

The October briefing was another that was well attended and we were extremely lucky to have Dr Abdulrahman Alzamil from Zamil Group come and speak to the RGBB about a number of different topics.

One of Saudi Arabia's oldest family businesses, Zamil Group was founded by the late Sheikh Abdullah Al-Hamad Al Zamil, who established a trading entity in the 1930's, expanded his business into real estate investments and during the 70's into a variety of industrial sectors. His 12 sons have taken over the running of the business, which is now very diverse and successful.

The group operates through 60 sector businesses providing a range of industrial, commercial, services and consumer solutions, through manufacturing facilities, joint ventures, affiliations and strategic acquisitions. They have combined workforce of 10,000 in more than 55 countries.

Dr Zamil opened the briefing by saying that in Saudi Arabia, business success is not about what you know or how clever you are, but more reliant on how many people you know. Being one of 12 brothers, Dr Zamil was invited to many committees and so soon got to know all the business community movers and shakers. He joked that as committees are voluntary, he had taken up this RGBB offer of speaking and hoped it paid well.

Dr Zamil is a member of the Shura Council, which comprises 150 members, who are appointed by the government. Their role is to advise, study and discuss new laws and government decisions prior to Royal Decree. 6000 names are initially chosen to be put forward as members of the council, and these cover all regions and backgrounds and family allegiances. Each is assessed by a number of committees and they are reduced to approximately 300. The council members are chosen from these.

Dr Zamil was keen to point out that this is not a rubber-stamping committee for the lawmakers, and unless the Council considers that the proposed changes are good for Saudi, they won't ratify them. Dr Zamil mentioned that they have already had many heated debates with the government and legal scholars regarding proposed changes to the law here and he is sure there will be many more such debates. He strongly believes that the Shura Council is a major contributing factor in the building of Saudi Arabia into a modern nation, and that it will continue to suggest changes to the laws and systems in the Kingdom where these will further improve the environment for both businesses and individuals.

Dr Zamil then went on to talk about the changes and influences that have shaped Saudi Arabia and led to the flourishing business community that now exists. Back in the 70's when the oil price first increased

and industrial development was taking off, a number of initiatives were started.

1) Ex-German Chancellor Brandt came to KSA, and acted as an unofficial advisor to the Government to strengthen the industrial background.

2) There was a programme of sending the best Saudi graduates to UK and US universities to continue their education and to maximize their opportunities, and those for Saudi. It is these graduates today that are running many of the successful business groups that are seen across Saudi, and testament to this wise decision.

3) Incoming oil revenue was used to set up the main investment funds, Saudi Industrial Development Fund, Agricultural Fund and the Real Estate Funds. These funds have been used to help both small and large enterprises develop, expand maximize their potential. Zamil Group was one of the first recipients of SR1m from the Saudi Development Funds, and he joked that at the time he had to ask for it in cash as didn't want to take back a cheque to his brothers.

These funds have helped to develop Saudi business potential, and have given younger Saudis the opportunity and availability of funding and financing for their business plans, laying the foundations for future growth and employment.

He also commented on the difference between Saudi and UAE, where these "Classes of the 60s/70s" have grown up to own many Saudi businesses, both large and small, whereas in Dubai the economy is still 95% owned by the ruling family. The other major difference he mentioned is that you won't see Saudi Government investing large sums abroad, when there are still so many opportunities within the country. He believes that the country needs to keep its investments liquid, to maximize the investment potential locally and ensure that it provides opportunities for employment and training of Saudis, so laying the foundations for a secure future.

Dr Zamil and the Zamil family were heavily involved with the Petrochemical sector, in particular the establishment and growth of SABIC, and are also involved in the other large Petrochemical projects through Sahara Company and SIPCHEM. The development of the Jubail Industrial city was a first in Saudi and at the time a brave decision, albeit looking back it has been a huge success in developing the Saudi economy and providing thousands of jobs for Saudi graduates.

The use of gas was a very new concept to Saudi, as previously this was a waste product that was just flared off to get rid of it. To incentivise its use, they set a low tariff on the gas stock for industrial use, to try to ensure the development of the petrochemical sector. When the gas supply was initially offered, no one