

LOCAL VISION, INTERNATIONAL EXPERTISE

diversity of financing comes in, not the least of which is public and private partnerships.

What many governments fail to budget for is on-going maintenance and operational costs. They speak of depreciation, but that is not the same thing. In fact, the building of any piece of infrastructure, according to International Financial Services London is only a third of the real costs. So who will pick up the two-thirds operational cost over time? Who will keep the infrastructure up to date and functioning at full capacity? With PPP it is a private operator who does this. All the Government does is pay a 'service charge' which pays for both the construction and maintenance over a long time. In exchange for providing these services, the private sector takes a modest profit of 10% of the whole thing.

Experience in the UK has shown that the better and more focused management by the private sector more than off sets this profit amount and, in fact, produces saving to government over and above this whilst reducing the bill to the tax payer significantly.

In the UK, the use of PPP has enabled us to guarantee and sustain record amounts of investment in high quality schools, hospitals, roads and other major programmes. Since 1993 there have been over 600 UK projects worth •50 billion. That means 239 new or rebuilt schools, 34 hospitals; and 119 Accident and Emergency units.

At the same time, 34 new fire stations and police stations have been built; 12 waste and water projects and over 170 housing, leisure and cultural projects.

Each year, we use PPP to fund •6 Billion of capital investment in our infrastructure. This is 12% of our total annual public investment. And PPP is really delivering. The UK National Audit Office has assessed the savings by PPP over conventional procurement at 17%. Their 2003 assessment of performance showed 75% of projects completed on time and at the price the government expected to pay.

Now the interesting part is to make all this happen, efficiently and cleanly and rapidly! Happily we have considerable expertise and would love to work with you so that we can both become foremost in this aspect of diversity.

Your Excellencies, Chairman, it has been a delight to be with you this afternoon. There is strength in diversity! Let it grow!

SABB  ساب

The Saudi British Bank launched its new logo on 11th February, marking the beginning of a new era in its long history in the Kingdom. The logo consists of the word SABB in english and arabic in black with the red hexagonal shape of its jv partner HSBC. A launch event was held in Riyadh attended by the bank's customers at which the Lord Mayor of London, Alderman David Brewer, and the British Ambassador to Saudi Arabia Sir Sherard Cowper-Coles were in attendance.

Abdullah Mohamed Al-Hugail, SABB Chairman, in his speech welcoming the guests and dignitaries said: "the new image is a culmination of over twenty five years of partnership with HSBC, the UK's largest Bank, during which time SABB has successfully contributed to the establishment of a solid banking industry in Saudi Arabia". The Lord Mayor said in his speech: "HSBC is headquartered in London and the City of London is committed to support its business partners, we are happy to promote the brand of the City of London and the new logo of SABB".

John Coverdale Managing Director of SABB said "This is an important moment for SABB which, although only 40 percent owned by HSBC, has been formally licensed to adopt the HSBC Logo. We will use the logo to leverage the international linkage with the HSBC Group, for the benefit of both inbound and outbound customers and their business".



From left to right are: The Lord Mayor of London, Alderman David Brewer, British Ambassador Sir Sherard Cowper-Coles, SABB Chairman Abdullah Mohamed Al-Hugail and SABB Managing Director John Coverdale.