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Bandar Reda outlines the evolution of the trading relationship between the UK and the Arab world, the role of the Arab British Chamber of Commerce in facilitating stronger ties, and why initiatives like Saudi Arabia's 'Vision 2030' provide abundant opportunities for healthcare and life sciences investment.

Could you begin by giving our audience an overview of the scope and role of the Arab British Chamber of Commerce as a bilateral organization, drawing UK business to the Arab world and vice versa?

The main role of the chamber is to strengthen ties between British and Arab business. We identify new opportunities and help to make new business easier between the Arab world and the UK. Our role is best summed up in the Chamber's motto, which is "friendship through trade." We believe that any successful business is achieved by establishing long-term partnerships founded on cooperation and trust between parties.

The Chamber provides business-to-business (B2B) consultancy, initial engagement, and business referrals. Additionally, we also provide government-to-government (G2G) and business-to-business (B2B) services. We are based in Mayfair in London, and around 85 percent of our partners today

are British companies providing goods and services to the Arab world.

What are the key sectors that the Chamber serves and how significant are healthcare and the life sciences to your operations?

We cover all aspects of business whether it comes under trade, commerce, or finance. However, health is one of our biggest sectors and one we are keen to grow following a plethora of inquiries from both the Arab and British sides in recent years. New developments in the Arab world and the visions that Arab countries have set out are really focused on health and we are therefore targeting this sector in 2021.

Do British companies fully understand the Arab world? What are some of the challenges?

You might be surprised to know that they understand that part of the world very well. There are 22 different Arab countries, with different economies, ethnic backgrounds, cultures, and needs. However, the most economically developed Arab countries are very well engaged with the British government as well as with British companies, especially in the pharmaceutical and healthcare sectors where there has been a big shift in the past three to five years.

To what extent have the 'Visions' set out by countries like Saudi Arabia given greater visibility and direction to this healthcare push?

They absolutely have, but also new regulations have been imposed and many obstacles have been removed. With a clear vision and the imposition of privatization, many opportunities have emerged for foreign companies to participate in tenders and gain easier and fairer access to certain sectors and markets. A lot of demand is being generated right now.

To what extent is this opening up to foreign investment in the Arab world dovetailing with Brexit and the UK looking beyond Europe for trade and investment opportunities?

As we speak, we are working on opening doors for new trade agreements with the Arab world, especially with the Gulf Cooperation Council (GCC) countries. That will allow different kinds of

companies and foreign investors to enter the region without significant barriers. In that sense, greater Arab-British trade could replace the gap of European companies exiting the British market.

How have restrictions on travel and face-to-face interaction changed your work over the past year and what might it look like over the next year?

This is a critical point and a common difficulty facing everybody right now. However, we have tried to figure out a solution, or solutions. We moved quickly to establish several webinars, including specialized country- and industry-specific webinars, allowing individual Arab countries to address British companies directly and have an open dialogue on investment opportunities.

Within that push, we have covered many countries and have featured great speakers alongside ambassadors, envoys, and even ministers in certain cases. In that sense, we have managed to remain very active and engaged. Outside of webinars, our hands have been tied, but we are looking forward to the lockdown being over and being able to restart trade missions to these countries, including for the healthcare and pharmaceuticals sector.

Saudi Arabia’s Vision 2030 has the bold ambition of reducing the country’s dependence on oil and developing other sectors like health and education. What do you see as the main opportunities for British companies going into Saudi Arabia?

Privatization and public-private partnerships (PPPs) are the current key elements, with the entire healthcare sector moving towards privatization. The British government has played a leading role in initiating this shift and the introduction of PPPs in Saudi Arabia. This is going to represent a fantastic opportunity for British companies as well as semi-governmental and governmental entities, to enter and explore the opportunities in Saudi Arabia as well as in the wider region.

What are the typical demands you receive from British pharma companies investing in Saudi Arabia and what kinds of company profiles do you deal with beyond giants like AstraZeneca and GSK?

Our partnership base reaches all the way downstream to SMEs as well. There is an enormous demand. PPPs in Saudi healthcare and life sciences are more or less virgin territory, meaning that there is plenty of work to be done across database security, human resources, manufacturing,

education, training and so on.

I would therefore recommend that British companies get prepared and develop an ‘outside the box’ approach to better take on the challenge ahead and explore the region; an aim we are here to support.

