

DEEP-ROOTED FOUNDATIONS

Egypt-based Hassan Allam Sons is a company with a lengthy history of successful construction operations. Managing director Mr Hassan Allam speaks to Louise Hoffman about contracts past and present, and a family-run hands-on organisation with a knowledge and experience in which clients can trust.

The original Hassan Allam company dates all the way back to 1936, becoming nationalised by the Egyptian government in 1964. "Then in 1976 we were allowed to resume private sector business again, but under a different name – Hassan Allam Sons Contracting Company," says managing director Mr Hassan Allam. "It was this change which signalled the beginning of the company as we now know it."

Mr Allam elaborates: "Ever since 1976 the company has remained a family business and has expanded from just doing business in Egypt, to Saudi Arabia and Algeria. We started off as a general contractor and we are now a diversified group that provides EPC contracting services and real estate and property development."

Hassan Allam Holding is the Group's Parent company, controlling the two main lines of business: construction, which is Hassan Allam Sons Contracting; and real estate, which is called Alcom Properties."

Construction portfolio

Hassan Allam Sons' projects are wide-ranging in both size and type. Where industry is concerned, the company has completed

such contracts as Arabian Cement in Suez and the Savola Sugar Refinery in Sokhna Seaport. The scope of those two projects involved procurement, construction, steel fabrication and erection and electromechanical works. The El-Mex, Alexandria-based Chloro-Alkali Electrolysis Plant project commissioned by Misr Chemicals Industrial Co (MCI), included the civil design and construction of 23 industrial units with a maximum height of 22 metres; earthworks; dewatering; concrete works; finishing works; anti-acid protection systems; and electrical and mechanical installation packages.

"Hassan Allam Sons has played a significant role in building up the industrial capacity of Egypt. Our ability to perform all phases of industrial construction has delivered value for a wide spectrum of owners. We have built manufacturing facilities in several key industrial sectors including petrochemical, heavy military, pharmaceutical, light food processing, consumer durables, and steel manufacturing," Mr Allam explains. The company has also carried out numerous building works for public, corporate and tourist uses; for example the National Museum of Egyptian Civilisation

in Cairo, on behalf of the Ministry of Culture, The Supreme Council of Antiquities and The Salvage Fund of Nubian Monuments. This project saw Hassan Allam Sons awarded responsibility for a total built-up area of 85,000 square metres, including a main exhibition building of 55,000 square metres and a reception building and parking extending across 30,000 square metres. Also involved were piling works (4,000 pile), earth moving works (500,000 cubic metres), concrete works (120,000 cubic metres), marble (90,000 square metres), and electromechanical and plumbing works.

"Hassan Allam Sons' portfolio of modern multi-storey administrative, residential and special buildings is comprehensive. The company has completed major projects covering everything from foundations and concrete work to fine interior finishings and sophisticated building control systems. Some other special buildings that were undertaken include a nuclear research facility, several social clubs and media studios," Mr Allam illustrates.

"Working with the group's real estate development arm, Hassan Allam Sons has created

some of the most coveted residential and holiday destinations in Egypt. The company's touristic villages lie in key locations around the country: the North Coast, the Red Sea, Abu Sultan and Kattameya New Cairo. In addition, we have major references in constructing full-service, five-star hotels run by world renowned chains."

These holiday destinations include the Seasons Residence Residential Compound based Kattameya, on behalf of Kattameya for Development, Real Estate and Touristic Investments Co'. (a sister company of Hassan Allam Sons), and the Little Venice Compound at El Ain El Sokhna on the Red Sea coast for the International Real Estate and Tourism Development Co. Meanwhile, "we are currently building more high end resorts on the North Coast by the Red Sea and in the suburbs of Cairo – Greater Cairo," adds Mr Allam.

A major segment of Hassan Allam Sons' business is in the power sector. "The company has successfully completed several steam and combined cycle power plants along with a number of substations. Work has covered heavy reinforced concrete structures, water intakes, 120 metre high contin-

uous construction chimneys, cooling towers, heavy lifts, piling, underground piping and large steel structures. Construction of associated administrative buildings, roads, drainage and ancillary site works has also been executed," explains Mr Allam.

Past power contracts have included a 50 percent share of the Nubaria Combined Cycle Power Station (1500 MW) project for the Egyptian Electricity Holding Company and West Delta Electricity Production Co, and the Thermal Power Plant of Talkha (2x200 MW) for the Ministry of Electricity.

"Our construction group is currently building Egypt's largest power plant," Mr Allam adds. "We are the top power plant contractor in Egypt, working very closely with the government in achieving a fast-track power programme, whereby we are building approximately one new power plant every 24 months, adding 1,500 megawatts to the grid and helping minimise Egypt's power shortage."

