



## **Press Release**

# **To tap into the \$ 500 billion mega city projects, TPCI takes a delegation of Infra companies to Saudi Arabia**

*New Delhi, Nov 26, 2018:*

With an aim to generate alternate sources of wealth and reducing their dependence on oil-based economy, GCC countries and Saudi Arabia in particular are investing heavily on infrastructure development. The infrastructural projects coming up in Saudi Arabia are part of the mega development project 'Vision 2030', launched by the Kingdom that is planning to shift from an oil-based economy to an industrial manufacturing-based productive economy. TPCI along with the Economic Diplomacy (ED) division of Ministry of External Affairs is taking a delegation of companies from Infra, Housing and Allied sectors to Riyadh on November 27-28, with an eye on the \$500 billion mega city projects coming up in Saudi Arabia.

Representatives of top Infrastructure, Housing and Allied sectors including Consistent Consultants, Essel Infrastructure, Gensol Engg Pvt Ltd., HUDCO, ICMC Projects Pvt. Ltd., ITD Cementation, KEC Ltd., Larsen & Toubro, NMS Enterprises Ltd., S3 Infrareality Pvt. Ltd., Shapoorji Paloonji, Skipper SEIL, Sobha Group, Tata Projects, VATECH WABAG and Vikram Solar are heading to Saudi Arabia to explore possible contracts and investment opportunities in the \$500 billion futuristic mega city Project 'NEOM' and the Red Sea Tourism Project. Carnival Cinemas too is part of the delegation to explore opportunities for the entertainment industry in the new liberalized environment that the Saudi Crown Prince has promised.

These infrastructure projects are part of the mega development project 'Vision 2030', launched by the Kingdom that is planning to shift from a oil based economy to an industrial manufacturing-based productive economy.



Going under the umbrella of the Minister of External Affairs (Economic Diplomacy Division), the Indian Embassy in Saudi Arabia and industry body Trade Promotion Council of India (TPCI), during the two day visit starting Nov 27, the industry honchos will interact with the key decision makers of the Saudi Government and business community.

The infrastructure projects are part of the Kingdom's initiative to expand their economy through major structural changes and mega projects like NEOM, new roads/railroads, airports and sea ports and Qiddiya entertainment city.

According to officials Indian firms from infrastructure, housing and allied sectors, stand an excellent chance to benefit from business contracts and investment opportunities that are opening up.

The Vision 2030, announced by the young Saudi Crown Prince Mohammad bin Salman, has a potential to expand the Kingdom's economy through major structural changes and mega projects like NEOM, new railroads, airports and sea ports and Qiddiya entertainment city.

The Vision 2030 is expected to open up new opportunities for Indian companies and professionals in various sectors including railways, hospitality, tourism, airport, housing, IT and entertainment.

According to reports, Saudi Arabian General Investment Authority had recently issued more than 400 licenses to Indian firms. There is also scope for participating in the high speed 450-km railway line linking Mecca and Medina and a new airport in Jeddah.

Ever since oil first spurted from a well in Bahrain in 1931 and it was subsequently discovered throughout the Gulf, the focus in all the nations that are now called Gulf Cooperation Council (GCC) remained on ways to extracting oil, refining it and transporting it. With time, new technologies were introduced and the processes became more and more sophisticated. That helped the energy industry in the Middle East to grow to such a size that by 2013, according to the IMF figures, the income generated

from it accounted for more than 60% of the GCC country's fiscal revenues. According to a report, there are currently 456 active projects in the oil and gas sector in the Middle East, with a total value of around \$540 billion. Though dependence on oil and gas sector still remains, as this continues to be the major source of wealth generation for the GCC countries, a major shift can be seen in focus towards construction and infra development all across the GCC countries.

The growth in the economy, due to sudden oil-begotten wealth, was so stupendous that for many decades the GCC countries thought of no other alternative source for wealth generation other than oil and gas. But things are changing now! There is an increasing concern now among the GCC nations to diversify their economies by developing alternative sources of wealth. These changing priorities are particularly visible since the fall in oil prices since 2014. The countries are fast realizing that they have to come out of their dependence on oil income; and the sooner it happens, the better.

The Indian investments in Saudi Arabia amounting to \$ 1.5 bn are more compared to the nominal investments of \$ 16 million made by them here.

Saudi Arabia is the fourth largest trading partner for India with bilateral trade exceeding \$ 25 billion in 2016-17. As India's largest supplier of crude oil, Saudi Arabia accounts for about 20% of country's total annual imports.

About 3.2 million strong and vibrant Indian community sending \$10 billion of annual remittances back home forms the largest expatriate group in Saudi Arabia. Their positive and well-appreciated contribution in the development of their host country has been an important element of India-Saudi Arabia bilateral engagement.

Trade Promotion Council of India (TPCI) is an apex trade body under the Ministry of Commerce & Industry which focuses on promoting and facilitating bilateral trade between India and the world.

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