

**BUSINESS AND POLITICS IN THE MUSLIM WORLD
GULF COOPERATION COUNCIL
NEWS MONITORING REPORT**

**MADIHA KAUKAB
Weekly Report. # 128
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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.

SUMMARY

The six-nation Gulf Cooperation Council (GCC) has finalized a plan to set up a human rights panel in the region. This new regional commission for human rights, which will have independent and impartial experts as its members and office bearers, will deal with human rights issues and ensure more accurate auditing of the human rights records in the region. “The move to set up this regional panel comes following a recommendation made by the GCC foreign ministers in a meeting last month,” said a statement released by the GCC General Secretariat on Wednesday. The foreign ministers of the GCC member states have endorsed the plan for the regional commission, which will be the first regional body of its kind in this part of the world. “The endorsement to create this regional body is an important step forward in the establishment of the new mechanism to protect rights of the Gulf citizens and ensure more protection to the growing number of migrant workers,” said a GCC human rights official, who preferred to remain anonymous. Saudi civil airliner touched down in the main southern Iraqi city of Basra on Thursday on the first such flight between the neighbouring countries since Iraq’s 1990 invasion of Kuwait. The Alwafeer Boeing 747 flew into Basra at 8:15 am (0515 GMT) from the western Saudi city of Jeddah, gateway to the Muslim holy places, but there were no passengers on the incoming flight. On its return trip, the plane was to carry 450 Iraqis intending to make the lesser pilgrimage, or Omra, to Mecca and Medina. For years Iraqi pilgrims have had to make the long overland bus journey to the Muslim holy places or pick up a flight to Jeddah in a neighbouring country. ‘I am very happy to have landed in Basra airport and to have piloted the first Saudi flight to touch down in Iraq for such a long time,’ said the plane’s captain, Ghassan Hakim. The President Shaikh Khalifa bin Zayed Al Nahyan has lauded the Assilah Festival in Morocco as a cultural initiative that fosters the language of dialogue, implants values of tolerance and acts as a bridge of cultural communication between the North and South. “The selection of ‘Renewable Energy’ as the theme of the 32nd Assilah Festival underlines the philosophy of the festival by establishing culture as a container for development,” Shaikh Khalifa said in an inaugural address read on his behalf at the opening of the festival by Abdul Rahman Mohammed Al Owais, UAE Minister of Culture, Youth and Community Development. Shaikh Sultan bin Zayed Al Nahyan, the President’s Representative, attended the opening ceremony of the festival during which the UAE was declared as the Official Guest of Honour for the festival, which runs from July 10 to July 27. Shaikh Khalifa congratulated King Mohammed VI of Morocco on his 11th accession day, and highlighted the depth and strength of the UAE- Morocco ties. This year’s

session, the UAE President, added, provides an ideal opportunity for the UAE to apprise the participants of its efforts in deployment of renewable energy and its civilisational, historic, cultural and heritage contributions. Conditions along the Kuwaiti-Iraqi border are calm and very normal, a senior official affirmed on Thursday. Minister of State for Cabinet Affairs and Acting Foreign Minister Roudhan Al-Roudhan said in a statement to KUNA, Iraq has affirmed its full abidance by the relevant Security Council resolutions. He was alluding to a statement made earlier today by Iraqi Foreign Minister Hoshyar Zebari stressing on Iraq's adherence to the relevant Security Council resolution regarding the Kuwaiti-Iraqi border. Demarcation of the border between Kuwait and Iraq was decisively settled with the council resolution 833, it is a compelling resolution for the two countries, he said, calling for abstention from any bids aimed at straining the ties between the two brotherly countries. Oman gives top attention to its ties with India because of the historical and geographical links between the countries, a key Omani official said. National Economy Minister Ahmed bin Abdalnabi Macki also said the many development projects planned to be carried out in the sultanate would create more job openings for Indian workers. "We, in the Sultanate of Oman appreciate and respect the Republic of India and its people for their continuous contribution in the construction and development being witnessed by the sultanate," he said while visiting the Sultan Qaboos Library at the Islamic Centre in New Delhi on Tuesday. Macki is currently on an official visit to India. "Despite the different religions and political parties in the Republic of India, it is a country that enjoys much respect and appreciation from all nations because of its political and social security and stability," he said. Macki toured the library and familiarised himself with the services it rendered. The library contains collections of books on Oman and Islam and Islamic scripts covering a host of topics such as culture, science, geography and history.

The Shoura Council approved the 9th Development Plan in its session Sunday with a margin of just one vote after 75 members voted for the plan while 41 others opposed it. The voting screen remained open about three minutes until council member Majdi Al-Hariri entered and cast the 75th vote. The 9th Development Plan, prepared by the Ministry of Economy and Planning, includes priorities to continue improving citizens' standard of living, develop national manpower, achieve balanced development in different regions, develop the national economic structure and upgrade the competitiveness of national products in national and international markets. The Shoura Council also approved a proposal that follow-up execution reports contain detailed explanations of the execution mechanism's efficiency, attach timetables for achieving goals and provide means to address causes for stalling of projects or inefficiency in executing and achieving objectives. Approval included a provision for executive authorities to revise the capital requirements to ensure provision of basic needs such as land, services, raw materials, human resources and qualified contractors – on condition that they become binding conditions in the next development plan. Social development authorities are going for stricter penalties to curb juvenile crimes, a move that follows the sentence of 10-year imprisonment in a juvenile prison awarded by the juvenile court to a minor who killed his friend Ali. Khalil Al Braimii, head of the juvenile centre and girls' social education, said that the case of Ali's murder by the minor shook the Emirati society, pointing out that last year were witnessed three murder cases by juveniles who used knives and swords for committing the crimes. Parliamentary elections in Bahrain later this year will offer little to Shia opposition groups pressing for more democratic reforms, and are unlikely to heal their rift with the country's Sunni Muslim rulers. The election for parliament's lower house, likely in October or November, will be the third in the Gulf Arab

