

Report #113
BUSINESS AND POLITICS IN THE MUSLIM WORLD
GULF COOPERATION COUNCIL
NEWS MONITORING REPORT
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27th March 2010 – 2nd April 2010
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Following news monitoring report is based on the important political, social, economic and Geo-strategic events occurred in Gulf Cooperation Council States along with a Comprehensive summary of the report.

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SUMMARY

International Front

Yemen said on Monday it needed not only assistance from donor countries to finance development programmes but also jobs for skilled and semi-skilled Yemenis in the Gulf, according to a senior Yemeni official.

Saudi King Abdullah has ordered treatment of the Palestinian Siamese twins, two girls named Rittal and Retag Bint Yasser Abu Assi.

Pakistan welcomes Saudi mediation for the restoration of meaningful composite dialogue with India, says visiting Pakistani Foreign Minister Shah Mehmood Qureshi. Qureshi arrived in Riyadh Saturday on a two-day visit to the Kingdom.

King Abdullah, Custodian of the Two Holy Mosques, has made history with his call for dialogue among religions, TV network CNN said.

Bahrain has contributed \$1 million to recovery efforts in Haiti, the United Nations has said.

Bahrain and Thailand have agreed to bolster their cooperation on food security, Islamic finance, education, culture and construction. In a joint communiqué at the end of Thai Prime Minister Abhisit Vejjajiva's two-day visit to Manama, the two countries said that they had convergent ideas and views on bilateral and multilateral cooperation, the situation in the Middle East and on closer consultations and ties between the Gulf Cooperation Council and the Association of Southeast Asia Nations.

Oman is in talks to buy Eurofighter Typhoon aircraft from the UK in a deal potentially worth billions of pounds and which could help ease the budget crisis at the Ministry of Defence. Downing Street said yesterday the Gulf state had indicated its intention to buy the aircraft for the Royal Air Force of Oman.

Social Front

Around 30 prisoners escaped after a bomb explosion at a prison in southern **Yemen** yesterday, police said, identifying the fugitives as sympathisers of a secessionist movement.

In **Saudi Arabia**, land and homeowners in unplanned districts across the province of Makkah are seeking a raise on compensation packages which have already paid out SR32 billion for 2,000 properties demolished by the Mayor's Office.

In Saudi Arabia, Abdullah Al-Rabeah, Minister of Health, said Friday that the ministry handles 60 percent of all health services in the Kingdom, with the private sector responsible for 20 percent and the remaining covered by other sectors.

Two men and two women were killed when their car veered into a roadside farm after being allegedly chased by the Commission for the Promotion of Virtue and Prevention of Vice in Al-Khalil area in Madina early Monday. Firefighters extracted three bodies from the wreckage of the vehicle, said Madina Civil Defense spokesman Col. Mansour Al-Juhani.

The newly set up Facilities Security Force has taken all necessary measures to protect oil and power installations, and water desalination plants throughout the Kingdom in cooperation with the Ministry of Interior, the National Guard, and the Ministry of Defense and Aviation, said Maj-Gen Sa'ad Al-Majed, Chief of the Facilities Security Force in Makkah Saturday night.

In **Bahrain**, drivers of cars with Gulf licence plates will no longer be able to register them in Bahrain, a traffic source has said. "We have noted that some people bring in cars from Gulf countries, but do not change their licence plates into Bahraini ones as required by the law," Shaikh Abdul Rahman Bin Sabah Al Khalifa, the head of traffic directorate, said.

More than 135 children suffered abuses in Bahrain in 2009, the social development minister has said.

The bitter standoff between conservatives and liberals in Bahrain is likely to deepen amid news that a municipal council is pushing for the closing of restaurants and cafés at midnight.

Kuwait's information ministry has pledged a zero-tolerance policy towards satellite channels that broadcast programmes that could "erode national unity or undermine social cohesion.

Kuwait will limit the current transfer of business visit visas to residence permits at the end of this month, a senior labour official has said.

A 23-year-old Kuwaiti woman was on Tuesday sentenced to death for causing a fire that killed 57 women and children attending a wedding party in a tent in Al Jahra, 45 kilometres west of Kuwait City.

Kuwaiti media criticised the participation of three Kuwaiti athletes in an international track meet where Israelis also participated.

In **Oman**, Smokers lighting up in commercial centres and other closed public areas face stiff fines as smoking curbs come into effect in the sultanate's capital city today.

The first batch of Omani women earned residential plots of land in a draw on Monday at the Ministry of Housing.

Labor Front

In *Saudi Arabia*, More and more Nepali workers are taking jobs in the service sector in the Eastern Province. Since Saudi Arabia opened up recruiting workers from Nepal, a trend has developed that could tilt the balance of foreign workers in the Kingdom, possibly even dislodging Filipinos, who are still very much entrenched in the service industry.

Economic Front

Yemeni imports from Pakistan have reached USD 200 million during the past year, said Deputy Ambassador of Pakistan in Yemen.

Saudi stocks rose to the highest since 2008 after Dubai said it would support the restructuring of state-owned Dubai World with \$9.5 billion. The Tadawul All Share Index increased 0.66 percent to 6,801.64 Saturday closing, rising for a third day – the highest since October 2008.

Share sales in new Saudi Arabian export refineries will offer investors alternatives to listed downstream companies in developed countries — likely to remain exposed to chronically weak margins and high operation costs. The kingdom plans initial public offers (IPOs) for two plants in coming years, following the listing of PetroRabigh in early 2008. These, along with export refineries in India, are likely to attract investors' money away from refinery stocks in the industrialised countries. They may also make it even more difficult to find buyers of relatively old downstream assets, most of which are up for sale in Europe, analysts said.

The government has decided to pay the difference of the customs fees applied under the Gulf Cooperation Council unified customs tariff on 180 major food items and construction materials to help curb inflation in the Kingdom that reportedly surged to a 27-year high of 8.7% in February.

New guidelines aimed at clearing up religious doubt over the booming Sukuk (Islamic bond) market - the world's fastest growing financial instruments - are to be debated at the premier international Islamic finance event in *Dubai* next month.

In *UAE*, holiday traffic has been gradually picking up pace since the end of last year as the need to de-stress from work is on a high, an Emirates Holidays official said. "People worked really hard last year.

Bahrain's Al Baraka Banking Group (ABG) said it had changed the name of Egyptian Saudi Finance Bank and will invest 3.4 billion Egyptian pounds (Dh2.25 billion) to expand its operations.

Qatar is offering to invest \$1 billion (Dh3.67 billion) in France's heavily indebted CMA CGM, the world's third-biggest shipping group, a report said yesterday. The Qatar Investment Authority (QIA), which manages investments for the gas-rich nation, has offered the equivalent of 740 million euros (Dh3.6 billion) in the form of loan guarantees, French business magazine La Lettre de l'Expansion reported.

DETAILED REPORT

Yemen**Minister seeks aid and jobs for workers at conference**

Donors urged to meet pledges of assistance

By Samir Salama, Associate Editor

Published: 00:00 March 30, 2010

Yemen said on Monday it needed not only assistance from donor countries to finance development programmes but also jobs for skilled and semi-skilled Yemenis in the Gulf, according to a senior Yemeni official. "Yemen wishes this meeting will address dire challenges in the short and medium terms, namely recruiting Yemeni skilled and low-skilled workers in labour markets of the GCC countries and financing development programmes," Hesham Sharaf Abdullah, Yemen's deputy minister of planning and international cooperation, told the inaugural Meeting of Friends of Yemen in Abu Dhabi. Abdullah told reporters after the opening session that his country's fourth five-year plan (2011-2015) requires \$44 billion in the form of grants, soft loans and investments. Yemen has got great support for development programmes in London Donor conference in 2006, but approximately 30 per cent of the amount pledged at the conference was honoured, he said. Donors pledged to provide \$4.7 billion to Yemen at the conference.

Recommendations

"Of the \$2.5 billion pledges from the GCC countries, around 15 per cent was honoured and around 30 per cent is expected to be honoured this year," Abdullah said. This meeting will submit recommendations and the fourth five-year plan of \$44 billion to Yemen friends' ministerial meeting to be held in Riyadh in May. The group, which includes representatives Yemen's Gulf neighbours, the US, Britain and Germany as well as of intergovernmental organisations, was established at a high-level meeting on Yemen in London on January 27. The UAE told the meeting, held at the experts level, the onus is on the Yemeni government to address its challenges. "The role of the donor countries and the international community is supportive, but the onus is on the Yemeni government to overcome its challenges," said Khalid Al Gaith, assistant foreign minister for economic affairs. He added the donor countries and international organisations, particularly the World Bank, have come to a conclusion that the security situation in Yemen is a major obstacle before achieving a quick economic growth. Friends of Yemen is comprised of two working groups, one on "economy and governance," and another on "justice and rule of law." Human Rights Watch urged the Friends of Yemen, to emphasise on improving the justice system and the rule of law, to reverse the deteriorating human rights situation in Yemen, and not to offer economic support unless human rights concerns are addressed.

30 prisoners escape after bomb blast at Yemen jail

AFP

Published: 14:59 April 1, 2010

Around 30 prisoners escaped after a bomb explosion at a prison in southern Yemen yesterday, police said, identifying the fugitives as sympathisers of a secessionist movement. They said a dispute broke out at a police post next to the jail between policemen and sympathisers of the breakaway movement arrested for having taken part in a protest in Daleh, 280 kilometres from Sanaa. The detained protesters hurled a bomb, according to police, who said two policemen and three of the demonstrators were wounded. About 30 of those just arrested managed to escape in the mayhem. Members of the movement for the independence of south Yemen told AFP the bomb was thrown by police. Elsewhere yesterday, police shot dead one protester and wounded five others in the nearby city of Radfan as they opened fire to disperse a demonstration led by southern separatists, according to the secessionists. Witnesses said the demonstrators, some of whom were armed, carried flags of the former South Yemen. Pro-independence protests have multiplied in the south, especially on Thursdays, the start of the Muslim weekend, amid a worsening economic situation in Yemen and charges of discrimination in favour of northerners. On March 27, policemen opened fire in Daleh on the funeral procession for a Southern Movement member killed by police gunfire a week earlier, wounding 28 mourners, the movement said. In a message to Arab leaders who held a summit in Libya last week, former southern president Ali Salam Al Baid called for outside intervention "to stop the massacre of our people". "We ask for the formation of a commission of inquiry into the situation in occupied southern Yemen," he said.

CIA and Yemen playing a doubles game

By: Jeff Stein

The Washington Post

Published:01-04-2010

If Yemen seems like a terrorist playground today, the answer might be that its top intelligence service is run by jihadis. According to a report in the reliable Paris-based Intelligence Online newsletter, White House counterterrorism adviser John Brennan, "who has traveled twice to Yemen in the last six months, has been told by his advisers that Yemen's Political Security Organization has been infiltrated at the highest levels by jihadis active in the country." A Brennan spokesman declined to comment on the report, which most likely originated in the region. But it came as no surprise to a top former CIA counterterrorism official, who said with a chuckle: "that report is stating the obvious." "In 2006," the IO newsletter continues, "Political Security let Nasser al-Wahayshi, the former secretary of Osama bin Laden, and a dozen of his associates escape from prison in Sanaa. The escapees are believed to have established jihadis camps in the province of Chabwa, to the east of Sanaa. Political Security is run by Ghaled al-Qimch, President Ali Abdallah Saleh's trusted right hand man." All this may be obvious, indeed, but it raises all sorts of troubling questions about Yemen, a virtual arms and manpower supply depot for al-Qaeda's assault on Saudi Arabia and the rest of the region. "Last October," my Post colleague David Ignatius reported Friday, "the Yemeni government came to the CIA with a request: Could the agency collect intelligence that might help target the network of a U.S.-born al-Qaeda recruiter named Anwar al-Aulaqi?" Aulaqi, Ignatius reminds us, is