One of the company's more recent additions to its service offering is restoration, as Mr Allam explains: "With the government

paying increasingly greater attention to the preservation of Egypt's medieval buildings, Hassan Allam Sons has moved quickly to position itself as a well-informed and competent player in this exciting new sector. By recruiting talented artisans and architects from both local and international markets, the company has been able to rapidly accumulate the necessary know-how to tackle the most sensitive projects. Careful attention to detail clearly differentiates our work over the competition."

The restoration and development of the Sayed Darwish Theater 'Opera of Alexandria' is just one such project, involving structural support works for foundations and walls; fine restoration works including paintings, gypsum, wood, marble, stone and metals; theatre technical systems; electromechanical works; heating ventilation and air conditioning (HVAC) works; and fire fighting and fire alarm systems.

Finally there is infrastructure – an increasingly important aspect of Hassan Allam Sons' operations, especially in the current economic climate. "In view of the financial crisis – or let's call it an economic slowdown – we are being very cautious about maintaining our order book and maintaining growth, trying to penetrate new markets so that we can maintain healthy margins and maintain a healthy flow of projects. We are trying to focus much more now on government funded infrastructure projects and industrial projects such as power, sewage and water, so that we don't jeopardise the growth that we have achieved over the past few years, especially since the private sector now might be expected to witness a significant slowdown in projects," Mr Allam explains, though he adds that the company is not "currently seeing any significant prob-



Think Tank and Food Court – Smart Village

Arabian Cement Plant Line I



Cairo North Power Plant



Vodafone Office Building – Smart Village



lems.” Indeed, the government currently represents 60 to 65 per cent of Hassan Allam Sons’ business.

Award-winning H&S policies

“We are very adamant to maintain a safety first policy,” states Mr Allam, adding: “We’ve received numerous safety awards basically indicating that we have maintained an excellent safety track record in adherence to international standards, as well as recognising our environmental policies. We have our own safety manuals and policies that we respect for all our projects. And we are ISO certified, which says a lot about our management and quality systems – we were one of the first Egyptian construction companies to be ISO certified.”

Hassan Allam Sons’ safety policy states that the company aims to “safeguard its human resources, equipment, materials, its surroundings and the environment at large from any hazards or risks that may arise in the course of its activities.” It also “targets a ‘zero level’ of work related injuries. Through regular awareness sessions and training courses, all staff members are instructed on safety issues and best practice.” Meanwhile, “top manage-

ment and all members of staff actively promote and instil a culture of ‘safety first’ in all projects and at all levels of the company.”

A family firm

Mr Allam puts his company’s continued success down to its provision of a complete and trusted service. “We are very much a hands-on speciality contractor in the sense that we provide very high quality business, very high quality products, and some of the highest quality staff in the market,” he says. “We have experience which extends from 1936 until today, which is something very few local companies can boast. We have regional exposure, and we have delivered successful projects since inception.”

Does the family-run firm element help in attracting and retaining business? “Absolutely – we manage our business using a hands-on approach, and the fact that our clients can always associate their work and their requirements with a face and a name gives us an edge, because people trust us as individuals and as a corporation – they like to do business with people they can get a hold of, discuss their issues and think out loud with to reach a common goal.

“We offer all our clients value engineering services, which basically means every time we are awarded a project or we are negotiating a project with a client, through our experience and our solid engineering team, we tell them how we believe they can save money. Often they have decided to carry out a project that uses a specific methodology that if enhanced or changed could save some time and money, and we are always willing to offer such positive approaches to our clients because we depend on repeat business not new clients,” Mr Allam explains, adding: “We do attract new clients all the time by trying to penetrate new markets, by adding new services to our business, by doing what other companies do in terms of business development and marketing. But in reality a lot of our clients are repeat clients.”

Constructing the future

As a company which conducts approximately \$500 million of business per annum, and which has a healthy order backlog, Hassan Allam Sons has a solid foundation on which to base future growth.

“We are currently considering expanding into more GCC countries beyond Saudi

Arabia such as Qatar. Africa is definitely on our agenda; in fact it has been on our agenda for quite some time and we believe that now may be a good time to approach that region and further develop our business there,” explains Mr Allam.

In conclusion, Mr Allam identifies some of the business opportunities his company is planning to take advantage of in the near future: “As a holding company, we are diversifying into industry and we have recently partnered in a cement plant here in Egypt, with five manufacturing facilities. In terms of construction we are developing our steel structure fabrication business – we have just launched a new steel fabrication plant in Alexandria in Egypt. In terms of real estate, our real estate group is expected to start penetrating lower income housing on a large scale because we believe that this particular market is, first of all, in high demand in Egypt and, therefore, we have what you could call a social responsibility to serve the community and country given its current demands and needs. Secondly we believe there will be some significant potential business opportunities in this particular sector in the real estate market.” □