state since its king launched a reform process a decade ago to help to quell Shi'ite street protests of the 1990s. Bahrain's main Shia opposition group Al Wefaq, which holds 17 seats in the 40-member body, is expected to contest the elections hotly although analysts say they are unlikely to alter the balance significantly in Bahrain's only elected national body. "The elections will maintain the status quo as it is, without causing significant improvement or deterioration of the situation," said Mansoor Al Jamri, editor-in-chief of the opposition daily Al Wasat. Bahrain, a close ally of Washington and Riyadh, is ruled by the Sunni Muslim Al Khalifa family while the majority Shia population often complains of discrimination in jobs and services, a claim government officials deny. Reforms instituted by King Hamad bin Isa Al Khalifa led to a new constitution and parliamentary elections in 2002 and 2006, easing some Shi'ite demands, although ultimate authority still rests with the ruling family. By law, the next election must be held by the end of the year, and most analysts expect it to take place after the end of the Islamic holy month of Ramadan in September but before the Haj pilgrimage season begins in November.

The European Union (EU) and the Gulf Cooperation Council (GCC) have agreed to hold an "economic dialogue" every year to boost and expand economic and trade cooperation and relations between the two major regional blocs. The agreement came following the second EU-GCC Economic Dialogue which ended here late on Monday. "The dialogue is rolling again. The last one was in 2003. This dialogue is very important. We have decided to have this dialogue annually," Adnan al-Kandari, Director of Directorate of Economy at Kuwait's Finance Ministry, told Kuwait News Agency (KUNA) in an interview. Al-Kandari chaired the meeting from the GCC side as Kuwait holds the current GCC Presidency. "We will see what will be on the agenda of the next meeting. It depends on the latest developments in the economic situation," he added. On his part, Peter Bekx, Director for international economic and financial affairs at the European Commission who led the EU side, said "the meeting was very constructive, very useful." "We exchanged views on a number of very important issues like how to exit from the economic crisis, and monetary and regional integration. I think we both can learn from each others' experience," Bekx told KUNA. "The atmosphere was very open. We have been able to learn a lot from each other. Both parties very definitely agreed to continue with the normal pattern of having the meeting every year. So next year we will meet again," he noted. "We have seen over the past a positive development in the economic relations so I would expect that to continue in the interest of both the GCC and the EU," added the EU official. Saudi Arabia's hydrocarbon sector optimism has increased substantially for the third quarter, while the Kingdom's economy is marching ahead and projected to rebound sharply during the current year. The same trend of growth in the Saudi economy will continue during the next two years because of higher oil production and heavy public spending as well as support extended by government agencies and private sector. Addressing a press conference on the occasion of the release of Business Optimism Index for Saudi Arabia for the third quarter of 2010 here Tuesday, Said Al-Shaikh, senior vice president and chief economist of the National Commercial Bank (NCB), said that the composite optimism index for hydrocarbon sector has improved significantly. Pawan Bindal, associate director of Dun & Bradstreet, was also present during the ceremony. The UAE is considered one of the world's most commercially open countries, where the percentage of non-oil foreign trade in relation to GDP reached 73 per cent in 2009, a study by the Ministry of Foreign Trade, or MoFT, revealed. This indicates the degree by which the UAE's economy is interlinked with the world's economies through its numerous commercial ties, and affirms the important role the UAE can play in the commercial and economic world order. The MoFT has

issued an analytical study of the UAE's Foreign Trade Structure in terms of geographic concentration between 2005-2009, in addition to the first quarter of the current year. he Sultanate's Government and the Government of India on Wednesday signed an agreement to set up the Omani-Indian Joint Investment Fund between the State General Reserve Fund(SGRF) and the State Bank of India (SBI) with a paid-up capital of \$ 100 million equally. The agreement was signed in the presence of HE Ahmed Bin Abdulnabi Macki, National Economy Minister and Deputy Chairman of the Financial Affairs and Energy Resources Council, his accompanying delegation, HE Pranab Mukherjee, Finance Minister of India, and a number of officials in the Indian government. The agreement was signed on behalf of the SGRF by Warith Bin Mubarak Al Kharousi, Chief Executive Officer of the fund, while Om Prakash signed for the SBI. Macki stressed the importance of the role to be played by the fund in enhancing research fields for new Omani-Indian joint investments in various economic sectors. He said the Sultanate has many investments in India in the telecommunications and real estate services sectors before setting up the fund worth \$ 200,000,000. There are joint investments between Indian companies and Oman Oil Company in the Omani- Indian fertilisers project in the Sultanate and the refinery project 'Pena' in Madhya Pradesh, India. Kharousi said by setting up the fund with SBI, SGRF will enhance the fields of the Sultanate's foreign investments. He said the fund will enhance the investment opportunity in the markets in India which are witnessing growth in various sectors. Saudi industrialization and energy services company Taqa is considering investing \$ 1.6 billion in pipelines and \$ 133 million in offshore platforms in Qatar and Iraq. Officials from Taqa was quoted in a published report Friday saying that the company was considering investing in the gas industry in Qatar and the oil industry in Iraq by building platforms and pipelines for companies already working in the two countries. Taqa has invested SR500 million in offshore oil and gas platforms in Saudi Arabia. Officials said interest has increased since one of the company's main partners, the Italian oilfields services company Saipem, won a \$ 10 billion contract to develop fields in southern Iraq. Meanwhile, New York's main contract, light sweet crude for delivery in August, rose 65 cents to \$ 76.09 a barrel. Brent North Sea crude for August gained 71 cents to \$ 75.42.

