

# Client Alert

Global Islamic Finance & Investment Practice Group

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## **Saudi Arabia Takes First Steps to Privatisise US\$50 Billion of Water Sector Assets**

*Ali Al-Hazmi Appointed Governor of Saline Water Conversion Corporation as Kingdom Proceeds with Vision 2030 Privatisation Initiative*

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The Kingdom of Saudi Arabia last week announced that Ali Al-Hazmi is replacing Abdulrahman Al-Ibrahim as governor of state-owned Saline Water Conversion Corporation (SWCC). This is the latest step in the Kingdom's drive towards fulfilling the water sector privatisation goals of its National Transformation Programme 2020 and Vision 2030.

SWCC is the world's largest producer of desalinated water with annual production of approximately one billion cubic meters. Abdulrahman Al-Ibrahim previously served both as SWCC's governor and CEO of the National Water Company (NWC), the Kingdom's water distribution and waste water company and SWCC's biggest customer.

Abdulrahman Al-Ibrahim will continue to run NWC but with Al-Hazmi, a former president of Saudi Aramco Shell Refinery Company (SASREF), now at the helm, SWCC can proceed with the privatisation of approximately SAR 200 billion (US\$53 billion) of assets. In addition to existing assets, the Kingdom expects that increases in demand will require additional water production capacity of approximately 2.2 million cubic meters per day (cm/d) by 2020.

Both the privatisation of existing water assets and the development of new assets present an opportunity for those looking to invest in Saudi Arabia on a public-private partnership basis. With approximately 40% of the overall financing required for Vision 2030 to come from the private sector, the Kingdom is looking to increase the percentage of desalinated water production through strategic partners from 16% to 52% by the end of 2020.

For more on the role of PPP in Saudi Arabia and Vision 2030, please visit the [Middle East section](#) of King & Spalding's Energy Law Exchange.

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