linked to the Fort Hood shootings and the recruitment of Nigerian underwear bomber Umar Farouk Abdulmutallab: “On Nov. 5, U.S. Army Maj. Nidal Hasan killed 13 of his fellow soldiers at Fort Hood, Tex.; Hasan had exchanged 18 or more e-mails with Aulaqi in the months before the shootings, according to the Associated Press. Then, on Christmas Day, Umar Farouk Abdulmutallab, a Nigerian who had been living in Yemen, tried to blow up an airliner bound for Detroit; he is said to have confessed later that Aulaqi was one of his trainers for this mission,” Ignatius wrote. The Yemenis wanted CIA help to get Aulaqi, Ignatius writes. His sources told him: “The primary reason was that the agency lacked specific evidence that he threatened the lives of Americans -- which is the threshold for any capture-or-kill operation against a U.S. citizen. The Yemenis also wanted U.S. Special Forces' help on the ground in pursuing Aulaqi; that, too, was refused.” But given the jihadist inclinations of some elements of the PSO, it's also an intriguing possibility that the CIA suspected the Yemenis were playing a double game -- angling for clues about sensitive sources and sophisticated electronic methods the agency is using to pursue al-Qaeda in the region. A Yemeni official acknowledged to me Friday that the PSO has had security problems, noting that 11 “junior officers” were prosecuted for their role in the 2006 jail break. “It’s a poor country,” where even intelligence officers are susceptible to bribes, said the official on condition of anonymity because he was not authorized to speak to the press. The problems began back in the late 1980s-early 1990s, he said, when the PSO recruited Yemeni veterans of the Afghan war against the Soviets. “It was a double-edged sword,” he said. Some remained jihadis, others would eventually help the PSO penetrate terrorist cells. “We’re addressing this,” he added. “We’ve demoted and shuffled people around” and taken other measures to tighten security. Indeed, in recent months Yemen and U.S. security services have dramatically ramped up their counterterrorism cooperation while, behind the scenes, they each play a double game. If the Yemen scenario sounds familiar, it’s because U.S. intelligence grapples with similar challenges today in Pakistan, Afghanistan, Iraq and elsewhere. Indeed, throughout the Vietnam War, the CIA and military intelligence services had to work with South Vietnamese security services they knew had been thoroughly penetrated by the communists. That’s why the CIA runs on two tracks in Yemen and virtually everywhere else around the world, including most allied countries. On one track it works with the host country’s intelligence and military services. On the other, it goes alone.

Yemen’s imports from Pakistan worth \$ 200 million, says diplomat

Yemeni imports from Pakistan have reached USD 200 million during the past year, said Deputy Ambassador of Pakistan in Yemen Ahmad Sirohey. In a speech he delivered during the celebration of the Pakistani 70th anniversary of independence on Tuesday, Sirohey made it clear that Yemeni- Pakistani trade relations are improving. Yemeni businessmen signed trade agreements with Pakistani counterparts during their participation in Expo Pakistan held in Karachi late last month. They signed deals worth more than USD 20 million. He stated that the Yemeni-Pakistani trade relations began witnessing great progress after the participation of a big Yemeni delegation in the expo. They signed agreements permitting them to be agents of Pakistani companies in Yemen. He expected that the volume of this trade will reach more than USD 80 million in the

coming three months. He also stated that the government of Pakistan honored the Yemeni business delegation by saying it was the greatest participant of all delegations that came from many countries to participate in the expo. He highlighted that Yemeni-Pakistani brotherly relations have been improving during the past few years. Pakistani embassy organized a celebration that included Pakistani folklore with children singing and dancing. The party started with a recital from the Quran followed by flag hoisting and the national anthem performed by a group of children from the Pakistani community.

SAUDI ARABIA

International Front

Lebanese man's beheading delayed in Saudi Arabia

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Gulf News

The lawyer of a Lebanese man condemned to death for witchcraft says Saudi Arabia will not go ahead with the beheading. Attorney May Al Khansa says she was told by Lebanon's justice minister that Ali Sibat will not be executed Friday, as was expected. She says it's still unclear whether the beheading has been waived or only postponed. Al Khansa and Sibat's wife have both appealed to the Saudi king for Sibat's release. Sibat made predictions on an Arab satellite TV channel from his home in Beirut. He was arrested by the Saudi religious police during his pilgrimage to the holy city of Medina in May 2008 and sentenced to death last November for witchcraft.

IEF event promotes renewable energy for a 'green tomorrow'

The Indian Engineers Forum (IEF) discussed sustainable development and renewable energy at the Marriot Hotel here Thursday in a seminar entitled "Engineering a green tomorrow". The event was attended by Shakeel Ahmed, the Indian education consul in Jeddah, Indian engineers and university experts. Dr. Muhammed N. Shoukany, Acting Editor-in-Chief of Saudi Gazette, was the guest of honor at the event. We have prepared this seminar to discuss the ways of controlling technology and using it to help rather than to damage the environment," Muhammed Saeeduddin, president of the IEF Jeddah chapter, told Saudi Gazette. He added that the forum provided a good opportunity for Indian engineers to share their experience and enhance their qualifications.

King orders treatment of Palestinian Siamese twins

King Abdullah, Custodian of the Two Holy Mosques, has ordered treatment of the Palestinian Siamese twins, two girls named Rittal and Retag Bint Yasser Abu Assi. Subsequently, the two girls will be brought from Gaza Strip to the Kingdom for treatment at National Guard's King Abdul Aziz Medical City. On his own behalf and on behalf of all the health sectors in the Kingdom, Dr. Abdullah Al-Rabeah, Minister of Health, has thanked and appreciated the humanitarian and generous gesture of the Monarch. "The King's gesture, he said, reflects the active and leading role played by the Kingdom of Humanity in the service of its people, Arab, Islamic and friendly peoples," the minister said.

Pak welcomes Saudi mediation

Pakistan welcomes Saudi mediation for the restoration of meaningful composite dialogue with India, says visiting Pakistani Foreign Minister Shah Mehmood Qureshi. Qureshi arrived in Riyadh Saturday on a two-day visit to the Kingdom. In an interview with Saudi Gazette, he said: “We would welcome the good offices of Saudi Arabia to play a role in the normalization of relations between Pakistan and India.” On the lingering issue of Jammu and Kashmir, the bone of contention between the two nuclear-armed neighbors, Qureshi said that Pakistan believed that dialogue was the only way forward. “Pakistan seeks resolution of the Kashmir issue through peaceful means and dialogue. We believe that Kashmir is an international issue, which needs to be resolved in accordance with the UN resolutions as well as aspirations of the Kashmiri people,” he said. Pakistan is a key US ally in the war against terror and is playing a crucial role in the ongoing efforts to stamp out the menace. Qureshi said that Pakistan has set up a National Counter-Terrorism Authority to effectively deal with the issue on a long-term basis. Qureshi said Pakistan was committed to fight terrorism in all its forms as “the menace poses a serious threat to Pakistan’s security.” Qureshi is also expected to hold talks with King Abdullah, Custodian of the Two Holy Mosques.

CNN hails King Abdullah’s inter-faith dialogue initiative

King Abdullah, Custodian of the Two Holy Mosques, has made history with his call for dialogue among religions, TV network CNN said on Tuesday. In a report in its main bulletin, CNN highlighted the King’s call for dialogue among the three monotheistic religions for the protection of humanity from frivolousness and his role in supporting the peace process in the Mideast. Octavia Nasser, CNN’s correspondent, said King Abdullah has made history by his initiative, which was welcomed by religious quarters. David Rosen, head of the Religions Dialogue Committee said, “Let us agree to shake hands with the hand that has been extended to Christians and Jews.” Meanwhile, political analyst Dr. Maurice Jones said if it were possible for a leader to accomplish an achievement as regards peace, then King Abdullah is the most capable leader for doing that. “The US is hopeful that King Abdullah is capable of doing a lot for realizing peace in the entire region,” Dr. Jones said. The US alone cannot realize peace, and it is in need of strong friends for realizing that goal, he said, adding that despite the numerous difficulties facing the region, King Abdullah has been realizing a lot of achievements including combating terrorism

Social Front

Ministry handles 60% of all health services

Abdullah Al-Rabeah, Minister of Health, said Friday that the ministry handles 60 percent of all health services in the Kingdom, with the private sector responsible for 20 percent and the remaining covered by other sectors. Speaking at a recent meeting held by US businessmen in Riyadh, Al-Rabeah also said that child vaccination had risen to 97 percent, and that the death rates of women in childbirth, infants and under-fives had fallen. The ministry’s health care programs have learnt from the wider experience of more advanced countries that are similar to the Kingdom in terms of demography, geography and urban and population diversity,” Al-Rabeah said. “We have closely

studied regional and global comprehensive healthcare in 14 countries.” According to the minister, most of those countries have in place “comprehensive and integrated” healthcare. “The method provides easy access to high-quality services. The Comprehensive Health Care Project in Saudi Arabia aims to improve primary healthcare, raise the efficiency of the ministry’s facilities and control the quality of services,” he said. The Health Care Project, Al-Rabeah said, covers the restructuring and development of hospitals, improvements to ambulance services and manpower, and preparing ministry’s facilities for the introduction of quality control regulations and certification.

Mom seeks release of death row son

A mother is pleading for authorities to free her son – a convicted murderer – because she says he has developed an “incurable disease” and meets the criteria for release on medical grounds. This is the second time the mother of prisoner Saud Al-Zahrani has made this appeal. She has also approached the National Society for Human Rights (NSHR) and the Human Rights Commission (HRC) to investigate her son’s medical condition. The latest report, she said, shows that he is paralyzed after developing tuberculosis in prison, she said. Al-Zahrani’s mother said the report proves that he has no chance to recover and he therefore fulfils current regulations which allow a prisoner to be released on medical grounds. She said her son has spent 18 years behind bars. He has been sentenced to death. Dr. Hussein Al-Sharif, Supervisor of the NSHR in Makkah, said the society was following up on the case. Okaz has a copy of the latest medical report which contradicts the last two reports. The current report confirms that the inmate has an “incurable disease”. A source at the General Medical Commission of the Directorate General of Health Affairs in Jeddah said relevant ordinance authorizes the Minister of Interior to pardon inmates suffering from incurable diseases on humanitarian grounds. Item C of the same ordinance stipulates that if the medical committee decides that an inmate’s condition necessitates his release, then a report in this regard must be submitted to the Higher Medical Committee at the Ministry of Health. However, the source added that Article 13 of the ordinance states that the pardon does not apply to those who have been sentenced to death.

Alleged Commission chase kills 4

Two men and two women were killed when their car veered into a roadside farm after being allegedly chased by the Commission for the Promotion of Virtue and Prevention of Vice in Al-Khalil area in Madina early Monday. Firefighters extracted three bodies from the wreckage of the vehicle, said Madina Civil Defense spokesman Col. Mansour Al-Juhani. The driver, 30, died of internal bleeding one hour later in hospital, said director of King Fahd Hospital in Madina Mutwakil Hajaj. The four were not identified. Eyewitnesses said that they saw a commission SUV with two agents and a security officer inside following a white Ford until it crashed into a small farm with the four people inside. As the Ford was still absorbing the force of impact, the Commission’s agents fled the scene, they added. An eyewitness said after the car had crashed into the farm, he waved at the Commission’s agents to stop but they ignored him, prompting him to report the incident and the license plate number of the SUV to the police. Another eyewitness confirmed that he saw the commission SUV at the scene of the crash as it happened.

Economic Front

Saudi stocks rise to highest since 2008

Saudi stocks rose to the highest since 2008 after Dubai said it would support the restructuring of state-owned Dubai World with \$9.5 billion. The Tadawul All Share Index increased 0.66 percent to 6,801.64 Saturday closing, rising for a third day – the highest since October 2008. Saudi Basic Industries Corp. and Al Rajhi Bank led the gains. “This is just the impact of Dubai, which is reinforcing healthy sentiment at the moment,” Paul Gamble, head of research at Riyadh-based Jadwa Investment, said. The additional funds for Dubai World double to \$20 billion the amount the government paid to the emirate’s holding company. Dubai World said in November it would seek to delay repaying debt until May, sparking a plunge in developing-nation stocks and increasing the cost to protect against a default by Dubai. Saudi Basic Industries, the world’s largest petrochemical maker, climbed 0.8 percent to SR98.75. Al Rajhi, the biggest bank in the Kingdom by market value, gained 0.6 percent to SR82.7.