GCC

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- **Global weakness dampens GCC stock markets**
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- **Weak lending as GCC banks remain risk-cautious**

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- Saudi-French ties highlighted
- Qatar Emir meets King Abdullah
- Sarkozy discusses bilateral, regional ties with Saud Al-Faisal
- Saudi Arabia top terror finance fighter
- Call to boost Saudi-Japan investments in education field

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- Saudi removes chief judge of security court: report
- Saudi Shoura approves 9th Development Plan
- Forcing workers to toil in extreme heat is 'haram' in Islam: Saudi scholar
- Drive to warn of dangers of marrying abroad
- New labor bill in offing in Saudi Arabia

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- Saudi inflation hits 13-month high
- Saudi launches world's first date bourse
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- Education to bolster UK-UAE ties

Social Front

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- UAE Ministry of Justice 'can reject verdict of any court'
- 13,775 Emiratis admitted to national universities
- Stricter laws to curb juvenile delinquency: UAE authorities

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- **Emirates A380 gets warm welcome in Delhi**
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- **Oman gives top attention to ties with India: minister**

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- **Bahraini activists take cue from Obama campaign**

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GCC

GCC to set up human rights panel

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“The move to set up this regional panel comes following a recommendation made by the GCC foreign ministers in a meeting last month,” said a statement released by the GCC General Secretariat on Wednesday. The foreign ministers of the GCC member states have endorsed the plan for the regional commission, which will be the first regional body of its kind in this part of the world. “The endorsement to create this regional body is an important step forward in the

establishment of the new mechanism to protect rights of the Gulf citizens and ensure more protection to the growing number of migrant workers,” said a GCC human rights official, who preferred to remain anonymous.

Attiyah questions timing of ICC warrant against Sudanese leader

The Gulf Cooperation Council (GCC) Secretary General Abdulrahman Al-Attiah questioned on Wednesday the timing of the arrest warrant decision issued by International Criminal Court (ICC) to Sudanese President Omar Al-Bashir, including the count of genocide accusation.

Al-Attiah said in a press release that ICC decision might increase tension in Sudan, particularly since the decision comes contradictory to the path of ICC mission, including regarding Arab League previous reports, and African Union reports on the issue of genocide in Darfur. GCC Chief renewed the Gulf states stance, including peace efforts and developments in of all Sudan. Last Monday, the Hague-based International Criminal Court issued a second warrant of arrest against the President of Sudan. The first warrant of arrest issued against Al Bashir on 4 March, 2009.

GCC denounces Israeli plan of building 32 new settlements in E. Jerusalem

The Secretariat General of Gulf Cooperation Council (GCC) denounced on Wednesday the approval by Israeli government of a plan to build 32 new settlements in East Jerusalem, describing it as a provocation which undermines the legitimacy of international resolutions and a violation of international law. A statement by GCC Secretary General Abdulrahman Al-Attiah said that Israeli settlement polices, including the destruction of Palestinian homes will increase tension and hostility. The statement called on the international community to shoulder the responsibility and stop Israel's persistent aggression in the occupied territories, including sanctions imposed on Gaza Strip.

Prospects of joint GCC N-plant fade

The prospect of a joint GCC nuclear power plant for generating nuclear power for civilian purposes appears to be receding with the bloc's member countries deciding to go it alone. Ever since the six-member Gulf Cooperation Council (GCC) announced its decision, in December 2006, to go jointly for nuclear energy for peaceful purposes, Qatar has been actively involved in the initiative. It hosted a key meeting of the GCC Working Group to follow up on the International Atomic Energy Agency (IAEA)'s feasibility report on such a nuclear power plant.

Last April, Saudi Arabia said it was building an atomic and renewable energy “city.” Of all the GCC states with plans to develop nuclear programmes, the UAE has made the most progress. In December, the UAE awarded a \$ 20bn contract to a consortium to help build four 1,400 megawatt nuclear power plants. The emirate has already selected a site for its power plants, Financial Times has reported. Qatar, which has hosted several IAEA-supported preparatory plans for a joint GCC nuclear reactor, also seems to be going its own way.

Earlier, talking to The Peninsula, a top official involved in the GCC plans had said that both options — of the country going it alone or joining the GCC bandwagon — were open before Qatar. However, almost one year after his statement, there are indications that Qatar is laying emphasis on its own nuclear power station. The US think tank, International Institute for Strategic Studies (IISS), says Qatar has sought to press its case for its selection as the location for a joint GCC reactor.

