

BUMPER YEAR

TBY talks to **Joseph Daher**, CEO of **Almabani General Contractors**, on the company's outstanding year in 2013, and the strong competition in Saudi Arabia's construction boom.

BIO

Joseph Daher was appointed as Almabani's new CEO in December 2013 after a 30-year career at the company. Daher served as Executive Vice-President of Operations since 2006, and has supervised the execution and completion of several significant projects in the Kingdom of Saudi Arabia. Through his consistent efforts in 2013 he has played a leading role in teaming up Almabani with three multinational companies—Bechtel, CCC, and Siemens—to create the consortium that was awarded a \$10 billion design and build contract for lines 1 and 2 of the Riyadh Metro Project.

Where do you currently stand in the market, and what strategies have brought you to this point?

Our consistent hard work has earned us the reputation we have in the market. We are known for our quality of work and for our on-time delivery. We always endeavor to avoid any conflicts with our clients as well as our subcontractors. Since its inception in the early 1970s, Almabani has participated in major public projects, mainly airports, roads, and

government buildings, as well as military construction. We have been able to prevail in periods in which there was a construction boom as well as when the market was depressed by doing our best to preserve our human resources. This is why you can find people who have been working at Almabani for over 30 years, myself included. Our human resources are our greatest asset. We do not have people who come and go; we have people who come and stay. We have always focused on public-sector projects, working with the ministries of defense, the interior, and transport. One of our main clients is the General Authority of Civil Aviation (GACA). Almabani has worked on 14 airports around the country, upgrading their runways and taxiways. We have recently built or upgraded three airports and terminals in four regional airports at Yanbu, Madain Salah, Al Ula, and Najran, and we are the second lowest bidder now in Abha. We focus mostly on the airport business, and are known as the main airport contractor. Besides airports, one of Almabani's landmark projects is the extension of roads that cross the airbase inside Riyadh. What brought us here is the consistency of our work, our commitment to our clients to deliver on time, the quality we give, and the fact that we always do our best to finish a job without any conflicts.



There is significant spending on major infrastructure projects at the moment. What makes you competitive in this environment?

There are contractors from many foreign companies operating here, such as Turkey, South Korea, China, and Spain. We deal with this by training our people to ensure that they are up to the task, to seek more efficient ways of performing, and we have become specialists in certain types of work where we think we can have the advantage over other companies. We focus on niche work where we have superior expertise, and where we can perform more efficiently and productively vis-à-vis our competitors. We also ensure that we allocate the necessary assets and resources for our projects so that we are never short of manpower, equipment, or other essentials.

What are your main areas of expertise?

Almabani's focus is infrastructure and roads. We just won the metro project in Riyadh. We are a member of the BACS Consortium of four companies, namely Bechtel, Almabani, CCC, and Siemens. We won \$10.1 billion worth of projects out of the total \$23 billion for the metro project, meaning we have almost 40% of the entire metro project in Riyadh, which is a five-year job. We are one of three consortia that share this \$23 billion project. For our part of the project, Bechtel, Almabani, and CCC will perform the civil work, and Siemens will manufacture the rolling stock

IN NUMBERS

Almabani

Total value of Riyadh Metro Project

23

Billion USD

BACS Consortium contract size for metro

10.1

Billion USD

and do the signalization for the project. This project alone has taken Almabani up to a new level. We now compete with international companies on similar large-scale projects. We worked hard to get this project, and it is a significant achievement that will open up new horizons. First, we have to consolidate a deal for the large resources demanded for this project. In the medium term, we seek annual growth rates of 20% to 25%, for the next five to six years at least. In 2013, we grew at a remarkable rate—70%—because of the metro project. We hope to maintain a strong rate of annual growth. Eventually, after a period of consolidation to deal with the volume of work ahead of us, we want to branch out overseas.

Where do you see yourself in 2020 in terms of business and your market position?

Right now, we are one of the top-five contracting companies in Saudi Arabia, with a yearly volume of \$1 billion, and we are aiming for 20% to 25% annual growth. The construction boom will continue for the coming five years. Once it subsides, and if it subsides, we will look at maintenance and development projects, and also at finding new markets in the MENA region. ✕