

# The tycoon otherwise known as Prince

Nephew of the King of Saudi Arabia, the energetic Prince Alwaleed bin Talal is one of the most successful investors in the world. Rory Ross catches up with him in Cairo

‘THE PRINCE will see you anytime between now and 5am,’ said, Amjed, His Royal Highness’s communications manager. ‘Stock up on caffeine. The night is young.’

It was 11pm in late December 2004. The gleaming lobby of the Nile Plaza hotel in Cairo was thronged with guests attending the hotel’s US\$1m launch party. The centre of attention, however, was not the Egyptian prime minister nor the hotel’s sumptuous gilded and inlaid interior, but rather its expensively veneered owner, HRH Prince Alwaleed bin Talal, nephew of King Fahd of Saudi Arabia and, by Forbes’s reckoning, the fifth richest man in the world, worth US\$23.7bn, most of it apparently self-made, from western businesses.

Now 48, Alwaleed began his business career with several hundred million, enough to convince most business-minded people to think about retiring, but this did not appeal to the trim and youthful-looking Prince. Instead, he has successfully parlayed this sum into his present sprawling multi-sector portfolio. ‘Here, let me show you,’ he said, when I finally got to speak to him, digging among a pile of papers and producing a piece of A4 on which were listed all his investments: real estate, hotels, media, banking, technology, retail, automobiles and agriculture. His biggest investment is in banking. About half his portfolio is locked into Citigroup, Saudi American Bank, Al-Azizia

Commercial Investment and International Financial Advisors.

The second biggest chunk is devoted to hotels and real estate. He owns 22 per cent of Four Seasons (five stars plus), 4.9 per cent of Fairmont which owns the Savoy in London, and 27 per cent of Mövenpick (three to five stars). He also owns the bricks and mortar of the Nile Plaza, the Four Seasons in Mayfair, London, the George V in Paris and half of the Plaza in New York. Toss in stakes in various Disney parks, and you’ll find that he owns, manages or controls some 260 hotels

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around the world and counting. He has the entire upper end of the market covered.

The Prince is now betting that the Middle East will become the hot new destination for the smart set, at least more than just offering dormitory accommodation for ordinary businessmen. Some years ago, he spotted that the quality of hotels there had stagnated. ‘They were called four- or five-star hotels, but they were three stars, just rubbish,’

he says, eyes snapping from side to side. ‘We spotted an opportunity.’

He is involved in opening eleven Four Seasons hotels in Amman, Damascus, Riyadh, Dubai, Doha, Manama, Beirut, Sharm el Sheik, Alexandria and Cairo. He reckons Four Seasons’s sleek image and ‘fussy, sophisticated and complicated’ clients will help raise the tone of these cities. Meanwhile, on the Fairmont front, he is already on the move. ‘Dubai will be signed in two weeks,’ he says. ‘Beirut within a month... and, with Mövenpick, we had the highest expansion among any hotel chain in the Middle East last year.’

Isn’t this a massive gamble on peace? ‘In business, you take a chance,’ shrugged the Prince, fingering prayer beads. ‘Even now, with relative instability, the hotels are doing pretty good. In Jordan, occupancy is 85 per cent. Mövenpick Beirut is 100 per cent. In Egypt, this hotel [his eyes swivelled the honey-lit marbled lobby, every detail of which he’d signed off personally] opened a month ago: 55 per cent. So all doing good. I encourage people from Europe and America to come and not be concerned about what they read in some Western-type newspapers.’

In certain circles, the Prince might pass as eccentric. He keeps a 17in plasma television screen to hand wherever he goes, so even when talking to you he’ll shoot glances at it to catch up on the markets. His neo-medieval retinue includes doctors, hairdresser



and a jester (seriously), who is no doubt praying the Prince doesn't find the Comedy channel. I wondered if he employs someone to make him cry. Perhaps his most remarkable feature is his brain, which revs so fast that his vocal chords can't keep up. Words rat-tat-tat from him like jumbled up

machine-gun fire. Pulsating with manic energy, the Prince may at any moment leap up and go walkies. His late-night Cairo walkathons, with his entourage flying in V-formation behind him, are the stuff of legend. He loves the theatre, and when in Cairo, always catches the latest shows, Egypt being

the centre of Middle Eastern film and theatre. Was he always this way? 'You mean energetic?' he says. 'Always. Hyper.'