Global weakness dampens GCC stock markets

GCC markets continued to follow global cues in June, losing 1 percent versus a drop of 11 percent in May, Kuwait Financial Centre (Markaz) said on Thursday. All GCC markets saw another month of declines, except Qatar which gained 1.68 percent; losses were led by a 7.45 percent decline on the DFM (Dubai). Saudi Arabia saw the least decline, 0.44 percent, as three blue chips saw substantial monthly gains thereby mitigating the effect of SABIC and Al Rajhi Bank's losses. Crude oil gained 2 percent after tumbling 15 percent in May. Investors booked profits ahead of Q2 corporate earnings announcements. Liquidity was down across the GCC in June, as volume and value traded declined 11 percent and 24 percent, respectively. In terms of volume, all markets, excluding Bahrain, saw declines, the highest being a 42 percent decline in Qatar.

In terms of value traded, UAE and Qatar led the way with declines of 30 percent each. Volatility was down in all markets, with Qatar MVX declining 47 percent, the least decline among GCC markets was 15 percent in Dubai. Pan-GCC MVX doubled in Q2 led by substantial increases in April and May. Moreover, Markaz said world markets remained in the red as continued economic uncertainty in Europe, a slowing recovery in the US and troubles in China weighed on world markets. MSCI World lost 3 percent in June after tumbling 10 percent in May, taking the YTD loss to 9 percent. On a market cap weighted basis, the US was the largest contributor with a loss of 2.8 percent. Monthly returns remained negative across the board led by Shanghai's loss of 8 percent for June; the market is down 25 percent for the year. India managed a gain of 4 percent for the month. The CBOE VIX index, as a result of the volatility of market returns, was up another 8 percent in June after spiking 45 percent in May.

GCC eyeing \$ 17b transport projects over next 15 years

Transport projects worth \$ 170 billion are expected to be put in place in the GCC region over the next 10-15 years, an industry expert has said. About 85 percent of the investment is seen being made in the UAE, Saudi Arabia and Qatar while \$ 108 billion of it is set to be spent on rail projects. Satish Khanna, general manager, Al Fajer Information and Services, which is staging the first GulfRail show and conference in Dubai in 2012, said that it would soon “be common for a person to travel from Dubai to Jeddah or Abu Dhabi to Doha in few hours, with convenience”.

He added: “In order to meet the pressing regional logistics demands, the next 10-15 years will see transport projects worth \$ 170 billion. Out of this, 85 percent will be spent by UAE, Saudi Arabia and Qatar.” He added that plans to link Saudi Arabia to Europe by rail were no longer a “distant dream”, adding that the key driver of the rail industry for the GCC would be public-private partnerships. “Investment opportunities in intelligent transport systems in the GCC are

huge. The rail sector in this region is growing rapidly. Many companies outside the region regard the upcoming rail sector in the Middle East as the most lucrative opportunity to do business," Khanna added. He said the GCC network will include one rail line of 1,970km connecting all GCC countries and Qatar via a bridge. The second line of 1,984km will stretch between Kuwait, Saudi Arabia, the UAE and end in Oman.

Second EU-GCC economic dialogue begins in Brussels Monday

High officials from the European Union (EU) and the Gulf Cooperation Council (GCC) will meet in Brussels on Monday to discuss ways to expand and boost economic cooperation between the two regional blocs. The second EU-GCC Economic Dialogue comes as a follow-up to the decision taken at the 20th session of the EU-GCC ministerial meeting held in Luxembourg on 14 June, Kuwaiti embassy sources told KUNA. The first Economic Dialogue between the 27-member EU and the 6-member GCC was held in 2003. Kuwait's large delegation will include high officials from the finance ministry, the Central Bank and the embassy in Brussels, noted the sources. Kuwait holds the current GCC Presidency and Belgium chairs the EU Presidency.

EU, GCC determined to expand economic cooperation

The European Union (EU) and the Gulf Cooperation Council (GCC) have agreed to hold an "economic dialogue" every year to boost and expand economic and trade cooperation and relations between the two major regional blocs. The agreement came following the second EU-GCC Economic Dialogue which ended here late on Monday. "The dialogue is rolling again. The last one was in 2003. This dialogue is very important. We have decided to have this dialogue annually," Adnan al-Kandari, Director of Directorate of Economy at Kuwait's Finance Ministry, told Kuwait News Agency (KUNA) in an interview. Al-Kandari chaired the meeting from the GCC side as Kuwait holds the current GCC Presidency. "We will see what will be on the agenda of the next meeting. It depends on the latest developments in the economic situation," he added.

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Weak lending as GCC banks remain risk-cautious

The GCC banking sector still appear to be struggling despite the relatively upbeat regional economic outlook as bank lending remains weak and institutions are holding a large amount of idle cash, the latest report by National Bank of Kuwait observed. Most GCC banks remain cautious about taking on new risks, while higher provisioning continues to hit profitability, the report said "The GCC banks enjoy a surplus of cash and other liquid assets, but not too many

sound investment or lending opportunities, at least for now. In line with the economic recovery, improvement for the banks is likely to be moderate and gradual, while at the same time providing banks with an opportunity to nurse their balance sheets back to health,” said Mohammed Zaher, Senior Economist, at NBK.

The report notes that the recent turmoil in global and local equity markets has damaged investment portfolios. However, “the GCC countries are in a relatively good position in terms of the competitiveness of their economies, benefitting mainly from highly stable macroeconomic environments and adequate infrastructure,” the report said.

