



PROSPECTS FOR MEGA PROJECTS IN THE KINGDOM OF SAUDI ARABIA

Saudi Aramco and Saudi Basic Industries (SABIC) will require more than 30,000 engineers and 200,000 construction workers until 2010 to work on \$95 million worth of projects in the Kingdom. During the Mega Projects and Learning Conference held in Alkhobar, Saudi Arabia on May 2-3, 2006, Mohammad Al-Juwair, Project Management Manager of Saudi Aramco, cited that the value of the oil company's ongoing projects would rise to \$70 million in 2007. The largest new project of the company – the \$9,000 million offshore Manifa Field Development Plan called for the construction of a 40-kilometer long causeway from the Saudi Coast which would be used to provide access to Manifa production rigs.

On the other hand, SABIC Vice-President for Shared Services Mansour Al-Kharboush said the investment in on-going SABIC Projects, to be completed in 2006-2008, would total \$11 million. Mr. Al-Kharboush added that SABIC approved projects would require 1,500 engineers during the peak year of 2007 and 51,000 construction workers in the same year, compared to 17,000 in 2006.

The two companies agreed that their most important challenge was the availability of skilled personnel and experienced engineering and construction firms to undertake these projects.

The conference, which was attended by business, academic, and government leaders, focused on an in-depth review of ways to develop the Kingdom's workforce and the challenges of Saudization. The discussions also dwelt on using the current building boom in Saudi Arabia as an opportunity to lift skill levels in the construction and engineering sectors of the Saudi economy.

Mr. Mohammed Al-Bat'hi, SABIC's Vice-President for Human Resources said that graduating engineers in Saudi Arabia accounted for less than 10 percent of the annual university crop. The Kingdom graduates about 100,000 students from colleges

and universities across the land and overseas. Of this figure, only about 20,000 students graduate from technical and vocational institutes.

Mr. Al-Bat'hi also discussed the challenges of the current program of Saudization. Saudi Arabia's employment statistics showed that Saudis represented only 12 percent of the total private sector labor force of 6.5 million. Although the number is increasing, Mr. Bat'hi cited that without concerted efforts on the program, money from the massive construction boom is more likely to be spent on expatriate workers' salaries rather than to the growth and prosperity of the Kingdom.

Officials of Saudi Binladin Group and Consolidated Contractors Company, which employ more than 50,000 workers in Saudi Arabia, are implementing a massive training program, particularly their support to the Riyadh Training Center where students learn carpentry, scaffolding, pipefitting, steel fixing, plumbing, and welding, skills vitally needed in the construction sector. Saudi Binladin is now working on the creation of the National Institute for Construction Technology, which could turn out more than 2,200 skilled trade workers annually.

Source: Royal Embassy of Saudi Arabia Manila
May 2006

