

EMBASSY NEWS

The last three months have seen a considerable flurry of activity on the domestic commercial scene. We have had the good news of the gas initiative advancing a further step with British companies winning key roles; received visits from a Middle East Association Trade Mission and Richard Barrington; and witnessed the passing of a new draft law on Telecommunications, which should lead to the opening up of the sector to competition and the end of STC's monopoly.

Gas Initiative

In late May, we received the news that BP and Shell were among eight International Oil Companies (IOCs) chosen to develop Saudi Arabia's huge gas sector, the first significant hydro-carbons project for 25 years in which the Kingdom has invited foreign companies to participate.

BP and Shell have each won a significant stake in Core Venture One in South Ghawar. Exxon Mobil will lead that consortium. Shell also won the leading role (40%) in Core Venture Three in Shaybah in the Empty Quarter.

For BP, this is a new, exciting venture. The company has not had a significant presence in the Kingdom before now. So they consider they have secured a tremendous prize and look forward to working with all concerned to make this a very successful project. BP's expenditure alone could amount to over 14 billion Saudi Riyals or approaching US\$4 billion.

Shell is equally delighted to have secured such a large stake in Core Venture One and claimed the prize of leading the consortium in Three.

For Saudi Arabia the project will give a substantial boost to job creation, infrastructure and economic growth, all of which are vital to the Kingdom.

Middle East Association (MEA)

The Middle East Association brought an outward trade mission to Saudi Arabia from 20-30 April. The Mission was led as usual by Lawrie Walker and was supported on this occasion by the British Offset Office. A large group of 25 companies participated in the visits to Jeddah, Riyadh and Al Khobar. Despite a last minute panic over visas being rejected by the Saudi Embassy and a hectic schedule in each of the three centres, the majority of mission members (both 'old hands' and newcomers to the market) described the visit as a resounding success. New contacts were made, existing ones developed, relationships strengthened, new opportunities identified and a better knowledge of the market secured. We look forward to receiving another MEA trade mission from 19-29 October with the prospect of a further series of MEA missions next year.

e-Commerce Conference, Riyadh, 6-9 May

Richard Barrington, Director of Industry in the Office of the e-Envoy, gave the keynote address on e-Government at Saudi Arabia's first international e-Commerce conference and exhibition in Riyadh in

May. It is no exaggeration to say that his presentation went down a storm. The audience were genuinely interested in the UK's advances in ensuring that all government services are delivered to the public online by 2005. In addition to his official speaking engagement, Richard had a very useful meeting with Dr Fawaz al-Alamy, Deputy Minister for Technical Affairs at the Ministry of Commerce. He also saw a Vice-President of the King Abdul Aziz City for Science and Technology (KACST), undertook a number of media engagements and addressed a successful and well-attended breakfast meeting of the RGBB. All in all, a successful visit, which left open the prospect of further consultation with the Saudis on the e-Government agenda.

Consular/Visa Advice

The Consul, Ian Wilson, has asked me to remind readers that the Embassy website includes general consular information and copies of Wardens' notices. The address is: www.ukm.org.sa.

The Visa Section is at its peak period and application numbers have increased significantly in recent weeks. The Embassy is making every effort to cope with this extra demand without any reduction in the speed or efficiency of the service. Nevertheless, we strongly encourage all applicants to submit their documents as early as possible to avoid disappointment and delay. Information about the likely length of waiting time for applicants can be obtained from the Visa Section direct (tel: 488 0077).

Staff Changes

The Deputy Head of Mission (DHM), Simon McDonald, left post on 29 May to take up his new position as Principal Private Secretary to the Foreign Secretary, Jack Straw. His replacement is Dominic Asquith, currently DHM in Buenos Aires. Dominic is due to arrive in early October. In the meantime, Philip Parham is Acting DHM while continuing his duties as Commercial Counsellor.

Ian Wilson will be leaving Riyadh in July on a cross-posting to Beijing. His successor has yet to be officially named but it is hoped that any gap will be kept to a bear minimum.

Sadly our commercial receptionist, Heba Demity, whom many of the readers will have come across in the Embassy, is also leaving us. Her husband is taking up a new position in New Jersey in July and Heba doesn't want to stay behind in Riyadh (what a surprise). We shall be sorry to see her go, but wish her and her family a successful move and all the best for the future.

Adieu

Finally, on behalf of the Embassy, I should like to wish Peter Lyall every success when he leaves the Kingdom in late June. He has worked tirelessly on the Executive Board and Business Development Committee for several years and shown real determination and commitment to British business. The Commercial Department wishes Peter the best of luck.



Mike Nithavrianakis