YEMEN

Kuwait's support for Yemen development lauded

Yemeni Minister of Youth and Sports Hamoud Ubad lauded here Monday Kuwait's relentless support for Yemen's unity, stability and development projects. Speaking at a meeting with outgoing Kuwaiti Ambassador in Sanaa Salem Al-Zamanan, the Yemeni minister praised the current level of Yemeni-Kuwaiti relations in all fields. He also appreciated the outgoing Kuwaiti ambassador's effort to deepen brotherly ties and cooperative bonds between Yemen and Kuwait in the youth and sports domains. For his part, Al-Zamanan reiterated his country's ceaseless support for Yemen's unity, security and stability. He also voiced Kuwait's backing to Yemeni preparations and arrangements for the 20th Gulf football tournament in November.

Yemen hopes to see implementation of judicial accord with Kuwait

Kuwait's Ambassador to Yemen Salem Ghusab Al-Zamanan discussed on Saturday with Yemeni Minister of Justice Dr. Ghazi Shanef Al-Aghbari means of boosting bilateral relations between the two states in the judicial sector. The minister praised during the meeting, held on the occasion of the diplomat tenure end, efforts of the outgoing ambassador for promotion of the bilateral relations and the mutual cooperation. He expressed hope that a signed judicial-legal accord, previously signed between the two countries, would be implemented. The agreement stipulates mutual extradition of criminals, fugitives, recognition of judicial rules and official contracts, judicial settlements and execution of verdicts. The implementation of the accord, Al-Aghbari said, would pave way for the promotion of the bilateral relations and unite stances of the two countries regarding terrorism, human trade and piracy and other identical international issues.

SAUDI ARABIA

International Front

Saudi civil aircraft in first flight to Iraq in 20 years

A Saudi civil airliner touched down in the main southern Iraqi city of Basra on Thursday on the first such flight between the neighbouring countries since Iraq's 1990 invasion of Kuwait. The Alwafeer Boeing 747 flew into Basra at 8:15 am (0515 GMT) from the western Saudi city of

Jeddah, gateway to the Muslim holy places, but there were no passengers on the incoming flight. On its return trip, the plane was to carry 450 Iraqis intending to make the lesser pilgrimage, or Omra, to Mecca and Medina. For years Iraqi pilgrims have had to make the long overland bus journey to the Muslim holy places or pick up a flight to Jeddah in a neighbouring country. 'I am very happy to have landed in Basra airport and to have piloted the first Saudi flight to touch down in Iraq for such a long time,' said the plane's captain, Ghassan Hakim.

Saudi-French ties highlighted

Rich tributes were paid to the deep-rooted Saudi-French ties at the celebrations of Bastille Day, the national holiday of France, at the residence of French Consul General Chritian Nakhle on Wednesday night. Addressing guests that included Muhammad A. Tayeb, regional director of the Ministry of Foreign Affairs, other government officials, members of the diplomatic corp. and business executives, Nakhle said it was a great honor for him to host the celebrations in Jeddah for the second year. He said since last year the friendship between his country and the Kingdom has further strengthened by the high-level visits from France. Nakhle, who spoke simultaneously in French and Arabic, said responding to the requests of "our Saudi friends, we have improved visa procedures. Since February 2010, we have opened a separate section to receive applications and it is operating smoothly." Tayeb responded to Nakhle's comments by highlighting the age-old relationship between the two countries. He also spoke in Arabic as well as French.

Qatar Emir meets King Abdullah

King Abdullah, Custodian of the Two Holy Mosques, received Sheikh Hamad Bin Khalifa Al-Thani, Emir of Qatar, at his residence in Casablanca, Wednesday. During the meeting, overall developments at the Gulf, Arab, Islamic and international arenas with special emphasis on Palestinian cause as well as prospects for cooperation between the two countries and ways of enhancing them in all fields were discussed. The meeting was attended by Prince Salman Bin Abdul Aziz, Emir of Riyadh region, and Prince Miqren Bin Abdul Aziz, chief of General Intelligence. It was also attended by Sheikh Hamad Bin Jassim Bin Jabr Al-Thani, Prime Minister and Minister of Foreign Affairs of Qatar.

Sarkozy discusses bilateral, regional ties with Saud Al-Faisal

French President Nicolas Sarkozy met here Tuesday with Saudi Foreign Minister Prince Saud Al-Faisal Bin Abdulaziz Al-Saud to discuss bilateral relations and developments in the Middle East region. Leaving the talks, the Saudi official said that he had had "an excellent and broad" meeting with the French leader and the two men had discussed ties between the two nations, the subject of the Middle East, "our hopes" for peace "and everything relative to this problem." They also discussed cultural questions, particularly the inauguration earlier of the day in the Louvre Museum of the "Roads to Arabia" exhibit dedicated to Saudi archaeology and history.

Asked about a visit to France by King Adullah Bin Abdulaziz, the Gustodian of the Two Holy Mosques, Saud Al-Faisal said that this would certainly take place. King Abdullah cancelled a visit due here today at short notice, although both sides played down the significance of the

cancellation. The visit of King Abdullah "will take place when the two leaders have the time to discuss all issues," the Foreign Minister said.

Saudi Arabia top terror finance fighter

Saudi Arabia has won the first position among Arab countries and 10th among G20 countries in the Financial Action Task Force (FATF) report on its compliance with international resolutions on combating money laundering and terror financing. "We are happy over the international recognition of the Kingdom's efforts in fighting money laundering and terror financing," said a statement issued by the Council of Ministers following its weekly meeting here. The Cabinet meeting, chaired by Crown Prince Sultan, deputy premier and minister of defense and aviation, emphasized the danger posed by the two types of crimes to national and international financial systems.