You have touched on the opportunities in the Arab world and how red tape is being removed, but what are the challenges? What should British companies looking to invest in this part of the world be bearing in mind?

When entering any new country, it is critically important to be aware of foreign investment regulations and bylaws. Additionally, it is vital to be culturally aware and adaptable, as different cultures have different mindsets. Taking these factors into account allows for the development of a more effective approach to a region.

There are many entities that can assist in this process. We are one of them, and we definitely encourage British companies to talk to us. As well as being able to open doors, we can enlighten them on the cultures they are entering into, the government bylaws, and the investment regulations. However, companies could also talk to embassies or the UK Department for International Trade for advice.

Why should UK companies go through the Arab-British Chamber, rather than the Department for International Trade?

The chamber was established in 1975 and has a long history and much experience. We were founded by the League of Arab States (now the Arab League) and mandated by the Union of the Arab Chambers of Commerce. Basically, we have an international network and are part of the joint Arab Chambers of Commerce.

We are a non-profit organization, providing services to help companies get in touch with each other. This is our main target angle; we are not after profit. Therefore, coming to us would be ideal thanks to our experience, connections, and intentions.

Additionally, we have a very qualified team and have been providing services since 1975. Moreover, we could be the gateway for referrals to other entities. If we are not able to provide the full service, we can guide companies and initiate contacts with local law agencies as well as semi-

governmental and governmental entities.

Saudi Arabia is a huge market with a lot of opportunities and the potential to partner up with companies from across the world. Why might British companies be a particularly good fit?

They might be a good fit and they might not! Saudi Arabia is a very competitive market today. Just because a company is British, does not mean that it will automatically fit into the Saudi market without the right product, partnership, or if they are not competitive enough. If they cannot cater to the needs of that specific project, they are not going to be granted the project. There is huge competition today from other nations and other companies, other countries as well. However, if they are qualified enough, they will have a good chance of succeeding.

Local content requirements can be a challenge for companies looking to invest in a country. Historically, other counties have been able to bring back middle management functions from their global diaspora in order to create critical mass and a bigger pool of local talent. Is that a part of the Saudization strategy?

Actually, no. The regulations are very clear and straightforward pre-market entry around the percentage of Saudi nationals that have to be working there and what the qualifications of those Saudis need to be. Companies should not enter the market without first doing their calculations and working out whether this is feasible for them or not.

What is your message on Saudi Arabia as an investment destination as well as how (and if) it should compete against more well-established regional hubs like Dubai?

Recently, Saudi Arabia announced that it is encouraging all companies dealing with any Saudi government project to have their headquarters there and they are eliminating all obstacles and barriers to doing so. Therefore, a 100 percent foreign investment owned company with foreign management from A to Z paying regular regulations and taxes will have plentiful opportunities to apply for any in-country projects and grants. A lot of companies in the pharmaceutical and health sector are willing to do so given the size and the scale of the market in the region.

The UAE is a great country and Dubai is one of the leaders when it comes to headquarters for foreign investors. However, Saudi Arabia is not attempting to take that position away from Dubai; it is more working to cater to both markets and the region. I encourage companies to look into the market and to see where the opportunities are for them. If there is a better opportunity in Dubai, then they should stick to Dubai. But if there is another good opportunity for them in Saudi Arabia, then they might consider going there as well.

2020 has been a particular and challenging year for us all, what are your hopes for your work at the chamber and the Arab-British relationship more broadly in the next couple of years?

Obviously, everybody was affected in 2020, but we managed to stay open; since the first day of the pandemic until today we never closed our doors. Of course, we minimised the amount that our staff had to come in due to regulations around health and safety but management, including myself, have attended every single day in order to provide all the legalised outgoing documentation to the Arab countries. During the pandemic, pharmaceuticals as well as healthcare and other medical supplies from the UK to the Arab world made up around 80 percent of our work.

What I am hoping for, and what I think we will achieve next year when doors are open and restrictions are lifted is the resumption of trade missions to Arab countries. We are working on a big regional health webinar as well as a Saudi-specific health webinar as we speak, to be launched within the next few months. Then, we are hoping for a trade mission afterwards from the UK to the to Saudi Arabia to explore opportunities in healthcare and pharmaceuticals.

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