



## *Interview*

**H.E. V P Hirubalan**

**Singapore Ambassador to the Kingdom of Saudi Arabia**

*What are the relations existing between Singapore and the Gulf Cooperation Council (GCC) Countries and specifically with Saudi Arabia?*

Singapore's engagement with the Middle East has grown significantly over the past 5 years. Following my appointment as Singapore's first resident Ambassador in Saudi Arabia in 2006, Singapore has concluded several agreements and collaborations to boost bilateral ties – most of which are centered on education, trade, economics and technical cooperation. In particular, I am proud to note that Singapore was the first country to sign a Free Trade Agreement with the GCC last December.

Relations between the Kingdom of Saudi Arabia (KSA) and Singapore have grown from strength to strength. At the political level, Singapore's Prime Minister Lee Hsien Loong, Senior Minister Goh Chok Tong and Minister Mentor Lee Kuan Yew, and other senior government ministers have visited KSA in recent years. Similarly, we received many high level delegations from KSA, including the visit by Crown Prince Sultan bin Abdul Aziz Al Saud's in April 2006. People-to-people ties are being built through programmes such as the King Abdullah Scholarship Programme under which Saudi students pursue tertiary studies in Singapore.

The number of Saudi companies in Singapore has grown. As of 2008, there were 30 Saudi companies in Singapore, including key companies such as Saudia Airlines, Saudi

National Shipping Company, Saudi Aramco and Saudi Arabia Basic Industries Company (SABIC).

The Singapore brand is becoming increasingly known in Saudi Arabia. We are honoured that Singaporeans have been appointed to the Presidency and the Board of Trustees of the King Abdullah University of Science and Technology, and are involved in the National Industrial Cluster Development Programme. Singapore companies are similarly making inroads into Saudi Arabia. Singapore Airlines commenced services between Singapore and Riyadh on 14 Dec 2008; with existing flights between Singapore and Jeddah, SIA now links Saudi Arabia and Singapore daily. Singapore companies are also involved in projects as diverse as masterplanning, airport management and software design.

Both sides are committed to enhancing bilateral economic and trade relationships. In 2008, Saudi Arabia was our largest trading partner in the Middle East and our largest foreign investor from the region. Saudi efforts to diversify its economy and to open up opportunities for foreign participation have generated strong interest from Singapore companies. To support our companies, we have increased our trade presence in Saudi Arabia by opening an International Enterprise Singapore office in our embassy in Riyadh in addition to the one in Jeddah since September 2007. These Centres will further catalyse Singapore's trade and investment linkages with Saudi Arabia, as well as link Saudi companies and organisations

to Singapore's capabilities. Within the GCC, IE Singapore also has offices in Dubai, Doha and Abu Dhabi. In addition, we have also appointed a First Secretary (Development) to specifically promote bilateral cooperation in water and wastewater management, between Singapore and Saudi Arabia, and also with other countries in the Middle East region.

### *What are the benefits of this Free Trade Agreement between Singapore and GCC? What is its current status?*

In December 2008, Singapore signed an FTA with the GCC, the first FTA entered into by the GCC. The Agreement is Singapore's second FTA in the Middle East after Jordan. The GCC-Singapore FTA (GSFTA) encompasses Trade in Goods & Services, Investments, Rules of Origin, Customs Procedures, Government Procurement, Electronic Commerce, and Economic Cooperation. Upon its entry into force, the Agreement will, among others, facilitate bilateral trade between Singapore and Saudi Arabia, which is a member of the GCC, as tariff-free access for all GCC goods entering into Singapore. [A fact sheet on the benefits of the GSFTA to Singapore companies is attached.

The GSFTA has yet to enter into force. To date, Oman, UAE and Qatar have ratified the GSFTA. We understand that Saudi Arabia, Kuwait and Bahrain have initiated their respective internal processes for ratification. We hope to see the GSFTA come into force soon.