The FATF and Middle East and North Africa Financial Action Task Force have endorsed the report citing a high degree of Saudi Arabia's compliance to 40 anti-money laundering (AML) resolutions and nine anti-terror funding resolutions. "The legal AML framework in Saudi Arabia is composed of Shariah law and the Anti Money Laundering Statute. This framework effectively criminalizes money laundering as required by the FATF recommendations and international conventions," the report said.

Call to boost Saudi-Japan investments in education field

A Japanese parliamentarian has urged his country and the Kingdom of Saudi Arabia to boost their joint investments in the field of higher education. In a work paper presented Sunday on the sidelines of the International Book Fair in Tokyo, Toshi Aki Kiozomi stressed the great importance of higher education in development. In the paper titled "Japan and Saudi Arabia: Dialogue for Future", he said Saudi-Japanese relations moved from reliance on the material to the human element. He added that diplomatic relations between Japan and Saudi Arabia started with the economic dimension of oil, but started to take other dimensions with the launch of the Custodian of the Two Holy Mosques Program for Scholarships Abroad as the relationship has moved from reliance on the material to the human element. He also spoke about the circumstances of the establishment of the Saudi-Japanese Parliamentary Union, founded in 2008, and future goals, and reviewed the policies of Japan and the joint cooperation between the two countries and its role in promoting bilateral ties, noting that higher education and its development are the primary engine of development and that the Saudi-Japanese relations must promote this aspect and launch more of joint investments in this area.

For his part, Yosif Al-Shaer presented a work paper titled "Saudi Arabia and Japan: from relationship to partnership" highlighting the relations between the Kingdom and Japan and saying that they were exemplary in all political, diplomatic, economic, cultural and educational fields. He stressed the availability of the ingredients in the two countries to strengthen the partnership where basic and financial resources in the Kingdom and financial, technical and scientific expertise are available in Japan providing opportunities for partnership between the two friendly countries. Al-Shaer called for encouraging businessmen of both countries to forge closer ties among themselves.

Social Front

Saudis marrying abroad to commit to foreign law

The Ministry of Interior has said that Saudis abroad wishing to marry foreigners are now required to sign a commitment to the laws of the countries of their future spouses. The written pledge includes commitments to child custody laws should the marriage end in separation, as well as Islamic Shariah laws governing women in those countries. The ministry has taken the measure in response to legal action in courts abroad by foreign women against their Saudi husbands over a range of family disputes, including their children adopting the nationality of the mother in accordance with their national laws. The Ministry of Interior issues 25 permits every week for Saudis to marry foreign women. Applications are first presented to the regional Emir's Office and the applicant is asked to fully explain the reasons behind his or her request and provide information on the potential spouse. Once ministry consent has been obtained, the marriage procedures are completed through Saudi Shariah courts. The Society for the Welfare of Saudi Families Abroad – Awasir – has said that precise figures for Saudi families living abroad are difficult to ascertain as many marriages are not officially documented. A source said that “this makes it difficult for Awasir to conduct the very work for which it was set up”. Last month Awasir revealed that unlicensed marriages to Saudis, many conducted “in secrecy”, had left homeless or in poverty over 1,500 widows and children in 19 countries across the world. Unofficial statistics say that Saudis spend over SR50 million a year on marrying foreign women, expenses which are said to include dowries, gifts, accommodation and catering costs.

Saudi removes chief judge of security court: report

The Saudi government has removed the president and two other judges of the security court where secret trials are ongoing for hundreds of Islamist militants, a Saudi paper reported yesterday. Abdul Mohsen al-Sheikh, president of the Special Criminal Court launched two years ago and two unnamed judges were removed by the Supreme Judicial Council, which oversees judges, without any reason given, Watan newspaper reported. At the same time, new judges were appointed to expand the special court's numbers from seven to nine to speed up the trials of militants, Watan said.

The new judges were not identified, and who would become the new head of the security court was also not reported. In July 2009 the justice ministry announced it had completed the trials of 330 out of 991 people it arrested on charges of joining or supporting Al Qaeda or other radical groups.

Saudi Shoura approves 9th Development Plan

The Shoura Council approved the 9th Development Plan in its session Sunday with a margin of just one vote after 75 members voted for the plan while 41 others opposed it. The voting screen remained open about three minutes until council member Majdi Al-Hariri entered and cast the 75th vote. The 9th Development Plan, prepared by the Ministry of Economy and Planning,

includes priorities to continue improving citizens' standard of living, develop national manpower, achieve balanced development in different regions, develop the national economic structure and upgrade the competitiveness of national products in national and international markets.

The Shoura Council also approved a proposal that follow-up execution reports contain detailed explanations of the execution mechanism's efficiency, attach timetables for achieving goals and provide means to address causes for stalling of projects or inefficiency in executing and achieving objectives. Approval included a provision for executive authorities to revise the capital requirements to ensure provision of basic needs such as land, services, raw materials, human resources and qualified contractors – on condition that they become binding conditions in the next development plan.

Forcing workers to toil in extreme heat is 'haram' in Islam: Saudi scholar

Forcing labourers to work in the hot summer sun is forbidden (haram) in Islam and contradicts the basic objectives of the Shariah, Dr Ali bin Abbas Al Hakami, member of the Board of Senior Ulema and member of the Supreme Judicial Council, has said. Denouncing those who give scant respect to this basic philosophy of Islamic Shariah and force labourers to toil in oppressive heat, Dr Al Hakami said in a statement that Islam orders everyone to be kind and considerate to labourers who are in the lowest strata of society. "If a worker is not strong enough to carry out a given task, he should be provided with another worker to help him rather than forcing him to do the work alone," he said. He said the state has issued a regulation banning labourers from being forced to work outdoors in extreme summer temperatures and the law will be implemented next year.

