

An *IFC Reports* Interview with
Eng. Hussain Saleh Al-Shaikh,
Chairman and MD,
Gulf Glass Manufacturing Company,
State of Kuwait

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For our special report on Kuwait



IFC REPORTS: Kuwait was once known as the Pearl of the Gulf and led the way in terms of development and regional integration. Last year we saw the start of a very ambitious Development Plan to inject \$125 billion dollars worth of projects into the country in order to diversify its economy and increase private sector participation. As a Kuwaiti what are your opinions on the targets set and the competitive advantages Kuwait has to offer?

Eng. Hussain Saleh Al-Shaikh: Kuwait as a country has all the potential for development in any sector. We have spent a lot on education and we have a lot of distinguished Kuwaiti minds in almost all fields. Kuwait has vast human and capital resources and we are strategically located between the three regional giants - Saudi Arabia, Iraq and Iran. Saudi Arabia's industrial sector is much more developed than Kuwait's, Iran is more developed in certain segments but Iraq's is far behind Kuwait and so there are a lot of opportunities for us. Kuwait has all the resources. A lot of Kuwaitis have studied abroad since the 1960s, and I know some Kuwaitis who have been in the US since 1967 and they are university professors. Some Kuwaitis have foreign relatives either by marriage or origin and the diversity in the Kuwaiti population is behind the strength of Kuwait before the oil was found. Also, prior to oil discovery, Kuwaitis were taking up all jobs. Now there is a consumer mentality prevailing. For example, my father was a carpenter, a blacksmith and so many things - he had to do almost all jobs.

We are the most stable country in the Arab world; we have a long-established ruling family and no Kuwaiti would accept any other ruler. Everyone from all walks of life agrees on that. We do not have any restrictions in doing physical or industrial work - we enjoy it and we enjoy achievement. Kuwait was a centre for wooden ship building, for example we built the biggest wooden ship that can sail, which cost over KD6 million and is even in the Guinness Book of Records.

Kuwaitis speak many languages and they spend a lot of their time abroad. Only 30% of the total population is Kuwaiti and not many other countries have that much tolerance towards foreigners. We do not have stereotypes either and have no quarrels with anyone. People live and let live - they do not want to force others to go into a certain regime. People coexist in Kuwait. It is in Kuwaitis' blood.

IFC REPORTS: Gulf Glass Manufacturing Company was established back in 1981 and has a long heritage in Kuwait. Can you please enlighten us a little more about the company's journey over the years?

Eng. Hussain Saleh Al-Shaikh: When the company was established we had only one furnace which produced about 120 tonnes per day of flint glass and later this was enhanced to 160 tpd. Later on in 2005 we erected a second furnace which can produce 120 tonnes per day and now we are producing both green and flint glass. At this point we are exporting 60% of glass products and 40% stays in the local market. We have been able to reach as far as South Africa, Mauritius, Armenia, Malta and Azerbaijan. We are in almost all of the GCC (Gulf Cooperation Council) and MENA countries such as Iraq, Syria, Lebanon and Jordan. We have been working at full capacity for the last few years - there is no margin for increasing capacity. We would like the Government to help us as we are desperate for more land. We have been approved by international companies like Pepsi, Coca-Cola and all our machinery is European. Almost all of our raw material is imported and we employ people from Kuwait, Indonesia, Pakistan, India,

Egypt, Morocco and so many more countries and we enjoy that. I personally enjoy working and living in a multicultural environment.

We are also one of the only companies in the region that is using Microsoft Dynamics Software without anybody programming from outside as we develop our own programs. We have our own optimisation and programming software that we have developed with a University Professor. We base our strategy on delivering quality and quantity for our customers with very flexible financial support. We take their risks with respect to quantity and delivery times. We deliver to our customers whatever we promise to them.

We have five lines – three for flint and two for green. We have almost all the state-of-the-art technologies that exist to make Glass containers. It is very rare in the world to have a plant with four lines equipped with narrow neck press & blow (NNPB). We are proud of our people. One of our policies is to bring knowledge to our people – we invited world-renowned industry experts to give us a lecture at our plant. They inspect our furnaces to mitigate any unforeseen risks. We have foreign expertise working with us. I believe the more knowledgeable people you have the better it is for your company.

We have a small meeting every other day where we discuss issues from batch to dispatch – all of our processes and the issues involved. Safety comes first. Environmentally we have managed to achieve practically zero liquid discharge. It is our own initiative; it is not enforced by regulation. We believe we should protect the environment. I am pro-environment. We introduced a campaign to encourage the recycling of glass. I have to thank the British Foreign Ministry that made it compulsory for all of its foreign administrations around the world to recycle glass, paper etc. They themselves initiated contact and the previous Ambassador was here. We have a strong relationship with them.

At GGMC new administration took over in 2008 and we managed to increase the cullet in our furnaces, but we have had difficulties with this. The Government said that they would have some sort of recycling plant in the future to collect this and maybe sufficient quantities will be available then.

IFC REPORTS: Where do you plan on taking the company over the next 4 years?

Eng. Hussain Saleh Al-Shaikh: I think it is all about teamwork. The owners gave me the freedom to do whatever I think is right for the company. The owners set the path. We made a profit of around 1 million KD and now we have a net profit of around 3 million KD. We have developed a sophisticated company policy, which I adapted from my experience in the oil industry. We have a good reputation. We are in a strong position.

We are looking at expanding abroad to surrounding countries. We are waiting for the Government to give us more land for expansion and we are looking at diversifying our business in the future in the same industry and supporting industries. We have a very strong relationship with our clients – they are our partners and they enjoy working with us. It is becoming a friendship. We introduced a new scientific methodology – we delegated proper authority to managers to handle their own department and making their decisions working with tools in the industry such as linear programming. Microsoft Dynamics is fully implemented in the company and these are the kinds of things that are not obvious to outsiders.

IFC REPORTS: Considering we will be publishing our report on the 19th June 2011, Kuwait's true Independence Day, do you have any final message that you would like to send to our readers about Kuwait, its potential or even GGMC?

Eng. Hussain Saleh Al-Shaikh: Kuwait has to be careful about what it is doing now. Future generations may sentence us as guilty for not taking the opportunity to bring our country to its legitimate position amongst world nations. We need to take urgent, well-established measures to realise the aspirations of the new Kuwaiti generations. We have to make a decision as to which way we are going. The Administration needs to be reshuffled and decisions have to be made now as the oil prices are over \$100.

You cannot compare yourself with neighbouring countries - being a technical person, you need to compare yourself with the tools available to you and your performance compared to others who possessed the same tools available to them. You should not say that you are in this part of the world and others are lagging behind you – you need to look at what is available to you and you have to compare your performance to that. We have all the resources available. Why are we still a developing country? I cannot answer this question. It has been said that the world has already consumed 50% of the world's oil reserves. It is a race against time – if we do not do something in order to sustain future growth, how are you going to feed the millions of people?

IFC REPORTS: I quite agree. Mr. Al-Shaikh, thank you very much.