

## Q&amp;A INTERVIEW

# Renewing Water, Powering Growth

NESMA Water & Energy building a role across Saudi Arabia's water and renewables sectors, expanding at home and across the region.

EDITED HIGHLIGHTS OF A LONGER INTERVIEW

FORMAT: Q&A | SECTOR: WATER & ENERGY | MARKET: SAUDI ARABIA | SUBJECT: NESMA WATER & ENERGY

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MAHMOUD FALLATAH · NESMA WATER & ENERGY

Can you give us an overview of the company's main segments and current projects?

The idea behind creating a private water and energy services company stemmed from the booming water industry in 2009-2010. Nesma was founded to capitalize on this growth, which began with the formation of the National Water Company and the beginning of the privatization of the water sector. Our initial business model focused on desalination coupled with engineering, procurement, and construction works and operational maintenance on renewable energy projects. Unfortunately, we could not pursue the energy segment as quickly as we wanted due to resource constraints. However, we rapidly expanded in the water sector, undertaking small projects and rapidly moving on to larger ones. Nesma Water & Energy aligns with Nesma Holding Company's strategy by being a key player in the water and energy sectors and complementing other business units within the group.

Currently, we are involved in several significant projects. In our operation and maintenance segment, we manage plants for Saline Water Conversion Corporation and King Abdullah Economic City, including water desalination and sewage treatment plants. In the engineering, procurement and construction segment, we are involved in infrastructure projects such as water storage tanks in Makkah and a water pumping station for Roshn. We have divided our focus areas. We manage water projects, while Nesma Renewables handles renewable energy projects. Each division operates under its own authority to ensure proper focus and efficient management. For example, our projects in Bahrain include solar panels to enhance sustainability. This division of responsibilities allows us to specialize and excel in our respective fields. Our strategy for international expansion is driven by opportunities such as those funded by the Saudi Fund for Development. We have expanded our reach by successfully qualifying for and winning projects in Bahrain such as pumping stations with ground and elevated tanks. Our comparative advantages include our extensive experience in water projects, strong partnerships with international firms and deep understanding of the local and regional markets.

Moving forward, what strategy is the company utilizing to grow its project portfolio?

We plan to leverage investment by carefully selecting and bidding on two to three tenders a year. To do so we need to ensure we have the capacity to deliver on high-quality projects. We are building a strong team and securing financial facilities to support our growth. Our strategy is to expand steadily and continuously align our business plans with market opportunities. One of the main challenges is the need for a skilled workforce and the capacity to manage large-scale projects. Financial resources and facilities are also crucial to support the expansion. Companies must adapt to the rapid changes and demands of the market by leveraging opportunities provided by the Vision 2030 initiative and align with the country's development goals. Saudi Arabia offers a clear and transparent policy environment with vast market opportunities. The country is undergoing rapid development and the opportunities for international players are significant. We invite investors to bring innovative ideas and expertise to Saudi Arabia; the market here is ripe for successful collaborations.

What is the company doing to promote sustainability and environmental conservation in its operations?

Sustainability is a core aspect of our operations. We integrate clean energy solutions such as solar panels into our projects. For example, our plants in Bahrain utilize solar panels and are designed to operate efficiently with minimal human intervention by using advanced technologies such as supervisory control and data acquisition systems for unmanned operations. We ensure our projects align with sustainability goals by reducing energy consumption and optimizing resource use. We also follow strict environmental guidelines and continuously seek innovative ways to reduce our ecological footprint.



**Mahmoud Fallatah**  
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