He stressed the necessity for individuals, companies and establishments and all sectors to comply with the directives and implement them. He said if a worker suffers harm due to working in unsuitable conditions, then he has the right to take his case to a court of law. If it is proven that the employer had forced the worker to work beyond his capacity or in very high temperatures, then the judge can issue a verdict to compensate the worker. "If a worker's death is due to sunstroke as a result of being forced to work in the hot sun and there is proof of this, then the dead worker's family can demand blood-money," he said. Al Hakami said being considerate of labourers and the conditions in which they are forced to work is not restricted to a specific season; it should continue throughout the year.

Drive to warn of dangers of marrying abroad

A summer programme is to be launched to educate young Saudis about the risks of entering into marriage abroad, according to Dr Tawfiq Al Suwailam, chairman of the Society for the Welfare of Saudi Families Abroad (Awasir). Recently, the society warned Saudis against marrying foreigners. "There are several difficulties faced by Saudi children living abroad, such as social, economic, education and health problems. Sometimes the father simply vanishes from the scene and leaves the children with their mothers," he said. "We help such children by finding and certifying documents attesting to the legality of the marriage and also by helping the children to return to the kingdom and to integrate socially, so that they can become effective and productive

citizens,” he added. Through its summer awareness programme, Awasir is planning to alert young men to the problems involved in marrying abroad. “Cross-cultural marriages can be difficult because of the differences in customs and traditions, which plays a major role in divorce. When couples split up, the biggest losers are the children who end up leading a miserable life, without a proper family and environment, which has a long-term effect on their lives and mental health,” Al Suwailam said.

New labor bill in offing in Saudi Arabia

The Ministry of Labor unveiled a new bill that would unify contracts in the private sector along with a set of measures that are to be implemented in the future. The new set of measures aims to address workplace relations between the employee and the employer in the private sector. The ministry’s new measures will focus on reducing labor disputes in the workplace, especially on payment issues. It will also address issues pertaining to job transfers, especially with regard to an employee seeking to change jobs. The ministry also emphasized that the employment contract has to be made in duplicate with each party retaining a copy of the contract. The Ministry of Labor also said the new measures would include the caveat that no owner of a private sector company in Saudi Arabia’s shall be able to terminate an employee from service due to health problems. Also, the employees can now combine their annual leave to their sick leave.

Business owners will now be required to furnish their employees and workers the termination letter before the actual firing occurs. No owner shall transfer their employees to another location without the employee’s prior knowledge unless it is expressly written into the contract and signed by both parties. The new bill states that an employee has the right to leave the job if there are any contractual violations, if the employer fails to pay the employee’s salary or subjects a worker to abuse.

Economy Front

Saudi Arabia's economy is marching ahead

Saudi Arabia's hydrocarbon sector optimism has increased substantially for the third quarter, while the Kingdom's economy is marching ahead and projected to rebound sharply during the current year. The same trend of growth in the Saudi economy will continue during the next two years because of higher oil production and heavy public spending as well as support extended by government agencies and private sector. Addressing a press conference on the occasion of the release of Business Optimism Index for Saudi Arabia for the third quarter of 2010 here Tuesday, Said Al-Shaikh, senior vice president and chief economist of the National Commercial Bank (NCB), said that the composite optimism index for hydrocarbon sector has improved significantly. Pawan Bindal, associate director of Dun & Bradstreet, was also present during the ceremony.

Al-Shaikh also spoke about lending and loan syndications by Saudi commercial banks at the press conference. He said that the Saudi banks had not been financing overseas projects, rather they had been concentrating on domestic ones. He said that there was no significant direct impact of Greek or European financial crisis on Saudi banks.

Saudi consumer confidence drops as cost of living rises

Consumer confidence dropped in Saudi Arabia, the latest Middle East Consumer Confidence Index (CCI) survey conducted by the Middle East's job site Bayt.com revealed. The survey, prepared in conjunction with research specialists YouGov Siraj, found that Saudi Arabia's index recorded a decline of 3.2 index points compared to the last quarter. The highest decline was recorded by Egypt which saw a drop of 5.5 points, while Lebanon recorded the largest increase of 7.6 index points, following a large drop of 12.1 index points in the last wave. In the Gulf region, Kuwait, Bahrain and the UAE all dropped in consumer confidence this quarter moving down the index by 4, 1.7 and 0.5 index points respectively. Qatar, however, saw an increase of 1.7 points. In North Africa, while Egypt recorded the largest drop, consumer confidence in Morocco improved by 3.9 index points. The Consumer Confidence Index (CCI) is a measure of consumer expectations and satisfaction of various elements of the economy including inflation, job opportunities and the cost of living. Respondents were asked questions about their personal financial circumstances and how they compare to the same period last year. Overall, 35 percent of the region's respondents said their financial position is the same as last year and just over a quarter, 27 percent, said it has improved. In the Kingdom, 30 percent said they are better off than last year, 36 percent said they are in the same position as last year and 28 percent said they're in a worse position than last year.