Gulf IPOs offer investment alternatives

Share sales in new Saudi Arabian export refineries will offer investors alternatives to listed downstream companies in developed countries — likely to remain exposed to chronically weak margins and high operation costs. The kingdom plans initial public offers (IPOs) for two plants in coming years, following the listing of PetroRabigh in early 2008. These, along with export refineries in India, are likely to attract investors' money away from refinery stocks in the industrialised countries. They may also make it even more difficult to find buyers of relatively old downstream assets, most of which are up for sale in Europe, analysts said. "There is a transfer of the industry from Europe and the United States to the Middle East and India," Christophe Barret, Gredit Agricole's global oil analyst, said. "So investment is going to the Middle East and India too." Evolution Securities' Griffith said new refineries in the Middle East were more competitive as they would be larger and technically more sophisticated than ones in Europe. They were also export oriented and able to tap into high growth emerging markets in Asia, as well as Europe. Some portfolio diversification offers that will not be exposed to weak refining margins may come from UK oil wholesaler Greenergy, which plans an IPO in about one year. Commodities and oil trader Glencore has also been seen as inching towards public life. European refineries have already felt competition from the Middle East and India.

Compensation not enough, claim Makkah property owners

Land and homeowners in unplanned districts across the province of Makkah are seeking a raise on compensation packages which have already paid out SR32 billion for 2,000 properties demolished by the Mayor’s Office. When the house we’re living in is destroyed the compensation won’t be enough for us to buy land let alone a house,” said one resident, while others are concerned at the lack of available accommodation. It’s become scarce in Makkah,” said Fahd Al-Mulhim. “There are hardly any apartments and prices have risen to over SR30,000. People in these areas have limited incomes, and many are families without providers who’ve lived here for years and survive on social welfare, and they’re going to find it extremely difficult to find some place. The

compensation really needs to be higher.” Real estate developer Mansour Abu Rayash said, however, that officials tasked with pricing the land were “impartial” in their estimations which he believed “matched market prices”.

Kingdom to pay customs fees on 180 food items

The government has decided to pay the difference of the customs fees applied under the Gulf Cooperation Council unified customs tariff on 180 major food items and construction materials to help curb inflation in the Kingdom that reportedly surged to a 27-year high of 8.7% in February. The decision was taken at the Council of Ministers meeting, chaired by King Abdullah, here Monday. King Abdullah said that the Kingdom is always dedicated to serving its national interests, working on unifying the Islamic and Arab front, and adhering to common human values that would help nations and civilizations, and religions to co-exist. King Abdullah ordered the council to expedite the work on 1242 health care projects using the budget surplus. The Council approved licensing the Turkish bank Zera’aat to open branches in the Kingdom provided that it would abide by the Kingdom’s foreign investment regulations as well as bank control act and companies rules. The Cabinet directed the Saudi Arabian Monetary Agency (SAMA) to coordinate with the bank to complete the formalities. Iyad Madani, Minister of Culture and Information, said the Cabinet emphasized the Kingdom’s clear stance relating to Arab affairs, stressing the importance of implementing the decision made by the Council of Arab Foreign Ministers at the Arab League pertaining to Lebanon. The Cabinet stressed that its stand on Palestine abides by the Arab peace initiative for a peaceful solution to the Palestinian issue. The Council warned against falling into the illusion of unworkable proposals to resolve the Palestinian issue that would only give Israel the opportunity and time to permeate its occupation of the Palestinian territories. The council reiterated that the Palestinian issue is an international responsibility thrown heavily on the shoulders of the permanent members of the Security Council to exert pressure on Israel to carry out the UN resolutions pertaining to Palestine. The council agreed to authorize the Minister of Agriculture to start an executive program in veterinary and livestock services with the government of Sudan. Commenting on the exemption of customs fees Salih Al-Khilaiwe explained that the state would bear the difference between the fee category applied under GCC unified customs tariff and the protection fee category currently applied in the Kingdom. This exemption covers the wheat customs protection fees which amount to 22 percent, he said, adding that it is now zero. He said among the items receiving from 20 percent customs fee reductions to 5 percent are chilled or frozen poultry and their products, eggs, cheese, plant oils, macaroni, canned foodstuffs, juice, water, milk, and building materials including gypsum, paints, plastic pipes, doors and electricity appliances, including keys, eclectic plugs, electric cables and prefabs. – SPA

Scholars lay down rules on Sukuk

New guidelines aimed at clearing up religious doubt over the booming Sukuk (Islamic bond) market - the world’s fastest growing financial instruments - are to be debated at the premier international Islamic finance event in Dubai next month. “The guidelines drawn up by a panel of Islamic scholars are vitally important to the Sukuk market which has grown to a total value of around \$100 billion in under 10 years,” said Swati Taneja conference manager for the International Islamic Finance Forum. “In their guidelines, the

scholars are making it clear that in future Sukuk must be clearly asset-backed rather than just asset-based.” The forum takes place at the Jumeirah Beach Hotel, Dubai, on April 13-17, 2008 under the patronage of Sheikh Mohammed Bin Rashid Al-Maktoum, vice president and prime minister of the United Arab Emirates and Ruler of Dubai, who has supported the forum since it was launched in Dubai in March 2002. Following concerns that many Sukuk may not be fully conforming to the teachings of Islam, the guidelines were drawn up by the board of 18 religious advisors to Bahrain-based Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). The organization’s Secretary General Dr. Mohamad Nedal Alchaar will give a keynote address on the harmonisation of Islamic finance practice at the forum. His address will be immediately followed by a special focus on the growth and development of Islamic securitization. This will include an examination of the controversy over religious compliance in the Sukuk market, in which investors bought more than \$30 billion last year, and how the guidelines are likely to be interpreted by issuers. Sukuk are designed to overcome the Islamic prohibition on the payment or receipt of interest by using property or other assets to provide an income. However, under the new guidelines investors must become the legal owners of those assets rather than nominal holders. Borrowers and bankers have also, until now, created fixed income for investors by promising to buy back the assets underlying Sukuk at their face value on maturity, irrespective of whether the assets made or lost money. These agreements are banned under the guidelines which demand buyers and sellers share the profits or losses from their transactions. “Initially, the rules may make it somewhat more costly for companies to issue Islamic debt at a time when conventional borrowing is shrinking because of the credit crisis,” Taneja said. “The credit crisis also impacted Islamic finance and some Sukuk planned to be launched towards the end of last year were put on hold until calm returns to the market.” Sales of Sukuk have dropped to \$856 million so far this year from \$4.7 billion in the first quarter of 2007. But Dow Jones Islamic Index global director Rushdi Siddiqui believes Sukuk will continue to see tremendous growth. “Because Sukuk are asset-backed you have an underlying undertaking that generates cash and that makes it a good investment in these times,” he said. Sheikh Muhammad Taqi Usmani, chairman of the AAOIFI religious advisors, does not believe the revised rules will make Sukuk too costly. “The new structure may yield more revenue if it is based on real sharing of profits and losses,” he said in a commentary on the guidelines. AAOIFI standards are binding in some countries and the Dubai International Financial Center. Regulators in countries including Malaysia, Saudi Arabia, Australia and South Africa base their rules for Sukuk on AAOIFI’s guidelines. Conventional as well as Islamic investors worldwide are now significant buyers of Sukuk with investors from outside the Middle East taking up the majority of some issues. Conventional, non-Muslim institutions and governments are also turning to Sukuk as issuers. The UK and Japanese governments as well as GE Capital of the US have all announced future Sukuk issues. The forum is supported by DLA Piper as headline sponsor, Dubai Bank as diamond sponsor, ITS as platinum sponsor, Path Solutions as gold sponsor and Oracle as silver sponsor.

Labor Front

More Nepali workers in services

More and more Nepali workers are taking jobs in the service sector in the Eastern Province. Since Saudi Arabia opened up recruiting workers from Nepal, a trend has developed that could tilt the balance of foreign workers in the Kingdom, possibly even dislodging Filipinos, who are still very much entrenched in the service industry. The Saudi Ministry of Labor is issuing more visas to Nepali workers. "The labor office is right in giving more visas to Nepalis and Filipinos, because they are more suitable for the service sector," said Ali Al-Gahtani, who owns several restaurants in Dammam and Khobar. "About eight more Filipinos are arriving to complement my Nepali workers." Among the new arrivals is Santosh, a young, articulate, English-speaking Nepali. "I arrived about four months ago, along with 12 others, to take this job as a restaurant waiter," he said, adding that the number of Nepalis heading for jobs in the Gulf region is increasing. "I think that here in Saudi Arabia there might be 50,000 Nepali workers working in restaurants, hotels, and malls," said Santosh. He said that unlike in other countries, where workers are forced to pay abnormally high recruitment fees, the expense for a Nepali to get a job in the Kingdom is still reasonable. He added that he only paid SR2,200 for the air ticket. Santosh said his sponsor, who owns a fried chicken chain, paid all the recruitment expenses. Santosh makes SR1,000 a month, without any food or accommodation. "This (his pay) is okay with me," he said. "It is much better than what other foreign workers are getting." The Kingdom is now the fourth favorite destination of Nepalis leaving for overseas jobs, next only to Malaysia, the UAE and Qatar, according to the reports of the Nepali Department of Labor. During the last 10 months, the number of Nepali workers in the Kingdom reached 26,350, an increase of 21 percent from the same period last year.

KEC, TVTC in deal on training Saudis

The Knowledge Economic City (KEC) has signed a Memorandum of Understanding (MoU) as a partnership with Technical & Vocational Training Corporation (TVTC) to train Saudis by establishing specialized institutions in communication and information technology. The signing ceremony took place on Tuesday at Qasr Al-Sharq Hall of Hilton, Jeddah. Eng. Tahir Bawazir, chief executive officer (CEO) of KEC, signed on behalf of his company while Dr. Ali Bin Nasir Al-Ghufais governor of TVTC, signed for his organization. TVTC Governor Al-Geface expressed his pleasure on the signing of this MoU and announced that TVTC will participate in the construction of Communication and Information Technology Colleges, including lecture halls, auditoriums, labs, workshops and support services facilities such as cafeterias, playgrounds, and library in addition to information infrastructure and internet links. He also hoped that KEC - by way of this MoU - will create jobs and economic opportunities for Saudi youth.

Oil and Gas

Force ready to defend oil and power plants

The newly set up Facilities Security Force has taken all necessary measures to protect oil and power installations, and water desalination plants throughout the Kingdom in cooperation with the Ministry of Interior, the National Guard, and the Ministry of Defense and Aviation, said Maj-Gen Sa'ad Al-Majed, Chief of the Facilities Security

Force in Makkah Saturday night. Speaking at the commencement ceremony of the first batch of the Facilities Security Force, patronized by Assistant Minister of Interior for Security Affairs Prince Mohammad Bin Naif, Al-Majed said that the Force has been working on a three-year plan to recruit and train a 35,000-strong special force to protect oil and power installations. The Facilities Security Force has recruited 8,191 members, of which 4,588 are ready to serve, he said. The Force has completed the first phase of its training and administration center in Jeddah at a cost of SR90m to serve the whole Western Province, he said. A new training and administration center will follow suit in the Eastern Province, he added. The plan to set up the 35,000 force to guard oil and other installations was announced last year by the Interior Minister, Prince Naif Bin Abdul Aziz after a failed Al-Qaeda attack on the world's largest oil processing plant at Abqaiq in Feb. 2006. The protection of oil facilities has been the responsibility of a 15,000-strong force run by Aramco.

UAE

Social front

Changing character of caring

Nearly 500 elderly people receive care at home, compared to nearly 35 elderly and ill people who live in the Old People's Home in Sharjah - one of four such centres established across the UAE.

Children used to feel embarrassed when their neighbours noticed the "Home for Elderly People" car parked outside their homes. Sons and daughters were concerned that it would give the impression they were sending their elderly parents to an old people's home — a Western concept that is not accepted by the vast majority of Arabs in the UAE and other countries. In 2006, the words printed on the car drawing up outside homes in Sharjah was changed to read "Elderly People Home Care" — giving the meaning that services are provided to elderly people in their own homes. Unlike in other societies where Westernised children would find it socially acceptable to send their elderly parents to elderly care centres, the bulk of UAE citizens bring the service to their parents at home. Nearly 500 elderly people receive care at home, compared to nearly 35 elderly and ill people who live in the Old People's Home in Sharjah — one of four such centres established across the UAE. However, the number of ageing people receiving services at their homes in Sharjah and its suburbs has reached nearly 1,200, Mariam Al Qatri, head of the home, told Gulf News.

