

You have been with Almabani for almost 10 years. How has the company developed and grown in that time?

Since I joined the company in early 2008, it has gone through a couple of important events. The first being the world financial crisis of 2008. This led us to an internal change in the company, where we had to adapt ourselves to market conditions in order to weather the financial storm.

The second was the impact of the oil prices rising again in the summer of 2009, informing the Kingdom's 2010 budget, which reflected investments in mega projects and significant economic stimulus packages. We were fortunate to tender successfully and win a number of large infrastructure projects allowing us to grow our company and to expand our footprint in the region.

Following this, and in light of the Arab Spring, the Kingdom laid down a \$37 billion program of new spending. There was also a pledge to spend a total of \$400 billion by the end of 2014 to improve education, healthcare and the kingdom's infrastructure. We again successfully tendered and won several iconic projects, one of which being lines 1 & 2 of the Riyadh Metro Project in joint venture with our partners at a contract value of \$10 billion.

What are the values that make it unique?

Almabani was established in 1972, so it has a rich history and heritage and it has kept true to the legacy of its three founding members: the late Sheik Kamal Adham, the late Fouad Rizk and our current Chairman, Nehme Tohme.

We are a family-owned construction company, and although we have a workforce of over 17,000 employees, we try to make each team member feel and recognize that he or she is an important part of our fabric and structure. Our corporate culture is important to us, especially in this new age of technology where we see less direct human contact. We invest in our people being our prime asset, by continuously sponsoring training programs to existing employees and by hiring fresh graduates, both Saudi Nationals and foreigners that shine in their chosen field of expertise.

We determine what needs to be done to grow the business while maintaining state of the art workspaces and attractive

Future

Mr Youssef N. Tohme, Vice Chairman of Saudi-based Almabani General Contractors, discusses his decade-long journey with the company and its plans for the future.

company incentives. The culture of our workspace has to resonate emotionally with each employee and that's what makes our company successful and somehow unique.

Having started as the effects of the global financial crisis were being felt across the globe, what challenges did you face at the time?

I was fortunate to join the team in early 2008 after having worked for 10 years in the oil and gas industry. That year was not only a turning point in my life but also a turning point in the region. World oil prices rose from \$50 per barrel in early 2007 to \$140 per barrel in the summer of 2008, before falling to \$40 per barrel by the end of that year. As a result, every oil-based economy and industry had to adjust and this was an opportunity for me to share my knowledge and experience in Almabani on how best to restructure the company in order to adapt to the changing market conditions.

We carefully restructured the operation by identifying areas of savings and redundancies, and investing in our human element, which is our company's assets and know how. We concentrated our expertise in a selective spectrum of EPC (engineering procurement and construction) specialties. We further doubled our company's capital from 50 million to 100 million Saudi Riyals in 2010 from our returned earnings to assure company stability and market trust.

Can you tell us a little about your current projects? How much are they worth in total? What are the biggest projects?

Currently we have a backlog of about \$1.7 billion. We are currently engaged in executing several airport projects and we

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Build

are heavily invested in the Riyadh Metro project line 1 & 2 in joint venture with Bechtel, CCC and Siemens.

What are the challenges you face in overseeing such a diverse portfolio?

Being an EPC contractor, we face many challenges on a daily basis. Each project is different to the other, you have to manage different project teams in different locations with different environmental challenges and different contract conditions.

You have to treat each project as a company on its own. This is why we have stringent company covenants, policies and procedures with an integrated ERP system to channel and standardize our day to day activities.

Saudi Arabia appears to be going through a transformational period. How do you foresee the Kingdom's ongoing development affecting business?

With the Kingdom's ambitious Vision 2030 well under way, we are very excited and optimistic. We are aligning Almabani to conform with the requirements needed and it would bring us great pride to hopefully play a part in it.

What future opportunities are you currently exploring? Do you have plans to venture into any new sectors?

The construction business is changing faster than ever and is becoming much more competitive, with projects being taken at cut throat prices. We are constantly trying to add value to our customers, both technically and financially by bringing in innovative solutions and looking at financial engineering options that could help leverage our clients' financial exposure. Furthermore, and in line with the Kingdoms Vision 2030 and the reduction on oil dependency, we are studying at venturing into renewable energy from the design to the production stage. These are truly exciting times and I am very optimistic for the future.



Mr Youssef N. Tohme,
Vice Chairman,
Almabani General Contractors.