

COUNTRY PROFILE – SAUDI ARABIA

The market shall overcome growth challenges



Operators are to benefit from the new economic developments in Saudi Arabia and overcome the slow growth witnessed over the past two years, says **Mr Elie Abi Rached**, CEO of **Chedid Re, Saudi Arabia**.

How was the growth in the Saudi market in the past two years?

The growth in the region overall was challenging, noting the overall economic stagnation. This was equally reflected on the Saudi market due to lower-than-expected oil prices. However, we are confident that things will change this year as there are several upcoming projects in Saudi Arabia which are aligned with Vision 2030 that will position the kingdom in the middle of a great economic boom.

As a reinsurance broker, do you feel the market is hardening?

Some of the reinsurers have elected to close their operations in the region, while others have reduced deployment of their capacity in our region. Accordingly, the market is definitely changing, but not to the extent of hardening yet. For now, we are seeing a flat approach except for some hazardous occupancies where the signs of hardening are somewhat clearer. At Chedid Re, we will adapt ourselves to the changes and will definitely raise the bar to keep the market and the business positive.

What are the major challenges you face in the market?

From a reinsurance perspective, any trend that affects ceding companies reflects similarly on the reinsurance market. The stagnant GWP had its toll on ceded premium (CP) which prevented most companies in attaining their expected premium income (EPI).

What changes do you expect to see on the back of opening the market to foreign (re)insurance branches?

This move is definitely a major change to the market. However, we will have to wait and see who the new entrants to the market are to be in a better position to evaluate potential changes. At Chedid Re, we always welcome any positive changes, including the presence of international players. And under the supervision of the Saudi Arabian Monetary Authority (SAMA), we are confident that we will see better corporate governance, transparency and development – aligned to international standards.

What are your expectations for the market in 2019/2020?

With the announcement of the new budget in Saudi Arabia and upcoming projects, we are expecting a positive impact on the insurance sector, which will help insurers grow their portfolios as well as growing the CP subsequently. The support of the regulator and government will certainly give a push to the economy and to our business.

How does Chedid Re stand out in a competitive market such as Saudi Arabia?

We remain fully dedicated and committed to the Saudi market by having a full-fledged operation out of Riyadh servicing all our clients in the kingdom. We also focus on growing and training an impressive local team who will take the company to the next level, leveraging the latest technology to ensure the company operates at an international level, and nurturing our relationships with the global reinsurance markets for the good of the market and economy. 

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