



SAUDI BRITISH JOINT BUSINESS COUNCIL

REPORT BY SECRETARIAT TO SBJBC UK ANNUAL GENERAL MEETING, 29 JUNE 2016

SBJBC UK continued to make good progress in 2015/16. Founder membership remained stable, and a number of new associate members joined. A close dialogue was maintained with UKTI and Saudi and British Chambers, new services were introduced and major events delivered. There was a slow-down in joint activity in early 2016 due to the need to reappoint a new Saudi Executive Committee. Main achievements included the following:

- The signing of a service and manpower **agreement with Arabian Enterprise Incubators** in Riyadh, and the delivery of support services to over 300 UK exporters & SBJBC members
- **Renewal of SBJBC UK's grant agreement with UKTI** under the Overseas Business Networks initiative
- **Minimising of UK Secretariat costs** through an internship employment programme and move to a new UK office with British Expertise with no rent increase
- **Delivery of successful SBJBC events**, including a Doing Business Seminar and Healthcare Technologies Forum in June 2015, and an SME Partnership Forum in October 2016
- **SBJBC UK participation in at least 12 major UK events** to promote Saudi opportunities and raise our profile;
- **Continued close cooperation with the British Chambers of Commerce (BCC)** resulting in the award of a BCC quality mark for SBJBC UK services in May 2016
- Good retention of founder members, and the **launch of an associate membership category** resulting in increasing SME membership of SBJBC UK
- Further development of the **SBJBC website** and use of social media to raise SBJBC's profile and attract membership enquiries

The Chairman made an intensive 3 day visit to Riyadh in March 2016, including high-level meetings with the Minister of Commerce, the Governor of SAGIA, the Chairman of the Council of Saudi Chambers and the Head of the Stock Exchange. A further planned visit in May 2016 was postponed due to delays in convening the planned Joint Ministerial meeting of Trade Ministers in which both SBJBC Co-Chairs were invited to participate.

The UK Executive Director visited Saudi Arabia eight times since April 2015. He participated in SAGIA's Global Competitiveness Forum in Riyadh in January 2016, and joined the SME Panel at Euromoney's Saudi Arabia conference in May 2016. He also spoke at the following UK events to promote the SBJBC, and meet and brief potential new members and exporters:

- UKTI Gulf Tour events in Salford and London, June 2015
- UKTI Yorkshire & Humberside event in Leeds, October 2015
- UKTI North East event on Teeside, November 2015
- Invest Northern Ireland Middle East event in Belfast, February 2016
- Scottish Development International event in Glasgow, February 2016
- UKTI West Midlands/Black Country Chamber event in Walsall, March 2016
- International Festival of Business Global Network Forum in Liverpool, June 2016

UK members also spoke at the following events on behalf of SBJBC UK:

- Aramco Investment Forum in London, May 2015
- MEA Opportunity Arabia Conference in London, September 2015
- Aramco Supplier Initiative Event in London, October 2015
- Royal Institute of British Architects Gulf opportunities event, March 2016
- West Midlands Export Week event in Grantham, March 2016

Joint Activity & Working Groups

A successful **joint SBJBC Council meeting** was held in Riyadh on 1 December 2015, followed by a delegation visit to Jeddah to meet with the Chamber of Commerce and visit King Abdullah Economic City. The next biannual meeting planned in May 2016 was postponed to July due to delays in reconstituting the new Saudi executive committee of SBJBC.

Initiatives by the **SME working group** included major input to SBJBC's first SME Partnership Forum for the tech and creative sector in Canary Wharf in October 2015, followed by a visit to Southampton University Science Park. Overwhelmingly positive feedback was received from the 100 participating companies, and a number of partnerships have since been established. There are good opportunities for continuing SBJBC input on this front following the establishment of a Saudi SME Authority, and a follow-up forum is being planned in Saudi in late 2016.

The **PPP working group** continued to pursue opportunities for expertise exchange, and contributed to the successful roundtable meeting with the new head of the Saudi National Project Management office in London in January 2016. There are good opportunities for follow-up in the context of Vision 2030 and the National Transformation Programme.

