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Andrew Thomson is Chairman of Citadel Resources Group, a senior lawyer with Minter Ellison and an adviser to international funds management company, Aviva Investments. He is also Chairman of fledgling mining company, Gulf and Asian Mining.

**Andrew has encouraging words for those contemplating the Saudi market: “The risk of doing business in KSA is generally overstated.”**

“First mover advantage is definitely there for those who see the sovereign risk for what it is.

“Day to day the Kingdom, like the rest of the Middle East, is very hospitable.

“There are several advantages to doing business in Saudi Arabia. Depending on the sector, the Saudi market can be the largest in the GCC.

“Retail market opportunities might be bigger in the UAE, but Saudi Arabia should not be underestimated. There are large malls being built in Riyadh and Jeddah as well as other parts of the country.

“In the area of mining and minerals there is virtually no competition at all in the Gulf. This is a huge opportunity that has not been exploited.

“The construction industry is starting to demand the entry of Australian contractors, having seen their performance in the UAE.

“The greatest pitfall is doing a deal with the wrong local agent. It can be hard to judge the quality of the agent you’re offered, even though you might do your best with due diligence.

“Getting competent non-Saudi staff can be difficult and also getting good people locally. There are still legal impediments in getting people to move jobs because the employer can still stop them from leaving.

“The cycle of the year is also a factor. With the heat of the mid-year months and with Ramadan you have to budget for 10 months’ revenue in a 12-month cost cycle.

“Developing personal relationships is not so important if you’re selling, for example, manufactured goods with a well-known brand. However, the more personal the service and the more intricate it is, you do need to learn a whole new decorum as well as to be prepared for unforeseen and occasionally baffling behaviour on behalf of your Saudi counterpart.

“If you’re ambitious to do well, you must study customs and questions of decorum so you don’t get surprised and make a faux pas.

“It is advisable to acquire some Arabic words and some of the basics of Islam.

“If you can learn enough Arabic script to understand a business card, all the better.

“If I was starting over again I would figure out a way to spend more time in the country. So instead of planning in and out rush trips I would add on three or four days just to go wandering around and take in the sights.

“Developing the business took a full 12 months. It took six visits in all, going every couple of months, to become familiar with the same group of people. That’s about what you need before you are accepted as being genuine.

“In terms of follow-up, the mobile phone is important – it seems every Saudi has one. SMS is useful. Email isn’t really effective. You are better off with the old fashioned fax or a couriered letter because the hard copy is there on the desk.”