



Ali Saeed Al Ameri, the chairman of Al Shoumoukh Group, has seen progress in terms of fostering entrepreneurship in his three decades as a businessman. Delores Johnson / The National

SME profile: Studied approach to doing business with Abu Dhabi oil industry

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Location

Mussaffah industrial area, near Dalma Mall

The company

Al Shoumoukh was established in 1989 and describes itself as "a diversified and integrated manufacturing, supply and services group." It operates mainly in the oil and gas sector and its clients include the big state operators – Adco, Adma-Opco, Adgas, Adnoc – as well as foreign operators such as BP and Exxon Mobil. The chief executive, Ali Al Ameri, says that Al Shoumoukh is fleetier of foot than some of the bigger companies in the industry. "Companies like Halliburton or Baker Hughes won't necessarily want to do those US\$5 million jobs that we will do," he says.

If you've ever driven around the maze that is the Musaffah Industrial Area south of the capital and wondered what goes on behind the tall iron gates at all those similar-looking factory premises, the Al Shoumoukh Group of Companies is probably representative.

Al Shoumoukh describes itself in the way many companies do these days – it "provides solutions" to a range of industries in GCC countries. Inside its Musaffah premises, the sights and sounds of its workshops are of people in overalls and welding helmets lit up by arc flashes as they work on nondescript metal objects.

Mostly, what the Al Shoumoukh workers are doing is designing and manufacturing the kinds of specialised pipes and related equipment that make the [oil industry](#) work. As well as supplying the parts, it wins contracts to install and maintain these systems.

The company's place in [Abu Dhabi's oil industry](#) as an emerging manufacturing and support business, as well as the efforts of its founder and chief executive, Ali Saeed Al Ameri, in displaying "a genuine commitment to corporate social responsibility, which made a real impact in the region", were recognised in March when he was named "Oil Baron" at the industry's big annual charity event, overseen by the Minister of Culture, Sheikh Nahyan bin Mubarak.

Mr Al Ameri was only the second home-grown business leader to win the title in its 12 year history – the 10 others were British or American expatriates. This is a reflection both of the progress and the limitations in developing Abu Dhabi's small and medium-sized enterprises, which are often family-owned and provide the bulk of economic growth, jobs and innovation.

"A country like the UAE needs to develop its own local companies," says Mr Al Ameri, who started his original business from a coffee shop in the 1980s. It was a "a car rental business. It's still there – it doesn't make any money, but it's still there," he says.

In three decades as a businessman, he says he has seen progress in terms of fostering [entrepreneurship](#), but he reckons there is still a good deal to be done to make it easier for companies to get started and grow.

Zones Corp, for example, launched by the government in 2004 to centralise and run Abu Dhabi's six industrial zones, including Musaffah, has helped considerably to cut red tape and make it easier to set up a business, he says.

"It has come a very long way since 2001," when the industrial zones were first set up, he says. "There were not good roads, you had to wait for electricity, sometimes using your own generators. Now it's a one-stop-shop for licensing and all the other things you need for setting up. They've gotten better advice about which businesses to support, too."

The economic zones now play host to about 600 manufacturing facilities and are responsible for generating almost half of the manufacturing GDP in Abu Dhabi, according to Zones Corp.

But there is still some ways to go to support the [SME](#) sector, Mr Al Ameri says.

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the manager

Mr Al Ameri received his bachelor's degree in 1982 and attained a master's in business administration, manpower studies and management from the University of Westminster and a PhD in organisational culture and anthropology from the University of Hull. He worked briefly for Adma-Opc before starting his own business, which has become the Al Shoumoukh Group of Companies.

"The majority of the costs for a young manufacturing business are in the first three to five years when you are paying for buildings and machinery and you are not producing that much because you need time to get customers," he says.

Two areas in which he says the government can give better support for budding Emirati companies is in the cost of land and energy. "When compared to neighbours like Saudi Arabia, the cost of land here is about five times more," he says.

There is also a gap in government-supported enterprise funding, Mr Al Ameri argues. The Khalifa Fund for Enterprise Development, launched eight years ago, does a good job of seeding new businesses but there is a need for further support in the development stage.