Economic Front

Holiday travel reflects recession's end

Holiday traffic has been gradually picking up pace since the end of last year as the need to de-stress from work is on a high, an Emirates Holidays official said. "People worked really hard last year. A return on those investments is trickling in now," John Felix, senior vice-president of Emirates Holidays, told Gulf News in an interview. He said that while the trend in customer requirements last summer was a focus on price negotiations

as people looked for cheaper holidays, the importance now lies in the value derived from any holiday. Holidaymakers are looking to pack in as much as possible when they visit a destination and are asking for a wider choice of activities. In the past summer months there was a drop of about 22 per cent in holiday demand, Felix said, but the momentum is building up again. "Indicators show that we might beat 2008 numbers," he said referring to the coming months' traffic. Double-digit growth this summer is expected, although from a much lower base than that of the previous summer. Last year, a number of factors led to a downturn in the tourism sector. One major cause was the H1N1 scare, combined with the economic slowdown. Felix said Ramadan also produced a slowdown in holiday activity. Meanwhile, the coming summer will have one month of the holiday period that does not coincide with Ramadan and it will be the peak travel time. Popular destinations for those flying out of Dubai are expected to be somewhat similar to those of last year. Felix said that regionally, Egypt and Lebanon would be in high demand as the concept of a much needed holiday returns. "Lebanon is starting to see a huge jump [in demand, although] from a low base," he said.

UAE's first equity funds gather momentum

Investors at the Abu Dhabi securities market keep a close watch on stock movements after National Bank of Abu Dhabi initiated the UAE's first exchange traded equity fund. They have been much anticipated and discussed but, largely because of market turmoil since the collapse of Lehmann Brothers in 2008, rather less a reality for investors. In the week before last, however, National Bank of Abu Dhabi has initiated the first exchange traded equity fund in the UAE, and Falcom Financial Services of Saudi Arabia has launched the first ETF to list on the Saudi exchange, the Arab world's largest bourse. On March 25, NBAD began trading its Dow Jones UAE 25 fund, which is listed on the Abu Dhabi stock exchange. On its first day of trading there were six trades totalling almost Dh328,000, according to the exchange. From a launch price of Dh5, the fund units closed up at Dh5.20 on the first day and were at Dh5.31 on Tuesday. "We didn't want it to go roaring off in price because we have been at pains to tell everyone that this isn't an IPO," says Alan Durrant, chief investment officer at NBAD asset management. "We were very fortuitous in terms of the launch day . . . We had some positive news out of Dubai and that has generally pushed markets up a bit." ETFs typically sell units based on a share index and list those shares on a bourse in real time. In the case of the NBAD fund, which is domiciled in Ireland and compliant with Ucits III, a European standard, values are posted every 15 seconds. ETFs are not new to the Gulf. Lyxor, a subsidiary of Société Générale of France, and Coast Investment and Development Company, its local partner, launched a fund investing in Kuwaiti equities in 2008 — but this is listed in London. Another ETF that invests in gold is listed on Nasdaq Dubai. Durrant says that "tens of thousands of man and woman-hours" have gone into structuring the vehicle during the past two years. The first ETF was launched in the US in 1993, and today up to \$1,000 billion is invested in the instruments globally, according to Deborah Fuhr, head of ETF research at BlackRock, the asset manager, in London.

Emirates Palace set for promising summer

Emirates Palace is showcasing its premium and luxury products and services at the Gulf Incentive, Business Travel and Meetings Exhibition (GIBTM). Taking place at the Abu

Dhabi National Exhibition Centre until today, the GIBTM is the dedicated international event for the business travel and meetings industry (MICE) in the Gulf and Middle East region. Janet Abrahams, executive director of sales and marketing, Emirates Palace, said GIBTM offers an unrivalled opportunity for Emirates Palace to market its exciting offers for the spring and summer holidays so as to attract more groups of elite holidaymakers. "We are expecting bookings to double in the upcoming summer season. Signs are promising of a hectic, busy tourist season during the summer and throughout 2011. Emirates Palace is offering special, unique packages up to December 2010 to mark its fifth anniversary," she added. "We are expecting a busy summer thanks to early reservations, and an enthusiastic turnout to the customised offers," she said. According to her, the Palace's roadshow will continue during the Arabian Travel Market in May in Dubai. She disclosed that Emirates Palace has struck contracts with travel and tourism agencies and operators in a number of European, American and Asian countries for 2011 and 2012.

BAHRAIN

International Front

Bahrain donates \$1m to Haiti

Bahrain has contributed \$1 million to recovery efforts in Haiti, the United Nations has said. "Bahrain's ambassador to the United Nations, Tawfeeq Al Mansoor presented a cheque of \$ 1 million to United Nations Development programme (UNDP) Administrator Helen Clark as Bahrain's contribution to recovery efforts in Haiti," the United Nations Information Centre in Manama said. "UNDP will be using these funds for the Haiti Recovery Programme and the contribution will go to the UNDP Cash for Work Programme to help the people of Haiti," it said. The cash-for-work programme is being used by the UNDP to boost recovery efforts in Haiti.

"It makes cash available to most needy Haitians, so they can purchase goods and services of their choosing at this time of crisis, thereby having a positive impact on the local economy whilst directly benefiting families," the centre said. "Once enrolled, each person is hired for 24 working days. So far the project has put 75,916 Haitians to work: 62,213 who completed their 24 working-day cycle; and another 13,703 workers are currently enrolled in an ongoing cycle," the centre said. Each worker is paid around \$4.50 for six hour's labour, slightly more than Haiti's minimum wage. "This is important so as not to distort the local labour market and draw jobs away from the private sector. This is critical in ensuring long-term recovery. About 40 per cent of the workers are women — with many more being indirect beneficiaries," the centre said. The work includes removing building rubble from the streets, crushing and sorting reusable material, disposing of debris and restoring essential public facilities to lay the foundations for mid-term recovery and development after the recent devastating earthquake.

Thai premier stresses cooperation with GCC

Bahrain and Thailand have agreed to bolster their cooperation on food security, Islamic finance, education, culture and construction. In a joint communiqué at the end of Thai

Prime Minister Abhisit Vejjajiva's two-day visit to Manama, the two countries said that they had convergent ideas and views on bilateral and multilateral cooperation, the situation in the Middle East and on closer consultations and ties between the Gulf Cooperation Council and the Association of Southeast Asia Nations (Asean). In an interview with local media, Vejjajiva said that Manama and Bangkok have agreed to set up a food stockpile and distribution centre in Bahrain that will serve the GCC region. The centre will initially be used for food products such as sugar and rice, but will later distribute larger items, including building materials and car parts. The supply food will not be confined to Bahrain and will be distributed in the other Gulf countries, he said. "This is a region with substantial purchasing power and good growth prospects where we have matching of demand and supply on the issue of food and we feel we can contribute to food security in the region," Vejjajiva said. A feasibility study will determine the amount of investment and how the centre will contribute to overall trade. "We will need up to six months to complete the study." Vejjajiva said that the centre would help boost trade figures between Thailand and the GCC countries. "Our preliminary anticipation is that we can increase trade by three or four times quite easily, because GCC countries actually import 90 per cent of their food stuff and we currently only participate with less than five per cent," he said. Thailand expects the Gulf countries to help it with its energy requirements. Trade volume between Bahrain and Thailand stands at around \$360 million. The Thai premier said that Bangkok would seek expertise and technical assistance from Manama as his country looks at issuing Islamic bonds. "We are hoping to find corresponding banks between Bahrain and Thailand so that prospective investors can have access to finance," he said. Other possible joint ventures covered the areas of education and health. "We are very satisfied with the progress we have made over the last year and we are confident that both countries can make good use of these agreements and explore further opportunities for investment," Vejjajiva said. But while its relations and cooperation with Bahrain are moving forward steadily, Thailand feels that ties with Saudi Arabia needed a strong push. "We would like to see the normalisation of relations with Saudi Arabia," Vejjajiva said. "We are doing all we can to address the concerns of the Saudi side and we ask for the support of all the countries in the Gulf to help us achieve that objective." The Thai premier said that a study was underway on signing a Free Trade Agreement (FTA) between Asean and the GCC. He said Asean already had other FTAs, but wanted to reach out to other partners. An Asean-China FTA that came into effect on January 1 this year has a combined GDP of \$ 6.6 trillion, a total trade of \$4.3 trillion and includes 1.9 billion people, making it the world's third largest free-trade area. Meeting members of the Bahraini business community, the Thai premier stressed the bonds and close ties between the private sectors of the two countries and thanked Bahrain for supporting Thailand in the global arena.

Social Front

Gulf number plates no longer acceptable in Bahrain

Drivers of cars with Gulf licence plates will no longer be able to register them in Bahrain, a traffic source has said. "We have noted that some people bring in cars from Gulf countries, but do not change their licence plates into Bahraini ones as required by the law," Shaikh Abdul Rahman Bin Sabah Al Khalifa, the head of traffic directorate, said.

"Gulf plates are meant only for tourists or drivers on transit or on a short stay," he said. Shaikh Abdul Rahman said that the directorate could not the prolonged existence of vehicles with foreign licence plates on Bahraini roads and streets could be a problem. "The directorate cannot identify their drivers in case of traffic violations or accidents. We urge the owners of such cars to regularize their status to ensure that they do not face legal action," he said.

135 child abuse cases reported in Bahrain

More than 135 children suffered abuses in Bahrain in 2009, the social development minister has said. "According to the records, 27 children did not receive any care, eight were abused psychologically, 32 abused physically and 70 abused sexually," Dr Fatima Al Beloushi said. The minister said that the promulgation of a law is an urgent necessity. "A draft law is now being discussed at the Shura Council [upper chamber] and its focus on the state's interest in protecting children and offering them proper care and the adequate conditions that will ensure them a healthy upbringing," said Dr Fatima, the third woman minister to enter the cabinet. According to Dr Fatima, the ministry will be the centralised authority to oversee the protection of children and the follow up in case they are abused physically, mentally, psychologically or sexually. Bahrain in May 2007 opened the Bahrain Centre for Child Protection to help and care after children subject to ill-treatment, physical and psychological harm, negligence and sexual abuses. The centre cites among its objectives the provision of child protection against ill-treatment from the family and society, providing psychological, welfare and legal services and finding alternative families. It also aims to promote social awareness about children's protection and rights and to follow the implementation and application of the rules and agreement related to child protection.

Council calls for closing of Bahrain restaurants at midnight

The bitter standoff between conservatives and liberals in Bahrain is likely to deepen amid news that a municipal council is pushing for the closing of restaurants and cafés at midnight. According to a report in Al Ayam daily, Manama Municipal Council has suggested that all restaurants and cafés should close at midnight. "The suggestion by the Manama council will be discussed by the other councils on Thursday and then submitted to the minister of municipalities for application," the daily said. "This decision will have highly negative effects on tourism and business and will severely limit Bahrain's openness. There is serious concern that the move will impact public freedoms as extremist forces are gaining ground," Al Ayam reported. Cafés have traditionally been an important component of Bahrain's social life and live communication and confined to men. However, with the mushrooming of international brands in malls, a new café culture has gripped Bahrain and an increasingly large number of girls and women today sit in cafés. Attempts by MPs and municipal councillors to limit the significance of cafés by restricting their locations, keeping them away from residential neighbourhoods and schools, and by having them shut down early have been strongly resisted by the business community and regular clients. The new proposal on cafés and restaurants will add fuel to the tension. Bahrain is currently debating the merits of a draft law to ban the import and sale of alcohol. The draft was last month passed by the lower chamber where conservatives dominate. However, it has not been taken up by the upper chamber. Several

MPs and political groups have urged the upper chamber to "emulate the shining example of the lower chamber and ban the sale of alcohol in order to help fight vice and debauchery that have given Bahrain a bad name." However, several columnists and businessmen have warned against endorsing the draft, saying that it would limit people's freedoms and deprive Bahrain of its reputation as one of the most open countries in the region. Some businessmen said that businesses would lose up to 50 per cent if the law was promulgated and the decimation of revenues would cause job losses. Supporters of the ban refute the argument and insist that the total ban would not harm the economy and would save lives and preserve family stability. Although no official statistics on alcohol's contribution to the national economy exist, experts believe that the alcohol business generates around \$50 million annually.

