

Moving ahead aggressively to beat the recession blues

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DESPITE increased competition, Oman's Al Hassan Engineering Company (AHEC), part of Al Hassan Group, which provides engineering, procurement and construction (EPC) solutions to industries such as oil and gas, petrochemicals, power and water, says it is on target with a healthy order book which will carry it through this year and beyond. "We have aggressive business growth targets for 2011, 2012 and beyond. Our strategy and associated actions continue," says Al Hassan Group of Companies managing director Maqbool Ali Salman.

The strategy of focused approach and meticulous planning has produced the desired result for AHEC so far. "In 2009, our business grew an approximate 20 per cent by volume and 30 per cent in profit over 2008. This growth is in line with our target and builds on the growth that we achieved in 2008, which was 28 per cent over the 2007 volume. In fact, we have improved our ranking in Oman's Top 20 Listed Companies from No. 20 in 2008 to No. 16 in 2009," says Salman.

Going forward, AHEC – established as Al Hassan Trading and Contracting in 1982, and later renamed as Al Hassan Engineering Company (AHEC) and listed on Muscat Securities Market in September 1998 – plans to continue its formulated strategy and also focus on newer markets.

"Our strategy, formulated in 2008, continues. We will focus our attention on development and growth in the energy sector of our business – power, oil, gas and petrochemicals and water. We will also continue with our penetration of the adjacent UAE market within our core business sectors," he adds.

With the current investment shift by the Oman government to infrastructure projects, Al Hassan is considering realigning itself with this shift and expanding its activities so as to effectively sustain its position in the market.

Towards this, the company has recently diversified into execution of major civil works and water and waste water management projects. One such example is the civil work for the STP project at SEEB near Muscat, the largest so far in Oman. As part of further expansion in the UAE region, the company is executing two major civil work projects – a sub-station project in Dubai and a gas processing unit in Abu Dhabi – which will establish Al Hassan as a construction partner in that region.

The Al Hassan Group has been structured into three strategic business units (SBUs): contracting, manufacturing and trading. The contracting SBU, AHEC has developed into a full fledged EPC company. AHEC currently operates in three main business sectors, oil and gas and petrochemicals; power generation, transmission and distribution; civil construction and water/wastewater treatment. In the last three decades, AHEC has successfully completed almost 100 small, medium, large sized contracts for PDO, ORPC, OGC, MHEW, OETC, Haya Water as well as for international contractors such as GS E&C, SNC Lavalin, Hyundai Rotem, and more lately Siemens, Petrofac and Technip.

AHEC specialises in mid stream and downstream areas in oil and gas sectors where it provides either complete EPC services or con-



Al Hassan Group MD Maqbool Ali Salman

struction support. In addition to above, AHEC specialises in installation of long distance pipelines and flow lines in various materials of construction for the oil and gas sector. "We have installed over 1,000 km of onshore pipelines notable amongst them is the 264 km long 48 inch diameter gas pipelines in Central Oman," says Salman.

Al Hassan's manufacturing activities encompass low and medium voltage switchgear manufacturing at Muscat and Buraimi in cooperation with ABB and Siemens. It is by far the leader in switchgear business in Oman with significant exports to Arab Gulf Co-operation Council (AGCC) countries. Its facilities conform to the highest quality standards (ISO 9001:2008 and KEMA KEUR compliant) and its switchgear range is certified by leading international testing authorities KEMA (Holland) and ASTA(UK). Al Hassan switchgear has been voted as No 1 brand in switchgear category and as No 10 amongst the top 130 international and regional brands in Oman in Observer 2010 Brand Survey.

In the oil and gas sector, Al Hassan has supplied its intelligent motor control centres to many prestigious projects, viz., Salalah Methanol, Sohar Aromatics project, Saih Rawl Depletion Compression project, PDO Harweel Clusters, Mukhaizna EOR and Safah Flare Gas Reduction for Occidental.

The trading group companies in Oman comprise of Al Hassan Electricals Co (AHE) and Hi-Tech Services and Supplies (Hi-Tech).

AHE's retail division comprises of five showrooms in Muscat and a network of 400 plus dealers serviced from its warehouses by its own fleet of vehicles. AHE's project solutions division has over

three decades of experience in supply of power generation and T&D equipment. AHE has a specialised lighting division which provides industrial and project lighting solutions.

Hi-Tech markets products for oil and gas and water sectors include mechanical process equipment and systems (heat exchangers, pressure vessels, columns, valves, boilers and compressors), pipes and piping systems, instrumentation and high speed turbo drilling equipment and services for the oil and gas sector.

The trading group companies in UAE – Noor Al Khaleej Trading and Al Sahwa Trading are local companies registered in Abu Dhabi while Al Hamas Trading is registered in Dubai. Al Sahwa caters to the requirement of oil and gas sector, water supply sector and has excellent supply record of products such as LV switchboards, explosion proof products, flow meters, heat exchangers, flare arrestors, and others.

Al Hassan Engineering in 2009 completed three landmark projects:

- Sohar aromatics project for GS E&C – Oman's first aromatics project;
- 1,000 MW Sohar aluminium captive power project for Alstom – the largest power plant in Oman; and
- Salalah methanol project

Work on Sohar Aromatics and Sohar Aluminium projects was acknowledged and the company accordingly was nominated among the Top 4 GCC Contractor of the Year in November 2009 by Construction Week magazine, Dubai.

Currently, AHEC is executing a number of high value projects which are at various stages of construction. In Oman's oil and gas sector, AHEC is executing Nimr-C full field water injection project for PDO on EPC basis and Kauther gas depletion compression project for Petrofac E&C.

The cornerstones for AHEC's continuous success in project execution are its excellent capabilities in health, safety and environment (HSE), quality, resource management and mobilisation (both material and manpower)

It has been recently awarded civil and building works and transmission line facility for Saih Nihayada depletion compression project by GS E&C.

Out of approximately 5,400 MW of Oman's installed power comprising both grid connected and captive power, AHEC has been involved in the construction of over 2000 MW of power plants in both simple and combined cycle configurations using GE, Siemens and Alstom gas turbines. Continuing its leadership position in power generation sector, the company is presently executing two power plant projects- one MEI erection work for a co-generation plant at ORPC and second an EPC contract for 260 MW Open Cycle gas based power plant for PDO at Amal.

In the wastewater treatment sector, AHEC is executing civil works for A'Seeb waste water project – the biggest STP in Oman (80,000 m³/day capacity) for joint venture of Hyundai – Rotem.

In the UAE, AHEC is executing civil works for 400/132kV substation of Dewa at Dubailand-2 for Siemens. It has been recently awarded civil and building works for Gasco's ASAB-3 project by Technip.

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HSE has always been a strategic priority for AHEC and it has been very successfully working with PDO and other clients for ensuring 'zero' accident levels as well as a better quality of life. During 2009, AHEC has driven 14.6 million km and worked 12.3 million man-hours for all projects without any loss time injury (LTI).



Burhan West DSS gas pipeline project for PDO was completed four months ahead of schedule