Beirut-born and raised by his Lebanese mother, the Prince reckons the three defining moments in his life were: joining the Saudi army at just fifteen ('It made me more

masculine, more rough, more tough'); travelling to America at 21 to study business at Menlo College in California; and the birth of his son Khaled ('big responsibility'). He describes himself as 'tough, but fair'. 'I want everything meticulous, organised,' he says, adding with a shrug, 'It's not going to happen. It's Utopia. But I have serenity, a step beyond happiness. Serenity is definitely there. Peace of mind.'

How did he come to wield such financial clout? It helps if you are a member of the Saudi royal family. He made his first coup, however, in 1991 when rescuing Citigroup (then called Citicorp) with a \$590m investment. The value of his stake has multiplied many times over. Since then, his portfolio has mushroomed, parlaying one hit into another with almost unerringly golden results (his worst investment is Planet Hollywood). 'I like success,' he says. 'I strive for it. In the hotel industry – you write this down – George V is number one in the world, Four Seasons hotel is number one hotel-management company in the world, Citigroup is number one in the banking industry. We believe in success. Success breeds success.'

Kingdom Holding Company, his Riyadh-based HQ, the largest company in Saudi Arabia, employs just 60 people. The second largest company in Saudi, employs over 16,000, the third over 21,000. 'We hire good quality people. Each guy or lady should equal 10/10, very high IQ, specialised in his field, technology-oriented, middle-aged, American-educated, aggressive, loyal, self-typing – not secretary – you know, motivated. In my group, you will not find people over 50 or under 20. The screening process is strenuous and costly, and I hire personally. I say, "Yes" or "No".'

Now hailed one of the world's shrewdest investors, the Prince has carved a reputation as the bottom-fisher's bottom fisher, casting lines globally from his Riyadh power base. Many tycoons forge fortunes from one big idea; the Prince spreads his ideas and money around, dipping into every sector except, curiously, oil. 'I cannot just work in one area,' he says. 'I need politics, economics, finance, business, charity, women's rights, human rights... I like this. We are doing this on a continuous basis on many fronts simultaneously.'



Above HRH Prince Alwaleed bin Talal working on his private jet. Right HRH in traditional dress



Once asked if he ever made mistakes, he replied 'No way'. This was taken as arrogance. 'I make blunders,' said the Prince, almost with pride. 'If you make a mistake, you lose \$100,000, \$1m, \$2m, \$3m. If I make a mistake, I lose \$100m or \$200m. You make mistakes and blunders; you learn. You don't do the mistake again. For us, to reach where we are today was agony and toughness. But we are stronger now. In anything we do, there is a lot of meticulousness, in-depth analysis. Things are never left che-sera-sera. We dictate our destiny.'

Along the way, he has picked up a few rules of thumb. Never stop learning or let yourself feel you have 'arrived'. Number two: 'Don't be arrogant. Be humble. Learn from mistakes.' Number three: create dialogue. 'I have control of everything. But let's say, when you have people of different culture, religions, ages, race, sex, mentality, philosophy and education, then ideas pop up from different areas. I listen, for free. What am I to lose? I like dialogue. I like consensus. However, if consensus is not there, I'll dictate.'

I asked him what else he wants to achieve. 'Achieve? What every person wants to achieve: do a job in the morning, earn a salary, and have a son and daughter. Just because I have so many zeros behind my wealth, doesn't mean I'm different.'

He wants his legacy to extend beyond his mere wealth. He seeks to be remembered

for 'Going after good causes, for our nation, our region and the world', and for furthering a cause, a mission, a statement.

'And we are working on that right now,' he says. 'A few years ago there was nothing said about poverty in Saudi Arabia. Now, I am not the only one, but I am one of the main people who said to the Saudi people, "There is poverty here." I was the biggest financier of the housing of poor people, for example. Saudi Arabia is covered pretty well. Now we are expanding it throughout the region.'

Top of his agenda are human – especially women's – rights in the Middle East. He has employed the first female pilot in Saudi Arabia and hires non-veiled women in many key positions in his empire. 'But all very high calibre. They have to fulfil all the conditions,' he says. 'We are working on establishing ladies' rights, not only in Saudi Arabia but in the whole region. We are fighting to have ladies' vote. Confidentially, it will happen.'

His reformist agenda takes place under the banner of Islam. 'Oh yes,' he says. 'I am very conservative religiously, but very liberal socially. How to combine these two? You figure it out.'

You can be sure that whatever the Prince does next, nothing will be left to chance. 'Che-sera-sera? Forget it.' ■