Economic Front

Egyptian Saudi Finance Bank changes name

Bahrain's Al Baraka Banking Group (ABG) said it had changed the name of Egyptian Saudi Finance Bank and will invest 3.4 billion Egyptian pounds (Dh2.25 billion) to expand its operations. The Cairo-based Islamic bank, in which ABG has a controlling stake, will now be known as Al Baraka Egypt Bank. ABG CEO Adnan Yousuf told a news conference the bank had been encouraged by Egypt's economic growth over the past year. Al Baraka Egypt Bank will set up a 100 million pound Sharia-compliant real estate fund to finance plot purchases by middle-income clients. It may later increase the fund by 500 million pounds to meet demand. It would also establish a second, similarly sized fund, to finance consumer goods like cars or household appliances.

KUWAIT

Social Front

Kuwait marks Autism Awareness Day

The Gulf Autism Union celebrated Friday the World Autism Awareness Day with a number of activities directed towards raising awareness in society about this disorder, said Director and Founder of Kuwait Center for Autism Dr Samira Al-Saad. Ads for seminars were distributed at schools and in the media to promote the event, directed at raising awareness among the people of Kuwait and the Gulf on autism and the services that these organizations have been offering since 1990s, said Al-Saad, who is also a member of Kuwait-based Gulf Autism Union. She said that she was pleased that people these days were more aware of autism and noted that Public Awqaf Foundation was a pioneer in supporting people with autism through constructing the center's building, which had become one of the country's landmarks. The center, with its unique design, accomodates the needs of people with autism, and research is conducted here to investigate genetic factors contributing to the disorder and ways to treat it, she said. Al-Saad hailed youth, university students, and doctors who are participating in the volunteer group that supports the center's activities.

Kuwait taking steps to ensure no 'offensive' broadcasting allowed

Kuwait's information ministry has pledged a zero-tolerance policy towards satellite channels that broadcast programmes that could "erode national unity or undermine social cohesion." "The ministry will not allow any abuse of the audio-visual and print laws and will take all necessary legal measures to ensure full compliance with them," Kuwaiti daily Al Jazeera reported on Sunday. "The ministry is coordinating with the interior and communication ministries to ensure there are no violation of the law and no repeat of past events," the unnamed sources said. A talk show hosted last year by a private channel that allegedly denigrated Bedouins and accused many of them of breaking the Kuwaiti law by holding dual citizenship had sparked public outrage, rallies, a grilling of the information minister and a parliamentary no-confidence vote on the minister who barely survived the motion. Al Jazeera, the station that hosted the talk show, had been taken off the air by the minister following popular pressure. However, its owner, last week, said that he would soon resume broadcasting, causing uproar and angry remarks. The government, keen on avoiding a new standoff with disgruntled MPs and tribes that make up half of the native population, stepped in to calm the situation. "The information ministry is closely monitoring the situation and will apply the law without fail. Many other parties have said that they would cooperate with the ministry to address the situation," the sources said. Kuwait has one of the most liberal media systems in the Middle East that has often been praised by competent international media organisations. However, vociferous opposition to some programmes deemed offensive and sectarian has prompted the ministry to review the audio-visual and print laws and to suggest amendments. However, editors have rejected them, saying that they could restrict their freedom of expression.

Kuwait to allow only university graduates to change visas

Kuwait will limit the current transfer of business visit visas to residence permits at the end of this month, a senior labour official has said. "The ministry will stop the systematic processing of applications to transfer business visit visas and starting April 1, only foreigners who have university degrees will be allowed to change their visas into residence permits," said Mohammad Al Kandari, the labour ministry undersecretary. "Applications were accepted in the past for the sake of companies' manpower requirements, but under the new labour law, there can be no exceptions," he was quoted as saying by Kuwaiti daily Al Jazeera. Applicants who seek to transfer their business visit visas must include a copy of their university degree to have their application processed, Al Kandari said. Kuwait has launched a massive campaign to reform its labour market, eliminate "marginal" labourers and scrap the controversial sponsorship system. More than two million foreigners live in Kuwait, mainly from Asian labourers in the booming construction sector and domestic helpers.

Kuwaiti arsonist sentenced to death

A 23-year-old Kuwaiti woman was on Tuesday sentenced to death for causing a fire that killed 57 women and children attending a wedding party in a tent in Al Jahra, 45 kilometres west of Kuwait City. Judges Adel Al Sagr, Ahmad Abu Al Amayem and Khalid Abdul Hadi said that Nasra Yousuf Mohammad Al Enezi was guilty of "premeditated fire" and "premeditated murder of the fire victims." The death sentence, if approved by the court of appeals and the supreme court, would be carried out by hanging.

Nasra, who was arrested on August 16, 2009, one day after the inferno, initially confessed that she had started the fire to exact revenge on her husband for taking a new wife and on her sisters-in-law for ruining her life. She said that her intention was not to kill, but to spoil the festivities in the tent set up near her husband's family home. She said that she took two taxis to reach the tent and that on the way she purchased a bottle of fuel from a petrol station. However, she later retracted her confessions, and at the first hearing, she insisted that she was innocent and that she was at home when the fire broke out. Her earlier confessions were due to the initial shock she felt upon hearing the news on television, she said. Nasra later complained that she had been ill-treated at time and that she was pregnant when she was arrested and that she was forced to have an abortion.

According to police reports, up to 180 women and children were inside the tent when the fire started at around 9pm and that the existence of only one exit had triggered a stampede. The police said that 41 women and children accompanying them were killed in a matter of minutes and that the other 16 victims died from injuries. Most of the women and children were stateless Arabs and Saudis. The bride was not at the tent at the time of the fire. In keeping with the local tradition, the tent was only for women and children and the groom, who had two children from his marriage with Nasra, was with the men.

Kuwaiti officials in hot water over athletic meet

Kuwaiti media criticised the participation of three Kuwaiti athletes in an international track meet where Israelis also participated. "The participation of the Kuwaiti runners is a blatant violation of the rules that ban Kuwaitis from competing or taking part in individual events where Israelis are also present," Al Shahed newspaper said. "Kuwait has invariably pulled out of competitions in which Israelis are taking part." The three runners failed to make it to the top 110 ranking in the 38th IAAF World Cross Country Championships in Poland. Abdullah Al Mutairi was 111th while Abdullah Al Qabandi was 117th followed by Abdullah Rabi'a at 118th in the competition dominated by Kenya in the medals chart, Annahar daily said. Some local journalists said that the head of the Kuwaiti delegation should have pulled out the players after learning about the participation of Israeli athletes. "What is really shocking is that all this happened at the time when Arab leaders at their annual summit were discussing ways to deal with the Israeli behaviour," Mustafa Juma'a said. However, several Kuwaitis disagreed with media's condemnation of the runners and of the officials, saying that the Israeli participation "should not be seen as a problem."

Political Front

Kuwait government condemns claims it influenced no-confidence vote

Kuwait's government has condemned statements that it had struck deals with some lawmakers to support the information minister in a no-confidence vote as "baseless allegations". Shaikh Ahmad Al Abdullah last week survived the vote at the parliament after he was accused by ten MPs of failing to vigorously address television stations that threatened national unity and social cohesion. The minister, who is also in charge of the oil portfolio, survived the motion by one vote after 23 MPs voted for him, 22 against and three lawmakers abstained in the motion that needed 25 votes to oust him from office.

Opponents later said that the government had influenced the voting of some of the MPs to ensure they backed the minister. "We condemn the accusations and blatantly baseless allegations. The claims that the government made compromises and gave pledges to some MPs to support the minister lack credibility," the government said following its weekly meeting on Monday. "We fully abide by the constitution and the law and respect the exercise of democracy." The cabinet said that the parliament's "richly deserved" confidence in the minister would spur him towards greater achievements and more success. "The prime minister has lauded the democracy and freedom that prevailed at the parliament's session and has reiterated the government's pledge to openness. The prime minister said that the government had full faith in the democracy that would help a united Kuwait achieve its goals and confront challenges," a cabinet spokesman said. Six ministers, including the prime ministers, have been grilled by the parliament this term, but none has been voted out. The government has repeatedly said that it would not be threatened by grilling moves and that it was confident that it would face them successfully. Several MPs have called for an end to the standoff with the government and urged their fellow lawmakers to focus on promoting people's interests and helping with the country's social advancement and economic progress.

'No deals struck' for Kuwait minister

Kuwait's government has condemned statements that it had struck deals with some lawmakers to support the information minister in a no-confidence vote as "baseless allegations." Shaikh Ahmad Al Abdullah last week survived the vote at the parliament after he was accused by ten MPs of failing to address, in a vigorous manner, television stations that threatened national unity and social cohesion. The minister, who is also in charge of the oil portfolio, survived the motion by one vote after 23 MPs voted for him, 22 against and three lawmakers abstained in the motion that needed 25 votes to oust him from office.

OMAN

Defense and Strategic Front

Oman in talks to buy Eurofighter Typhoons

Oman is in talks to buy Eurofighter Typhoon aircraft from the UK in a deal potentially worth billions of pounds and which could help ease the budget crisis at the Ministry of Defence. Downing Street said yesterday the Gulf state had indicated its intention to buy the aircraft for the Royal Air Force of Oman. The decision came in the wake of "wide-ranging discussions" over the past three years between Gordon Brown, prime minister, and the Sultan of Oman "on the importance of the close relationship between our two countries". Number 10 declined to give details of how many jets Oman was interested in buying, but said the deal would sustain British jobs. Defence industry sources said the order could be for as many as 24 aircraft, as Oman has been looking to replace its 24 ageing Jaguar jets for some time. Oman has a close relationship with the UK which has supplied the sultanate with defence equipment for decades. The decision is potentially good news for the MoD which has been struggling with a budget shortfall in its equipment programme estimated at £36bn over the next 10 years by the National Audit

Office. One of its largest - and most expensive - equipment commitments is the Typhoon. The UK is committed to buy 88 Typhoons from the aircraft's third production run as part of its membership of the Eurofighter consortium which also includes Spain, Germany and Italy. Pressures on defence budgets led the four nations last year to agree to split the batch into two chunks, with the first bought immediately and the second requiring commitments in 2011. Under that agreement the UK signed up for an initial 40 aircraft, although it was also allowed to count export orders to countries including Saudi Arabia towards its total so it only had to pay for 16 aircraft. Failure to take part in the agreement would have cost the UK an estimated £2bn in contractual penalties and would have led to thousands of job losses. A deal with Oman could potentially help to reduce the UK's commitment even further and help the MoD cut future expenditure. The deal is also good news for BAE Systems, Europe's largest defence contractor, which builds the aircraft together with European partners. The initial work is likely to take place at BAE's site in Wharton in Cheshire. "Oman is a country with which we have a long and valued relationship and we stand ready and willing to support any requirement it has," said BAE.

Smokers face fines as Muscat city embraces new curbs on tobacco use

Smokers lighting up in commercial centres and other closed public areas face stiff fines as smoking curbs come into effect in the sultanate's capital city today. A host of so-called 'closed public places', such as shopping malls, restaurants, coffee shops, and industrial and commercial establishments, effectively become 'no-smoking zones' under Muscat Municipality's new crackdown on tobacco use. Violators are liable to be fined 100 Omani riyals (Dh950) if caught smoking in restricted areas. Repeat violations attract fines as high as 200 riyals on the second offence, while third-time offenders face up to 300 riyals in fines, civic officials revealed here on Wednesday.

Private establishments deemed lax in enforcing the new curbs face penalties too. After an initial slap-on-the-wrist, owners are liable to pay fines and even risk having their establishments ordered shut for periods ranging from three to seven days. In extreme cases, offending establishments can also have their licences permanently cancelled under the new law, say officials. Establishments covered by the new measure are also obliged to display 'No Smoking Zone' signs, in English and Arabic, all around their premises. However, smoking in such establishments is permitted only in designated 'smoking zones', which may be set up some distance away from the main premises.

Omani women given land by government

The first batch of Omani women earned residential plots of land in a draw on Monday at the Ministry of Housing. Two years ago the Omani leader, Sultan Qaboos Bin Saeed, had issued a Royal Decree, directing the Housing Ministry to include women in the draw for government land to be allocated to citizen for residential purpose. Said Bin Rashid Al Habsi, Director General of the Ministry of Land Housing, who presided over the draw, in a statement issued to the local Arabic dailies, said that names were drawn for 100 pieces of land in the Muscat area with majority going to Omani women. He said that the government land allotted free to citizens is non-transferable for two years. Fatima Bint Masoud, who was given land, said that she was overwhelmed by the Sultan's decision to give land to women also. "The draw new system gives us women an opportunity to own

residential land in our own names and place of residence," she enthused. "I am happy to have to have access to a piece of my own residential land after a long wait," she said. "Now we can stand side by side with men and build our own house," said beaming Khadija Bint Abdullah Balushi, who was also allotted land in Muscat. "Now to own a house in Muscat would be like a dream come true," Khadija said, expressing gratitude for the quantum leap for women in the country.