Members of the **Financial Sector** working group contributed to the success of the Saudi Stock Exchange Roadshow in London in November 2015.

Members of the **Offset working group** engaged with the newly appointed Minister of Economy & Planning and his advisers.

Members of the **Healthcare working group** contributed to the Healthcare Technologies Roundtable organised in partnership with PwC in June 2015, and to the UK healthcare mission which visited Riyadh for the Saudi Health Exhibition in May 2015.

Staffing & Service delivery

A Saudi-based business advisor post and office was established within AEI in April 2015 to help provide support to UK exporters under arrangements agreed with AEI and UKTI. The post was discontinued in March 2016 due to uncertainty about future UKTI co-funding.

The former SBJBC UK Chief Operations Officer post was discontinued in April 2015, and an internship employment agreement was reached with Exeter University for the recruitment and employment of graduate interns in 2015 and 2016 partly financed by Santander.

The Secretariat provided market advice to over 300 UK companies who were referred to us by UKTI and British Chambers, or contacted us direct. Potentially chargeable UK enquiries were passed directly to AEI (and occasionally other service providers) under agreed arrangements, for which a referral fee was received. Customer feedback on the route to market, hosted market visit and practical support on the ground services delivered by AEI to referred clients has been positive so far.

Business Planning & UKTI support

The SBJBC UK Board met on 30 June, 23 November and 13 April. A key focus for the Board was business planning, including expanding services to members and progress towards self-funding in the wake of expected reductions in the UKTI grant.

The Chairman and Executive Director had intensive discussions with UKTI and the British Embassy in Riyadh on the opportunities for further cooperation and grant support. The Chairman also met the Minister for Trade and the British Ambassador. Further UKTI co-funding was agreed for April-July, 2016, following which UKTI said it would be inviting bids from Saudi-based service providers including AEI for further assistance.

The Board agreed that the Company should press UKTI for a full 6 months transitional funding rather than the current 4 months on offer, during which time new arrangements could be negotiated with AEI to meet UKTI's requirement that at least 85% of grant funding should directly subsidise local service delivery. The Board agreed that we should also continue to remind UKTI of SBJBC UK's important role and contribution to bilateral trade development.

2016/17 Business Plan

The Board endorsed the following strategy at its meeting on 13 April:

- Reach agreement on an AEI-led bid for continuing UKTI grant support under the Overseas Business Networks initiative, thus allowing SBJBC UK's strategic reach to be twinned with AEI's delivery capacity for the benefit of both members and other UK exporters.
- Accept that any future UKTI funding would go directly to AEI, with a side agreement in force between AEI and SBJBC UK for a sufficient contribution to our UK costs in return for SBJBC UK's marketing of joint services and input into enquiries.
- SBJBC UK to introduce other chargeable services for non-members, and launch a marketing campaign and membership recruitment drive to broaden our membership and revenue base.
- The Board also agreed that SBJBC UK should aim to preserve its status as a UKTI and BCC Global Business Network partner while continuing to represent the interests of our founder and associate members.

Future Challenges & Opportunities

With the launch of Vision 2030 and the National Transformation Programme, SBJBC UK is well placed to respond to the needs for private sector expertise to modernise and diversify the Saudi economy, and help to upgrade skills.

The election of a new Saudi Executive Committee should provide the opportunity to launch a number of joint initiatives in key strategic sectors where UK expertise can be helpful. The Secretariat is therefore planning the following joint activities to take advantage of this:

- Roundtable on Saudi skills and employment market, London, 19 July
- Possible joint SBJBC/British Expertise Infrastructure Services Mission, Nov 2016
- Possible 2nd Saudi/UK SME Partnership Forum in Riyadh or Jeddah, late 2016

The reduction and possible termination of UKTI co-funding will pose challenges ahead. The Secretariat is grateful for the continuing strong support of all members and friends in planning for this while continuing to build capacity and services.

Chris Innes-Hopkins
CEO & Executive Director
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