### *How many Singaporean companies exist in Saudi Arabia? What are the main sectors and what are these companies involved in?*

Singapore's business presence and the scale of our projects have been small relative to the size of the Saudi economy and our bilateral trade. However, with the establishment of our Overseas Centres in Riyadh and

Jeddah to help Singapore companies engage the Saudi market, we hope to establish a larger footprint in the vast sea of opportunities in KSA.

Singapore companies present in Saudi Arabia, and particularly those which are servicing the important oil and gas sector, include Rotary Engineering and Tiong Woon. Keppel Lands first venture into the real estate market in Saudi Arabia will be a landmark waterfront development in Jeddah, which has the distinction of being the Kingdom's commercial and recreation hub. Changi Airports International (CAI) is currently managing the King Fahd International Airport in Dammam, one of the major international airports in the Kingdom. Midas is also currently involved in Saudi Arabia's Metro project. IT services provider Crimsonlogic is engaged by the Public Investment Fund (PIF) under the Ministry of Finance in the Kingdom of Saudi Arabia to build its business and technology infrastructure, as well as operate its electronic trade (eTrade) project called Saudi EDI. customs for facilitating trade and customs clearance. ST Electronics also provided an intelligent traffic management system to the Saudi Ministry of Interior, covering Eastern Province, Aseer Province and Tabuk City. In all, around 30 Singapore companies have invested in or executed projects in Saudi Arabia. We are confident that this number will continue to grow.

Besides these established names, some of Singapore's educational institutions are providing consultancy services for Saudi organisations, in areas such as technical training services.

### *Are there any examples of successful cooperation between Singaporean companies and Saudi companies either in Singapore or in Saudi Arabia?*

Yes. Singapore's Hyflux, one of Asia's leading environmental and water-services company, has joined forces with the

Saudi Economic and Development Company (SEDCO), to operate a used oil-recycling plant in Jeddah. Singapore consultancy firms were also involved in master-planning the economic cities. For instance, DP Architects for Jizan Economic City, while Jurong Consultants was involved in Sudair Industrial City.

Likewise there are good examples of Saudi companies successfully using Singapore as an Asia Pacific hub – Like Saudia Airlines, Saudi National Shipping Company, Saudi Petroleum (servicing Saudi ARAMCO in the Asia), Saudi Arabia Basic Industries Company (SABIC) and Al Raghi. Saudi companies looking at expansion in Asia (especially the markets in China and India) can leverage on Singapore as their regional HQ for ease of operation and effective penetration into regional markets.

**1. What are the coming projects for Singaporean companies in Saudi Arabia?**

The interest by Singapore companies to explore business opportunities in Saudi Arabia has grown sharply over the past year. Singapore companies are especially keen to supply Saudi government and private sector clients with goods and services in the following sectors:

- ❖ Infrastructure Services
- ❖ Environmental Services
- ❖ Oil & Gas Infrastructure Services
- ❖ Transport & Logistics Services
- ❖ Information and Communication Technology Services
- ❖ Education and Vocational Training Services

One development of keen interest is the King Abdullah Financial District where Singapore companies can play a role in its master-planning, utilities and waste management, and its intelligent buildings. Singapore companies who support the oil and gas industry players are also targeting the Eastern Province to provide equipment, construction and maintenance services. In addition, we are keen to contribute our expertise in water treatment and desalination to Saudi Arabia's growing water sector.

**2. How do you see the evolution of those relationships in short and medium terms?**

Since 2007, our companies have secured S\$1.25 billion worth of projects in Saudi Arabia. Saudi investments into Singapore have been primarily in sectors such as commercial real estate and finance. We foresee substantial growth in these figures moving forward.

Saudi companies are already partnering Singapore companies in areas such as infrastructure, oil and gas, ICT and transport. The Singapore Government, through IE Singapore and the Economic Development Board (EDB) will continue to assist Singapore-based companies to expand in KSA by raising the awareness of market opportunities, and connections with key government and private sector players. We also hope to attract major Saudi companies to set up hubs in Singapore for activities such as trading, logistics, production and financial services, and to use Singapore as a springboard into the rest of Asia.