Labor Front

Stranded expatriate workforce without legal papers got a two-month reprieve as Manpower Ministry has decided to extend the deadline to leave Oman without paying fines, according to reliable sources at the Ministry. Last month, the local authorities had announced amnesty for the illegal expatriates, sparing them from paying financial penalties that they may have accrued until December 31, 2009. The deadline to complete all formalities and leave the country was March 31. However, the ministry was unable to completed procedures to facilitate exit of huge number of illegal expatriates. "We have decided to extend the March 31 deadline by two months," a highly placed source at the Manpower Ministry told Gulf News. A large number of Indians are keen to make most of the offer. "We have registered around 19,300 Indians, who are seeking exit under the amnesty," Indian ambassador to Oman Anil Wadhwa told Gulf News. He added that around 2,500 had already left the country under the amnesty. "Around 9,500 have been fingerprinted and ready to exit." Wadhwa also said that the extension was needed to complete all formalities to facilitate exit of stranded expatriates. "Extension to the deadline for amnesty is most welcome and necessary also." Pakistan's Deputy Head of Mission, Ahsan Wagan, thanked the Omani ruler and authorities for allowing overstayers to leave the country without paying fines. "We are thankful to the Sultan for this gesture and any extension is a good news," he told Gulf News. He revealed that 2,200 Pakistani nationals had already registered to exit under the scheme. "We have been appealing all our nationals, who are stranded here without papers, to complete the formalities before March 31 deadline," he said. Sri Lankan Labour Attache Mangalika Hewawitana also said that extension would be good news for stranded expatriates. She added that 93 Lankan nationals, overstaying here, had already left. "We have had 350 of our nationals registered to leave under the government scheme," she said.

QATAR

International Front

Muammar Gaddafi takes jab at Qatari leader

Maverick Libyan leader Colonel Muammar Gaddafi, known for rambling diatribes and sharp jabs at fellow leaders, gave a short opening speech Saturday at the Arab summit but remained true to form by suggesting one of his chief guests was overweight. Gaddafi spoke for less than 15 minutes and then gave the floor to three foreign guests, including United Nations chief Ban Ki-moon and Italian Prime Minister Silvio Berlusconi. "The

Arab masses and people are fed up with words," Gaddafi said in his speech, hosting his first summit in Sirte, his hometown. "They are waiting for action, not words and speeches." He described Arab citizens as "revolutionaries who are always on the defensive", and advised his fellow leaders "to take decisions that match the expectations" of their people. However, when the Qatari leader Shaikh Hamad Bin Khalifa Al Thani suggested that Arab leaders had achieved too little, Gaddafi said he didn't think his guest would do much better. Then, taking a jab at the girth of his tall and heavy guest, he said Shaikh Hamad was "better than me at filling a void", before bursting out laughing. In September, Gaddafi defied orders at the UN General Assembly to speak for 15 minutes, and went on for more than 90 minutes. Gaddafi, one of the longest serving Arab leaders, has a reputation for not mincing words and of riling Western and Arabic leaders alike. Thirteen heads of state answered his invitation to attend the summit. Among those absent are regional powerbroker King Abdullah Bin Abdul Aziz of Saudi Arabia, who was insulted by Gaddafi at last year's summit in Qatar. "It has been six years since you have been avoiding a confrontation with me," Gaddafi snapped at King Abdullah at last year's summit. "I am the leader of the Arab leaders, the king of kings of Africa and the imam of the Muslims." At an Arab summit in 1988 he wore a white glove on his right hand to avoid shaking "bloodstained hands". At the 2005 Arab summit in Algiers he upstaged the final session with an unscheduled address in which he described Israel and the Palestinians as "idiots", leaving his audience in fits of laughter.

Social Front

Qatar set to relax foreign ownership rules

Qatar is considering an amendment to its investment law that allows up to 100 per cent foreign ownership in certain commercial enterprises, a local daily reported on Wednesday. "The Minister of Business and Trade may now issue a resolution to allow the foreign ownership limit to exceed 49 per cent in the sectors of business consulting, technical services, information technology, distribution services and cultural, sports and leisure services," Gulf Times said. Outside investors have since 2000 been exempt from the 49 per cent capital ownership rule only if they were involved in agriculture, manufacturing, health, tourism, development and exploitation of natural resources, energy or mining. The amendment is part of a national strategy to "enhance competitiveness and attract investment in a dynamic and increasingly borderless international economy", as outlined in the economic development goals of Qatar Vision 2030, the paper said. "The amendment creates opportunities for foreign partners to buy, and for Qatari partners to sell their ownership interests in joint venture companies," Andrew Wingfield, Qatar-based partner of international law firm Simmons & Simmons, was quoted as saying. "It may be worth checking whether existing articles of association or joint venture agreements set out share transfer mechanisms in the event of changes in law." Overseas investors will be allowed to set up new companies and stop providing services and products through joint venture operations. According to Gulf Times, Stephen Anderson, Lead Advisory Partner, PricewaterhouseCoopers Qatar, welcomed the move. "This is a vital step in Qatar moving towards the 2030 Vision. The volume of interest in Qatar at the International Investment Forum in Paris last week was phenomenal," he said. "We have seen a dramatic rise in interest from our international

client base in investment and business opportunities in recent months here in Qatar. The loosening of restrictions on foreign ownership will further boost the flow of not just capital into Qatar but importantly knowledge and innovation." In a bid to attract more business, Qatar had previously cut its corporate tax rate to 10 percent from as high as 35 per cent.

New Qatar museum to highlight local culture, heritage

Qatar's new national museum will help highlight the country's culture and environment, Shaikha Mayassa Bint Hamad Al Thani, chairwoman of the Qatar Museums Authority (QMA) Board of Trustees, has said. The opening of the museum coincides with the celebrations of "Doha, Capital of Arab Culture 2010" and marks a new step towards developing Qatar as a hub of culture and communications. Abdullah Al Najjar, QMA chief executive officer, said that the project creates a 21st century experience that celebrates the culture, heritage and future of Qatar and its people, Qatar News Agency said. Located at the south end of the Doha Corniche, the building takes the form of a ring of low-lying, interlocking pavilions that encircle a large courtyard area and encompasses 430,000 square feet of indoor space. Though built around an historic structure, the Fariq Al Salatah Palace, which had served as a museum of heritage since 1975, the National Museum of Qatar is conceived and designed as a thoroughly new institution.

Qatari students to be involved in voluntary community service

Qatar's Supreme Education Council (SEC) has urged pupils of independent schools to take part in voluntary community service. The initiative is part of a decision on discipline and moral behaviour in schools issued by the Shaikh Tamim Bin Hamad Al Thani, who chaired the council. According to the directive, all pupils, from the primary school level to the secondary level, must voluntarily undertake not less than 25 hours of community service in an academic year. Academic certificates would be withheld if students failed to do the social work, the Qatari daily The Peninsula reported. Sabah Al Haidous, Director, Education Institute, said the programme was aimed at grooming pupils to become more socially committed and responsible citizens. The voluntary service is in line with traditional Arab and Islamic values and will help highlighting the importance of social service in Qatar. According to the newspaper, voluntary community service has been an integral part of ancient Qatari society, although it was not taken up in an organised way. "Many Qatari individuals were known for their social work. But now we need to give an organised form to that", Al Haidous said.

Economic Front

Qatar offers to bail out French shipping group floating in debt

Qatar is offering to invest \$1 billion (Dh3.67 billion) in France's heavily indebted CMA CGM, the world's third-biggest shipping group, a report said yesterday. The Qatar Investment Authority (QIA), which manages investments for the gas-rich nation, has offered the equivalent of 740 million euros (Dh3.6 billion) in the form of loan guarantees, French business magazine La Lettre de l'Expansion reported. "CMA is in discussion with the Qatar fund," a source close to the matter told AFP, without providing more details. An agreement could be reached by the Northern Hemisphere summer. Contacted by AFP, CMA CGM refused to comment. Qatar was considering whether to use its investment in

CMA CGM as part of its planned maritime hub in the port of Doha, the report said. CMA CGM, one of the leading private sector employers in the southern French port city of Marseille, is a family-owned business headed by its founder, Jacques Saade.

Commentaries

Healthy long-term prospects seen for Dubai's real estate

It is now high-profile destination and the premier city in Mena

By Yousef Wahbahand Heta Kheni, Special to Gulf News

Published: 00:00 April 3, 2010

From 2004 to 2008 the world witnessed a real estate boom of unprecedented scale in Dubai. The result has led to Dubai becoming one of the most high-profile international destinations in the world and the premier city in the Middle East and North Africa (Mena) region. The rapid growth was primarily facilitated by easy accessibility to financing coupled with increasing speculation and a growing population. This led to peak transaction volumes and sky-rocketing property sales and rental rates, which finally climaxed in October 2008. As we all know today, the gloom of the global financial crisis permeated its way to Dubai and led to the beginning of the downturn for the real estate market. This has triggered the sharp correction that had been anticipated by experts even before the global credit crunch took place. Corporate downsizing and lack of liquidity soon followed, which resulted in a decrease in demand and eventually a decline in sale and rental prices. Sales prices for off-plan developments have dropped almost 50 per cent in some areas, while many developments under construction have been halted or scaled back. However, while the short to mid-term outlook on Dubai's real estate market may seem a bit ominous, the same is unlikely to hold true in the long-term. Dubai's relentless ambition and development prowess over the last 10 years has cemented its status globally as a world-class destination to both live and work. The calibre of residential developments and Grade A office buildings far surpasses any other city in the Mena region in terms of attracting expats and serving as a major commercial and financial regional hub. Indeed, it would not be far-fetched to claim that Dubai is the only city in the region as of now with the infrastructure capacity to serve as a global business metropolis, meaning that international corporations, banks and firms interested in tapping into this very important emerging market would prefer to establish a foothold in Dubai.

Powerful synergies

In turn, these factors create powerful synergies for the residential and office sectors, particularly when it is considered that most professionals in the region would choose to reside in Dubai rather than be relocated to another city in Mena. This clearly highlights the strength and appeal of the Dubai brand. Thus, on these fundamental reasons, it is apparent that Dubai has healthy long-term prospects. As for the current market conditions, positive occurrences should also be highlighted from this recent downturn in the real estate market, as it has essentially cleared the market of speculators who drove

real estate prices to artificially high levels. Furthermore, the declining price level is progressively making it more affordable for prospective buyers to enter the market and people living in other emirates to relocate to Dubai, thus positively affecting the demand. The situation has also led to the development of concise and precise real estate statutes and regulations that have improved the transparency of the Dubai market, giving prospective investors and real estate developers an augmented sense of confidence and security. Therefore, the current downturn will have various beneficial effects on the real estate market in the long-term as it paves the way for a more sustainable future growth that is based on fundamental attributes.

Outlook

The market is anticipated to achieve equilibrium in 2012 and start recovering by 2013. The following points describe the anticipated situation in the short term: Demand-supply gap is widening in a few areas. Higher vacancy rates anticipated in Jumeirah Lake Towers and Dubai Marina with around 10,200 units being released in next two years while other areas such as Bur Dubai, Satwa and Jumeirah remain under supplied; Rental rates may experience further downward pressure while the market is heading towards more affordable residential units; However, arrival of distressed asset funds could be a signal that the market is starting to stabilise or is in the final stage of its decline. This is supported by recent stabilisation in the sales prices of completed developments. Lifestyle communities with good infrastructure and easy access to retail, education, leisure and entertainment will generate more interest compared to other properties. These include developments such as Palm Jumeirah, Downtown Burj Khalifa, Dubai Marina, Jumeirah Beach Residence.

Demand is anticipated to remain low in 2010 as businesses are hesitant to make long-term commitments in an unpredictable economic environment; Office space per worker is anticipated to reach approximately 158 square feet, which is higher than the global standard of 145 square feet. This increasing office space per worker does not necessarily mean that the actual space used is increasing, but that the vacancy rate is increasing while actual space a worker gets remaining constant. Rental rates and occupancy levels are anticipated to decline further in the short to medium term considering the expected amount of upcoming supply entering the market at times of decreased demand. Developments with completed infrastructure in a well connected location will continue to generate interest.

