MARKET *Potential*

Stanislas Lacroix has recently taken over his family's company.

MEP Middle East talks to **Stanislas Lacroix,** the new CEO of Aldes, about how the family owned company plans to tackle 2012, while dealing with the challenges ahead

What was the most positive GCC market for Aldes in this year just gone?

For us, with the projects we've been involved in, Dubai was the market for 2011. As far as the UAE is concerned, one year Dubai does very well for us, and then it's a bit dull. Then Abu Dhabi does very well, it depends on the year.

This year, for us, Abu Dhabi was down but Dubai was extremely hot. Next year, we estimate that Dubai will be slightly down and Abu Dhabi will be up.

It's not a question of market potential; it's about the execution phases that are inside the regional construction market.

Abu Dhabi is probably the place that you want to be in, it is growing at the moment, [but only] if you're at the design or early execution for the main structure.

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THE KSA MARKET SIZE FORCES A CHANGE IN ALDES' STRATEGY

If you're at the second or third step, the finalisation of the building, then for us, Dubai was the market to be in over the course of 2011.

For sure, this trend will change in 2012 as Dubai will go down significantly in the middle or end of the first quarter, while Abu Dhabi will rise from that time.

What are targets are you setting for the year ahead?

For 2012, we work to be more proficient and efficient internationally. Not only here in the GCC, but also in Europe, where we have quite different challenges to face. Macro-economically speaking, we really have to be 'on the market'.

Basically, that means that we have to be as clear as possible in our objectives and help the company team to understand the situation we're in and ensure that they're on the right track.

With the downturn, we've been forced to go to the export market as well, where the growth is pulling the industry, especially in Saudi Arabia and Qatar. These are two regions where we are now starting to invest and develop ourselves in a serious manner.

> "It's not a question of market potential; it's about the execution phases inside the construction market."

What will your expansion strategy be in these countries?

There is no model which has been defined to expand in these countries; it's always a case by case situation. We're always evaluating what the potential is and what the current situation is.

You would not treat Qatar, with a population of around two million, the same as you would treat Saudi Arabia, a country with a population of around 30 million.

The aim at the end is to be present in the market, whether it is through a 100% owned company, a joint venture or a distribution agent. It's under evaluation in all countries and it can change all the time.

The first approach can be an exclusive relationship with a distributor, which can then become a partner in a joint venture, which can finally become an industrial partner and we may manufacture some products together.

This has been done in some other countries already, so we don't discount an potential situation.

What is the major challenge that crops up when operating as a manufacturer in the GCC?

We're in an environment where a worker will stay for four, five or six years in a row. He will then decide to go back to India, Pakistan or Bangladesh and stay there for a year and decide whether he'll come back to you or not.

Instead of suffering through this rotation, we're now organising the company to manage the movement of people. We've put in place a permanent training programme on all aspects and I can say that we're now a permanent school covering all aspects of our production.

From the assembly part to the cutting and the way we're selling the product, it's all a repetition of what we're doing. MEP