to introduce state-of-the-art techniques in job analysis, employee assessment, training needs analysis and training package delivery in formats appropriate to the Saudi environment.

The UOP/Cyclar project, licensed to SABIC at Yanbu, used to manufacture aromatics from Liquefied Petroleum Gas.

A joint venture between the Harlow Chemical Company Ltd and Dhahran Chemical Industries to manufacture polymer dispersions used in the paint, adhesive and textile industries.

A joint venture for instrumentation repair between Flomer Ltd of the UK and Rezayat.

A joint venture to re-refine used oil products.

In addition to these implemented projects, a number of projects in the following sectors are at advanced stages of progression and we welcome additional enquiries from companies who have project proposals in these sectors:

- Downstream Petrochemicals
- The Chemical and Process Industry
- Healthcare and Pharmaceuticals
- Food and Agriculture Technology
- Engineering
- Textiles
- Environmental Technology

In addition to the existing range of investment incentives for companies setting up industrial projects in Saudi Arabia, and the anticipated revised Investment Law for the Kingdom, BAE has developed a unique Project Financing Initiative which offers significant financial incentives for technology holders to invest in the Kingdom through the Al Yamamah Economic Offset Programme.

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For further information on the Offset Programme please contact the British Offset Office:

London      Riyadh

MOD, Castlewood House  
77-91 New Oxford Street  
London WC1A 1DS  
Tel: 00 44 171 829 8129  
Fax: 00 44 171 829 8116

UK MOD Team  
PO Box 1003, Riyadh 11431  
Kingdom of Saudi Arabia  
Tel: 00 9661 419 5957 Ext 4210  
Fax: 00 9661 419 5957 Ext 4214