Conclusion

The short-term outlook for the real estate market is evidently unclear, with no likely signs of recovery anticipated until at least 2012. However, decreasing sales and rental prices are causing fundamental and long-term beneficial shifts as speculators have been driven out and more end-users are entering the market, undoubtedly adding substance and real growth in the future. Improved regulatory frameworks have also been developed and implemented, showing signs of a more matured market. It is also important to emphasise that despite the current disequilibrium between demand and supply, a significant amount of asset creation has resulted from the boom period. Physical assets created during the

boom prove useful later on as seen in the examples of Britain's "railway boom" in the 1840s and Florida's land boom in the early 1920s. Dubai also started from a much lower base of infrastructure and it would not have developed the infrastructure so rapidly if not for the boom. Although the crisis has left a significant oversupply at present, a balance will inevitably be reached when the current global recession has passed. This will prove useful for many years to come. Most importantly, the boom has established Dubai as a tourist destination on the world map and this image will not be erased as a result of the current downturn. All these factors will help Dubai regain momentum and become a mature market.

(Yousef Wahbah is the Middle East leader for real estate at Ernst & Young and Heta Kheni is the senior consultant for transaction real estate advisory services at the same firm)

Expectations low ahead of Arab League meeting

Potential absence of leaders having differences with Libya could affect outcome

By Abdul Rahman Shaheen, Correspondent

Published: 00:00 March 27, 2010

Analysts and political observers here expressed little hope as leaders of the 22-member Arab League countries have gathered for an annual summit in the Libyan city of Sirte. They attributed this mainly to the strained relations between Libya and some of the Arab states. "This will lead to abstention of a number of Arab leaders," they said. A number of major issues and challenges facing the Arab world will be discussed prior to approval of the Sirte Declaration. Speaking to Gulf News, the analysts noted that the 23rd summit is being held at a time when the Arabs are facing a major challenge posed by Israel in the occupied territories. "The differences of opinion among the Arab leaders vis-à-vis the Palestinian issue, especially the intransigence of the hawkish Jewish government to continue setting up of colonies in occupied East Jerusalem, may weaken the Arab unity efforts at the summit," they said, adding that the summit will be a major boost for the Libyan leader Muammar Gaddafi, who will hold the presidency of the Arab League for the first time since he took power about 40 years ago.

Golden opportunity

They see that the summit would provide a golden opportunity and historic occasion for Gaddafi to work for realising Arab unity and solidarity and bury hatchet with leaders of some Arab states. "But this historic role should be a continuation of the reconciliation initiative made by King Abdullah Bin Abdul Aziz of Saudi Arabia that started at the Kuwait Summit in 2006. Libya also has to make serious efforts to solve its differences with a number of member-countries before putting on the mantle of a mediator," they said. Dr Abdul Rahman Al Attiyah, a Saudi expert in international relations, said: "We expected that Gaddafi would take the initiative for the reconciliation and to solve

differences with some of the member countries, especially Saudi Arabia, at least some months before the summit. But nothing had happened. The situation is remaining as it was in the past. "It is doubtful whether Libya could play an effective role in this respect even after the summit. If some Arab leaders keep away from attending the summit, it means that the differences would extend to the summit and beyond. And no doubt, this would be detrimental to Arab interests and would be helpful only to Israel." Dr Sultan Al Thaqfi, professor of political science at King Saud University of Riyadh, is of the view that Libya must make serious efforts to solve differences with some of the Arab states. "Then only can Gaddafi play any mediatory role as head of the summit. "Otherwise, the summit will be a dismal failure and would restrict only to passing some resolutions and posing of leaders for a photo session," he said noting that the previous summits also failed to fulfil the aspirations of the Arab people. On his part, noted Saudi political columnist Mohammad Abdullah Al Ahmad, who is also a former diplomat, said that the Arab Summit is being held at a time when Arabs are facing some of the worst challenges.

Economy Unites what Politics Divides

Wed, 31 March 2010

Abdullah Iskandar

The Arab Summit in Sirte was concluded three days ago, just as the preceding summit was concluded last year, and the previous summits were concluded in the past years. This stagnancy, which essentially means defeat, did not even stir up a feeling of frustration because it has become a custom. The role of the conflicts that surface amid the preparations for the summit is restricted to showing that there is a discussion taking place during the sessions, that certain settlements are underway, and that the Arab leaders are concerned about their unity and have managed to reach an agreement over the basic issues. What characterizes the Sirte Summit is the fact that it ignored this image, thus adjourning the conflicts to a coming summit. Many have denigrated the joint Arab action. But most of this criticism focused on the failure to reach influential decisions regarding the so-called fateful issues. These are purely political issues on which the Arab States have different points of views and solutions. Some of these issues are repeated and new crises are added every year to the agenda. Certainly, it is no coincidence that only the political issues are the centre of attention of the Arab Summits, while other issues that are no less important than the political ones, especially those pertaining to economic and social matters and the manipulation of the wealth and economic integration, are ignored. No progress can be perceived in the joint political issues if progress in economic and social issues is not achieved. Saying that we belong to one nation and feeling it is no longer enough to move us from conflicts to accord and make us abide by this accord. To a far extent, the Arab Summits have become a [yearly] occasion for some Arab States, and a local concern, rather than a concern of joint action and consensus. Amid the current reality, this consensus takes new meanings, ones that differ from a country to another, and reveal the efforts made to benefit from the occasion of the joint action, in a bid to consolidate the domestic concern. Qatari Prince Minister and Foreign Minister Sheikh Hamad Ben Jassem expressed this situation in a clear manner when he was denying the existence of inter-Arab conflicts. Commenting on the idea of the "Arab Neighboring Association" after the conclusion of the Arab Summit in Sirte, he said that "there isn't

any disagreement (regarding the proposal put forth by the Arab League Secretary General Amr Moussa)... and Qatar supports it, and all Arab states should agree on it as well.” Here is the essence of the concept of joint Arab action. As long as the issue is appealing to me, everyone else should agree on it, and what is not appealing to me should be refused by everyone. The subsequent summits only put the political issues on their agendas, ones that do not necessarily enjoy this consensus that might benefit one country while harm another. This applies to the stand on the negotiations with Israel, the armed resistance to it, and the continued diplomatic ties with it, just as it also applies to the stand on Iran, the nature of the relationship with it, the concept of this relation, and the Iranian behavior, as well as all the political issues that are included in the summits’ agendas. In other words, the efforts to reach a united position on the political issues failed to trigger a joint action, as long as this action serves the interest of this country and contradicts with the interest of that country. The summits, with their numerous numbers, did not attempt to start off from the pillar of any joint and integrative action, i.e. the economy. Although Arab Summits that were called economic ones were held, these events turned in part to politics and in the other part to charitable work. However, the economic aspect was restricted to ratifying aid for this or that developmental fund or donating money for this or that country. The idea of Arab economic integration has never been raised seriously, including the measures and regulations that ensure open markets and the transfer of commodities and capitals and individuals, aside from political standards. Since such integration requires adjusting the domestic regulations to fit the conditions of economy and its liberation, it cancels many laws which the authority uses to entrench its power, and this [integration] imposes other laws that serve the open [markets], which could contradict with the interest of the authority.

The Nowruz Summit, and the Sirte Summit

Tue, 30 March 2010

Mostafa Zein

The Sirte Summit of the Arab League sent several messages to the United States, Israel and Iran. Resolutions for implementation were not taken. The \$500 million allocated by the Summit in order to preserve the Arab nature of Jerusalem appears to be a bitter joke, compared to what Israel is spending on Judacizing the city. The Summit’s ruling out any option other than pointless negotiations to confront the Jewish state’s plans has enshrined Palestinian division, and does not support the US administration in its confrontation with Netanyahu. The Summit adopted the proposal by the Arab League’s secretary general, Amr Moussa, to adopt good relations among “Arab neighbors.” But this is not built on strategic foundations for confrontation, for many reasons. Most importantly, the Summit participants lack a unified strategy that would let them invite others to adopt this strategy and put it into practice. As for the clearest message from the Summit, it was directed at Iran, which was excluded from the meeting because of its intervention in Lebanese, Palestinian and Gulf affairs, and its wide influence in Iraq. Iyad Allawi was the Arab “horse” in Iraq, and everyone supported him, from Egypt and Saudi Arabia to Syria, which is Tehran’s closest ally in Lebanon and Palestine, and its undeclared rival in Iraq. Allawi narrowly won the recent election in Iraq, and regime Iraqis went to Tehran to confront Allawi from there. They sent a message to the Summit that was inspired by the

Persian holiday Nowruz. A delegation was formed, made up of President Jalal Talabani, the leaders of the Supreme Islamic Council, the Dawa Party faction led by Prime Minister Nuri al-Maliki, and Najirvan Barzani, representing other Kurdish groups in Irbil.

They all celebrated Nowruz, while the Summit was taking place in Libya. They agreed with the opinion of Muqtada Sadr, the industrious student who is continuing his religious studies in Qom. They held meetings to reduce the simple disputes among them, in order to exclude the Arabs' candidate, who was victorious in the elections. They fled from Arabism, with its old and contemporary history. They sent a Kurd to the Summit to participate with Arabs in their affairs, while everyone went to Tehran to decide their political fate for the coming phase.

The answer came from Libya. The leaders decided to hold an Arab Summit in Baghdad next year, and refused to consider Iran a part of the "League of Neighbors." This enshrines a notion that has been prevalent for a few years, which is that priority should be assigned to the conflict with Tehran and its regime, which has unlimited aspirations in the region. The idea expresses an Arab and international policy to contain the Iranian regime and affirms the move toward dividing the Arab world into two parts. The best expression of this policy is the meeting between President Bashar Assad of Syria and President Mahmoud Ahmadinejad of Iran, and their insistence on inviting the leader of Hizbullah, Sayyed Hassan Nasrallah, to join them in Damascus, a few days before the Summit. There, they declared that the priority is the struggle with Israel, and that they would respond to any attack launched by the Jewish state.

The Arab nature of Jerusalem is a long-standing Arab policy, while the new policy for the coming phase is the Arab nature of Iraq, and its return to the fold of Arabism. But to which Arabism will it return?

The Arab Union

Mon, 29 March 2010

Ghassan Charbel

The political official said that the current formula for the Arab League has become obsolete and unable to face the increasing challenges. It is incapable of reflecting a unifying Arab will, even on the most basic required level. The Arab land has turned into an arena for duels among non-Arab policies. The position of Arabs in the region has registered an unprecedented regression. Iran acts like a great country in the region. The ceasefire in Gaza does not last unless it gives its approval. There is no stability in Lebanon without its permission and the government is not formed without its blessing. Its role in Iraq gives the impression that it has really infiltrated its fabric. The best proof of this is that President Jalal Talabani considered the visit of Tehran to be more useful than the participation in the Sirte Summit – not to mention that Jerusalem Day itself has become an Iranian event par excellence.

The official considered that the sudden magnified role of the Turkish role is further evidence of the waning Arab role, even if this enters within the context of a wish to

balance the confrontation of the Iranian rising role. He noted that a squabble between Recep Tayyip Erdogan and Shimon Perez increased the popularity of the former on Arab land.

The current Arab situation is unbearable, he said. It cannot go on. It is time to make a quality change. The Arabs must seriously consider the establishment of an Arab Union. Look at how Europe turned the page of conflicts and struggles and its countries came together on the basis of interests and the search for a future; on the basis of enshrining stability and confirming prosperity. As Arabs, what is lacking for us to do the same?

I was surprised at the question. What is lacking? I was silent for a moment. I did not want to turn the dialogue into an analysis. It would be as if I were saying that we lack the French Revolution, the Industrial Revolution, the separation of the Church from the State, and what the Age of Enlightenment brought in terms of philosophy, literature, and music – as well as the right to ask questions; the concept of institutions; free press; headlines that are not ‘cooked’ at the Ministry of Information or the intelligence services; the rule of law; the independent judiciary; the Constitution; taking public opinion into account; respecting the will of civil society.

I had hypocritical thoughts. Can Nicolas Sarkozy for instance mobilize the French Army at the border with Germany because of a squabble with the German Chancellor? Can Silvio Berlusconi destabilize the situation in Paris based on a misunderstanding with the French President? Are commercial and cultural relations between two European countries paralyzed because their Presidents do not maintain friendly bonds? Does Germany for instance dare to interfere in the formation of the Austrian government, like Iran is currently doing with the Iraqi government?

