

A regional leader

By **SHEIKH AHMED BIN YOUSEF BIN ALAWI BIN ABDULLAH AL-IBRAHIM**

CHAIRMAN OF THE BOARD OF DIRECTORS, RAYSUT CEMENT COMPANY



SHEIKH AHMED BIN YOUSEF BIN ALAWI BIN ABDULLAH AL-IBRAHIM is an accomplished executive, investor and entrepreneur with experience in multimillion-dollar global operations, holding many positions of trust, including being the Chairman of Dhofar Tourism Co., the largest and most diversified developer of sustainable towns in Oman. He also serves on the Board of Directors at Virgin Mobile Middle East & Africa, a joint venture with UK based Virgin Mobile with operations in Saudi Arabia, the UAE and Oman. He joined Raysut in 2012.

Established in 1981, Raysut Cement Company (RCC) began production three years later, and our first factory was officially inaugurated on 17 November, Oman's National Day.

Since then we have pursued a steady strategy of growth and acquisitions based on quality in all products and solutions, that has made us the largest producer of cement in Oman. The company's main products are Ordinary Portland Cement, Sulfate Resisting Cement, Class G oil well cement and Pozolana oil well cement (Pozmix).

We are based in the port of Salalah, the capital of the southern governorate of Dhofar and the second-largest city in Oman, as well as being the birthplace of His late Majesty Sultan Qaboos. RCC is proud to say that it has been a major player in the economic growth and success of Salalah and the to the overall development of Oman.

In collaboration with many local and international partners, RCC provides the expertise, focus, and resources required to efficiently deliver solutions to aid the growth of construction across the Middle East. Furthermore, thanks to its sizeable maritime fleet, RCC has expanded its reach to boost the development of businesses and communities from Southern Oman to Yemen, East Africa and the Indian Ocean.

Our expansion process began in 1994, when we decided to increase production capacity by adding a second production line to reach a capacity of 750,000 tonnes of clinker per year, equivalent to 825,000 tonnes of cement per year.

Nine years later, we further increased production capacity by adding a third production line, expanding capacity to 1,850,000 tonnes of clinker per year, equivalent to 2.25 million tonnes of cement per year.

In 2005, we increased production capacity again by adding a fourth production line, taking us to 2.6 million tonnes of clinker per year, equivalent to 3 million tonnes of cement per year.

The company then entered a joint venture with its partners in Yemen to establish a cement terminal facility for cement packaging and distribution at the port of Mukalla; the facility began operation in August 1999. Following this, RCC established a second cement terminal facility for cement packaging and distribution at port Sultan Qaboos Port in Muscat; the facility started operating in May 2000.

Building on our high quality products, strong partnerships, rapid growth, and major acquisitions, RCC is consolidating itself as a strategic partner for growth in the developing world. We are looking at an aggressive expansion strategy with a view to eventually expanding our production to 20 million tonnes a year by 2025.

Our overseas expansion took off in 2011 when we diversified into ready mix concrete and other cement products through a 50 per cent ownership in Oman Portuguese Cement Products LLC, allowing the company to now provide a full range of cement and cement products, and meet the needs of customers and that of the country.

This was the period when I joined the company as Chairman of the Board of Directors, with the goal of leading the company to take on new challenges across strategic global business expansions and in increasing social relevance of the company in the markets where Raysut has roots.

My background is in industrial and social reformation as well as institutional development, and I see my mission as helping the company expand its geographical footprints and to raise its profile in the community as a responsible corporate citizen acutely aware of its role in integration and community intermediation.

In 2011 we expanded our production bases to Ras Al Khaimah in the UAE through the 100 per cent acquisition of Pioneer Cement Industries, a regional leader and one of the largest modern cement manufacturers in the UAE. Pioneer Cement has been a major partner to the success of the Ras Al Khaimah Investment Authority.

In collaboration with many local and international partners, Pioneer Cement provides the expertise, focus, and resources required to efficiently deliver solutions to aid the growth of construction across the Middle East. Now, with our high quality products, strong partnerships, rapid growth, and major acquisitions, Pioneer Cement has established itself as a strategic partner for growth in the developing world based on our vision of creating value on a sustained basis for all stakeholders while fulfilling corporate social responsibility.

My aim since joining RCC as Chairman has been to help the company expand its geographical footprint and raise its profile in the community as a responsible

corporate citizen acutely aware of its role in integration and community intermediation. My belief is that companies have a role beyond the bottom line by realising their social value and relevance, wherever they are located, and we have assiduously worked to put Raysut on the path of a salient contributor to nation building and a sustainable society. The Board of Directors has led an array of corporate reforms internally that has continued to aid Raysut in seamless decision making processes and prudent institutional reforms.

In 2019, we bought Sohar Cement, based in the northern city on the Gulf of Oman for US\$60 million as part of plans to boost our capacity in rapidly growing markets, particularly Africa.

The acquisition brings Raysut Cement's cement capacity to 6.4 million tonne per annum. Raysut had earlier outlined its plans to expand its reach through acquisitions in Africa. For its next expansion phase, the Omani cement group will be looking at India, where it is likely to enter through acquisitions. The acquisition of Sohar Cement forms part of Raysut's ambitious plan to expand its capacity to not only meet growing domestic demand but also to service the rapidly growing markets, particularly in Africa, and to focus on diversification and growth outside the Gulf region.

Sohar Cement is the Sultanate's third cement plant after Oman Cement and Raysut Cement. The facility was developed by a partnership between Sohar Cement, holding 70 per cent of the equity, and UAE-based Fujairah Cement Company, owning the remaining 30 per cent of the equity. Sohar Cement features a cement-grinding unit with a capacity of


around 240 tonnes per hour and aims to help add to domestic production capacity and reduce the nation's dependence on imports of cement. The Sohar acquisition also includes taking over the 20 per cent stake of Fujairah Cement.

We now plan to further expand our portfolio by entering the Indian cement markets of Gujarat and Chhattisgarh, as well as targeting a 70 per cent stake in Kenyan producer ARM Cement.

We have been focusing on high-growth markets and we are seeing that India has a significant potential in the next 20 years. We would also like to participate in the country's infrastructure development and economic growth.

RCC has business partners and joint ventures across the region. Our business partners maintain the same standards of quality and professionalism as our own company to ensure that every RCC product and/or service is of top-notch quality regardless of its point of origin.

This is the vision that has reinforced Raysut's strategy across infrastructural development, introduction of new and leading cement products and long-term industry partnerships and that have been widely acclaimed and supported by federal and local government entities.

I feel I have brought new dimensions to Raysut Corporate Social Responsibility (CSR), making the company more outward oriented in sharing its profits with the larger society across sectors such as education, health etc. I have also focused on employee training and skills development for employees for taking up challenges of social relevance. 

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Raysut cement plant