
JGC Corporation plans to set up a unit in Saudi Arabia

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It is reported that Japanese engineering firm JGC Corporation is planning to set up a unit in Saudi Arabia to oversee petroleum, natural gas and other petrochemical projects as part of its expansion in the Middle East region.

Mr Masahiro Aika MD of JGC Arabia Limited said that "JGC Corporation sees the Middle East as the most important market since the region is increasing its investment in refinery and petrochemical production capacities on the back of rising oil prices."

Mr Aika said that "Our purpose of establishing this new company is to contribute to further economic growth of the kingdom and to strengthen the relationship between the two countries. By setting up a local unit, it hopes to find more business opportunities, mainly medium sized projects worth USD 500 million." He added that the unit would target annual sales turnover of some USD 500 million.

JGC Corporation provides engineering, procurement and construction services for various types of plants worldwide. It is currently involved in several mega projects in Saudi Arabia, including the petrochemical complex of Petro Rabigh, a JV between Saudi Aramco and Japan's Sumitomo Chemical. Set up in Alkhobar with an initial capitalisation of about USD 20 million and some 150 staff, it would be expanded to about 500 eventually, including Saudi nationals during the next 5 years.

For the business year to March 2008, it expects more than 50% of its total sales turnover to come from plant construction projects in the Middle East. In December 2007, it won a contract for an ethylene plant project of Saudi Polymers Company.

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