I feared that the Sirte Summit would endorse the idea of an Arab Union. Who would head it? Where would its headquarters be? Who would be in charge of its foreign affairs? How would the positions be discussed? What about the divisions and collapses? Such a step would drown us in conflicts that would make us forget the fate of Jerusalem and the ogre of settlements, not to mention many other challenges.

It is most probable that we are asking our societies and states more than they can offer. We live in a different era. We need effective schools; serious universities; road networks; drinking water; vaccines against the diseases of fanaticism, dominance, and the rejection of the other. Only after this can we search for an Arab Union modeled after Africa before being modeled after Europe.

The Utopian Summit
Mon, 29 March 2010
Mohammad Salah

I write from Sert, the Libyan city which has hosted the latest Arab Summit. There is the same atmosphere that accompanies every Arab Summit, the difference remaining only in the extent to which this or that country’s is willing to hold the Summit and to see it end

without complaints. As for the content, i.e. the qualitative shift which any Arab Summit could produce with regard to the Arabs, there is nothing new there.

Were those who expected more stances and decisions from the Arab Summit mistaken about its true capabilities? Or was the Summit itself mistaken when it ended with reiterated decisions that do not fulfill the ambitions of Arab peoples? It is the same question that usually goes around after every Arab Summit, ever since it turned ten years ago into a regular summit held “in turn” in Arab countries, such that it seemed that the regularity of the Summit had become a burden for Arab leaders. Indeed, when they took the decision to hold the Summit each year in an Arab country, the latter had imagined that setting a fixed date for it at the end of the last week of March of every year would solve the problems of the Arabs straight away, without having to wait to call for an emergency summit. Thus, the matter has reached the point where simply holding the regular summit at the scheduled time has become an Arab achievement according to Arab leaders, and where one can only pray to God that the Summit will pass without any problems, although its main function is to avoid solving problems before they occur and to solve them if they do. Thus the Summit itself has turned into a problem.

The Arabs are skilled at reaching consensual formulations to satisfy all parties, and Arab disagreements usually remain the same before and after summits. Yet everyone exerts prompt efforts to reach formulations in which there seems to be no disagreements. This is why there has been much talk in the concluding statements of every Arab Summit, including that of Sert, of demands, assertions, affirmations, and warnings, in addition of course to expressions of condemnation, denunciation and censure, without clear-cut decisions to take clear-cut action. It is as if the purpose was to get through the Summit without anyone being able to accuse it of having made the mistake of not addressing this issue or that problem. It is noteworthy that every Arab Summit that has been held in the past five years has been dubbed before being held “the summit of reconciliation”, and that the state of affairs of the Arabs has nonetheless remained the same. Even if reconciliations take place between parties through handshakes or around dinner tables, they remain reconciliations of form in front of cameras and projectors without turning into actual realities, because reconciliations contradict each other, stances disagree with each other and the state of affairs of the Arabs is weak, feeble and powerless to confront storms.

It would have been natural and expected for the scenario of the Sert Summit to differ in one way or another from the recommendations of previous summits, simply because the Summit was held in Libya, and not because the Arab state of affairs has changed in any way. Yet the difference was in the form, not the content, and the Arab peoples will remain the hostage of the feeble Arab state of affairs, which relies on words rather than deeds, words which are perhaps no longer heard or which reach non-Arab parties that have come to influence the Arab World much more than it is in the ability of Arab countries themselves to do so. It is not strange for the Sert Summit not to have been preceded by demonstrations in Arab capitals calling on leaders to take certain stances, as it seems that despair has befallen their peoples and taken hold of them, and that they no longer hope for any good, having become convinced that the Arab body was in need of

treatment first to later be able to take any stance. Nor is it strange for no reactions to emerge at the popular level in any Arab capital towards the Summit's decisions and concluding statement. Indeed, frustration now precedes the Summit rather than follows it, and the quest for the perfect summit has become akin to the quest for the utopia of Plato's Republic. Indeed, the times now only allow the Summit to be held and to pass in peace without also fulfilling the hopes and ambitions ...of leaders.

India keen to take partnership with Kingdom to higher levels

By Shams Ahsan

INDIA and Saudi Arabia are very serious about further developing their strategic partnership after the signing in February of the historic Riyadh Declaration, said Indian Minister of State for External Affairs Shashi Tharoor in an interview with Saudi Gazette.

"The momentum has been built up; it will not be allowed to lapse," he said. India and Saudi Arabia decided to raise their existing bilateral cooperation to a strategic partnership covering security, economic, defense and political areas through the Riyadh Declaration signed in the Saudi capital by King Abdullah, Custodian of the Two Holy Mosques, and the visiting Indian Prime Minister, Manmohan Singh. "We are not only working on following up the Riyadh Declaration, but there are contacts at a very high level between the establishments of the two countries," said Tharoor. Prince Salman Bin Abdul Aziz, Emir of Riyadh Region, is scheduled to visit India later this month. Tharoor, who is also in-charge of Haj affairs, told Saudi Gazette that he raised the issue of increasing the Haj quota for Indian pilgrims during his meeting with Saudi Haj Minister Fouad Al-Farsy.

"We raised the issue, but the minister said he alone cannot decide."

"We are very grateful for the 160,000 (Haj quota) allocation. Last year we received 360,000 applications, so for us the mismatch between the numbers who want to go (on Haj) and the numbers who are allowed to go is still very high. The Saudi government is aware that the Indian government would like to see a larger quota. Equally we are conscious of their limitation, which is the number of people who can be accommodated in the Valley of Mina," said Tharoor, who was all praise for the Saudi government for successfully organizing such a massive operation every year.

"The accomplishment is tremendous and we really salute the Saudi government for this," he said.

In reply to a question about the large Indian Haj Goodwill delegations which visit Saudi Arabia after every Haj, Tharoor admitted that "the concerns of some about the size of the delegations is shared in some parts of the government."

"We will look into it," he said.

"Some of us would like to have this entire approach reviewed. It is difficult in our country to easily change well-established traditions," he said regarding the tradition of sending large Haj Goodwill delegations.

But the minister pointed out that between 2008 and 2009, the number of members on the delegation was reduced from 35 to 29.

He also upheld the democratization of the process of issuing Haj quotas to Private Tour Operators (PTOs) in India.

"There has been a kind of entrenched monopoly of certain long-time providers who had a very generous quantity of the quota year after year without giving others an opportunity.

Some even went to court (because they felt) that they were unfairly denied the right to operate. So the government of India felt that in terms of equity, those PTOs who had applied consistently for two or three years should be given a chance to prove themselves. The only way to do this is by depriving the old ones.”

Tharoor, who came a close second to Ban Ki-moon out of a total seven official candidates for the post of UN secretary general, said that the Indian government was very concerned about the welfare of Indian workers.

According to reports, Tharoor in a written reply to the Lok Sabha (the Lower House of parliament) earlier this year said that more than 6,470 Indian workers were lodged in prisons in 71 countries, of which the highest number – 1,226 – were in Saudi Arabian jails.

“We are very concerned. We immediately pursue it (a case of imprisonment or a report of the dead body of an Indian worker in the morgue),” he told Saudi Gazette, adding that a vast majority of Indian workers were in good condition and were being well looked after. However, when informed about some specific cases of Indian workers whose bodies were lying in morgues for months, Indian Ambassador Talmiz Ahmad intervened to say: “This is not an issue before us as of now. It is not because of neglect, but because of local law.”

In reply to a question about the education opportunities for the children of Indian workers back home and the discrepancy in the tuition fees for them, Tharoor said that the change in approach to education will benefit the children of NRIs.

“Indian expat workers are facing the problem of a limited amount of opportunities in schools back home, but as the educational space in India expands, you will find more schools of high quality coming up.”

“The idea that more opportunity and more space should be made available is being taken on board,” said Tharoor.

He said that the Ministry of Overseas Indian Affairs in cooperation with the Human Resources Development Ministry is working in this direction, and that some high caliber universities for Non-Resident Indians (NRIs) are being established in which children of overseas Indian workers will have privileged admission possibilities.

The minister, however, did not throw light on the issue of the lack of higher education opportunities for children of Indian workers in Saudi Arabia.

As of now higher education is not open for expatriates in a number of universities and colleges here. And where such an opportunity is available, the tuition fee is too expensive for many expatriate children to afford.

However, the Council of Ministers in one of its sessions last month endorsed rules governing the admission of non-Saudi students to higher education and professional institutions.

Russia dominates neighbors in new trade bloc

By Olzhas Auyezov

Russia’s partners in a new customs union, Kazakhstan and Belarus, are getting cold feet about a pact designed to boost trade between the trio of ex-Soviet states and add clout to their WTO accession talks.

The move to create a trade bloc with annual turnover in excess of \$600 billion has met growing discontent from officials and business leaders in Kazakhstan and Belarus, who say their interests are being neglected.

“This is going to hit our wallets,” said Talgat Akuov, head of Kazakhstan’s Independent Association of Entrepreneurs.

Russia, the largest economy outside the 153-member World Trade Organization, announced last June that it would pursue membership only as part of the customs union with Belarus and Kazakhstan, effectively re-setting 16 years of accession talks.

Kazakhstan, the world’s largest uranium miner, and Belarus, an industrialized nation bordering the European Union, were originally keen to join the union to secure benefits such as cheap energy from Russia, the world’s largest gas exporter.

But Belarus, smarting from a New Year dispute with Russia over crude oil duties, has cast doubt over the union only months after its inauguration. President Alexander Lukashenko said Russia-backed exceptions to trade jeopardised its existence.

“It is destined to fail if we already introduce certain exceptions,” Lukashenko said on March 11.

Russia and its partners agreed from Jan. 1 to drop most duties on mutual trade and move toward harmonizing customs rules. From July 1, they are due to adopt a common external tariff and begin redistribution of the duties they collect.

Some analysts in Russia say the benefits, such as bigger markets for Kazakh metals and Belarussian consumer goods and foodstuffs, more than justify the cost to the smaller partners.

“Kazakhstan and Belarus benefit from the creation of the customs union because the Russian market opens up for them,” said Moscow-based Deutsche Bank analyst Yaroslav Lissovlik.

But others say Russia is the clear winner, gaining new markets and reinforcing Soviet-era ties at a time when its long-standing allies are seeking alliances elsewhere.

In Kazakhstan, business executives and opposition politicians are threatening the government with public protests, saying the Central Asian country is losing from the agreement – a view shared by some Western economists.

Ralph De Haas and Alex Plekhanov, economists at the European Bank for Reconstruction and Development (EBRD), say Russian car makers, metal suppliers and dairy firms were among those most likely to win from the new trade deal.

“(They) face less competition in Kazakhstan and Belarus because producers from third countries (such as China and southeast Asia) have been put at a disadvantage,” the two wrote on the EBRD official blog website last month.

Cheaper energy

Belarus has joined the union largely to save on Russian energy imports, which cost it about \$10 billion a year. Kazakhstan hopes to boost exports of commodities such as metals, chemicals and coal to Russia.

Russia, however, will this year send only 6.3 million tonnes of duty-free oil to Belarus, enough for domestic consumption. Minsk must pay full duties on the additional 14 million tonnes or more it will receive for refining and re-export.

The International Monetary Fund estimates Belarus will, in fact, pay \$2 billion more for Russian oil this year. The issue has further strained relations between Moscow and Minsk that had been deteriorating over the last few years.

“The jury is probably still out on the implications of the union for Belarus,” Plekhanov told Reuters.

“Belarus’s primary interest is access to Russian energy resources at Russian domestic market, or otherwise discounted, prices. The agreement on whether this may be possible once the common customs area is formed has not been reached yet.”

For Kazakhstan, the new zone has so far brought only higher prices. Central Asia’s biggest economy has raised traditionally low import duties to match Russia, which uses high duties and import bans to protect domestic car makers and pork and poultry producers.

EBRD’s De Haas and Plekhanov say Kazakhstan, where officials still support the deal, could see “welfare losses” from the union, although some companies such as metals producers -- which have strong political clout -- could gain from it.

Kazakh business executives, however, are pessimistic.

Akuov, the head of the entrepreneurs’ association, said Kazakhstan had raised duties on 5,000 types of goods. Consumers, their incomes hit hard by the economic slump, are concerned as shops have put up prices on imports ranging from cat food to cars. – Reuters