

Malaysian tycoon chosen by Saudis to build a city

By Wayne Arnold

SINGAPORE

A company controlled by the reclusive Malaysian tycoon and Islamic philanthropist Syed Mokhtar al-Bukhary said Monday that Saudi Arabia had chosen it and its local partner to lead a 30-year, \$30 billion project to raise a new city in the oil-rich nation's underdeveloped south.

Syed Mokhtar's flagship company, Malaysia Mining Corporation, or MMC, said that the Saudi Arabian General Investment Authority had awarded it the rights to develop and manage the Jizan Economic City with the Binladin Group. The Binladin Group is a Saudi construction and property conglomerate owned by the family of Osama bin Laden, though it has publicly cut ties with the leader of Al Qaeda.

The deal is the latest in a string of largely low-key successes by predominantly Muslim Malaysia in using its Islamic connections to tap into the expanding business opportunities in the Gulf being created by high oil prices.

"They tend to favor contractors and companies from Islamic nations," said Gan Kim Khoo, head of research at AmResearch in Kuala Lumpur, referring to Middle Eastern governments. "Malay-

sian companies have a good track record" in the Middle East, he said.

In the past several years, Malaysia has secured a business niche in the Islamic world, marketing itself as a destination for Muslim tourists and emerging as a leading center for Islamic finance.

MMC is only one of several Malaysian companies that have won contracts in the Middle East. Construction companies like Gamuda, WCT Engineering and IJM have contracts in Abu Dhabi, Bahrain, Dubai and Qatar. The Malaysian power utility Tenaga Nasional is building a desalination plant in Saudi Arabia.

The Jizan zone in Saudi Arabia is one of four special economic zones being launched by King Abdullah bin Abdulaziz al Saud.

Jizan lies south of Jidda on the Red Sea near the border with Yemen. It serves primarily as a port for Saudi tropical fruit exports.

King Abdullah, who launched the project Sunday, told reporters in Jizan that the project would create as many as half a million jobs. Plans for the new city include new residential and commercial properties as well as a port and aluminum smelter, a steel factory, a desalination plant and, naturally, an oil refinery.

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