Saudi inflation hits 13-month high

Saudi Arabia's annual inflation touched a 13-month high in June, the highest in a year, official data showed Saturday. The inflation rate rose to 5.5 percent from 5.4 percent in May, the Central Department of Statistics said on its website. Consumer prices increased 0.3 percent from the previous month. Annual inflation in the Kingdom started picking up again after slowing to a two-and-a-half year low of 3.5 percent in October before rising to 5.4 percent in May, still well below a record high of 11.1 percent in July 2008. "Saudi inflation is mainly made up of food and housing-related costs," Jarmo Kotilaine, the chief economist at NCB Capital, was quoted as saying by Bloomberg Saturday. "The housing situation is bad, and it is a very tight market." Housing costs, which account for 18 percent of the cost of living index's weighting, rose 0.9 percent month-on-month in June and were up 9.2 percent on the year. Housing demand will reach about 2 million units by 2014, Credit Suisse Group AG said in an April report. About 57 percent of the country's population is under the age of 20 and demand will mainly come from low- and middle-income buyers. Food prices, which have the largest 26 percent weight in the basket, rose 0.6 percent month-on-month in June. They are 6.2 percent higher from June 2009.

Saudi launches world's first date bourse

Saudi Arabia has launched what it described as the world's first electronic palm date bourse aimed at promoting the trade of the desert fruits which account for the bulk of the Gulf Kingdom's agricultural production. Registration of date traders would start on Saturday but 10 major transactions have already been published on the new website, which was launched Sunday in Al Qasseem, the main date producing province in Saudi Arabia. More than 80 dealers have

also registered their names by early Sunday. Date dealers from around the Kingdom can now sell their product either by using the bourse's website or by presenting their output at the bourse hall.

Prince Faisal bin Mashaal bin Abdul Aziz, Al Qasseem's Deputy Emir, inaugurated the bourse in Onaiza in the heart of the province in Central Saudi Arabia, according to the official Saudi press agency. Traders presenting their products on the website (www.altomor.com) have been asked to identify the type of the product, size of the date fruit, the exact volume of their deal and the expected price. "This is the world's first electronic bourse for the selling and buying of date...the Prince inaugurated the bourse and was the first one to register," the agency said.

Demand for commercial space in Saudi Arabia firming once again

The global financial crisis had more of an impact on Saudi Arabia's commercial real estate sector than on the economy as a whole during 2009, companiesandmarkets.com said on Wednesday. In a new study "Saudi Arabia Real Estate Report Q3 2010", it said rentals fell by 5-10 percent last year in each of the three main sub-sectors in both Jeddah and Riyadh. Moreover, bank lending to the private sector "has been contracting," and bond investors became "more cautious" toward the large developers. Nonetheless, the report noted an apparent improvement in the sector, saying that rentals "are firming once again." "Notwithstanding that some commercial tenants are awaiting the completion of brand new projects prior to moving from their current accommodation, there is little evidence that tenants have the upper hand in lease negotiations with their landlords," the report said. The government-led development and diversification of the Saudi Arabian economy remains central to the prospects of the commercial real estate sector. The result is the development of new industries, new cities and need for new office and retail space, it added.

UAE

International Front

Mitchell to head for Cairo, Abu Dhabi on Sunday

US Middle East Envoy George Mitchell, who is currently in the region, will head on Sunday to Egypt and then to the United Arab Emirates (UAE), it was announced here on Thursday. State Department spokesman Philip Crowley told reporters that Mitchell, on Sunday, "will travel to Cairo to consult with President (Hosni) Mubarak and meet with Arab League Secretary-General (Amr) Moussa." He added that "later that day, he will fly to Abu Dhabi to consult with UAE Foreign Minister (Sheikh) Abdullah bin Zayed (Al-Nahyan)." Meanwhile, in response to a question on whether direct talks will be launched soon, Crowley stressed "obviously, this is a decision that is, first and foremost, up to the Israeli and Palestinian leaders." He noted "they have to make a decision that after working on the details of the process, they have enough confidence to move into direct negotiations," saying "that is what we're trying to do." "We have a strong belief at some point in time direct negotiations will be renewed," he affirmed. He added "whether that's days from now, weeks from now, I don't think we're in a position to say at this point." The spokesman stressed "our overall purpose with any conversation that we have

with Palestinian and Israeli authorities is to move to direct negotiations." Mitchell is currently in the region where he is scheduled to hold talks with top Israeli and Palestinian officials, including Israeli Prime Minister Benjamin Netanyahu and Palestinian President Mahmoud Abbas, in addition to the Quartet envoys currently in Israel.

Assilah a cultural bridge between North and South, says Khalifa

The President Shaikh Khalifa bin Zayed Al Nahyan has lauded the Assilah Festival in Morocco as a cultural initiative that fosters the language of dialogue, implants values of tolerance and acts as a bridge of cultural communication between the North and South. "The selection of 'Renewable Energy' as the theme of the 32nd Assilah Festival underlines the philosophy of the festival by establishing culture as a container for development," Shaikh Khalifa said in an inaugural address read on his behalf at the opening of the festival by Abdul Rahman Mohammed Al Owais, UAE Minister of Culture, Youth and Community Development.

Shaikh Sultan bin Zayed Al Nahyan, the President's Representative, attended the opening ceremony of the festival during which the UAE was declared as the Official Guest of Honour for the festival, which runs from July 10 to July 27. Shaikh Khalifa congratulated King Mohammed VI of Morocco on his 11th accession day, and highlighted the depth and strength of the UAE- Morocco ties. This year's session, the UAE President, added, provides an ideal opportunity for the UAE to apprise the participants of its efforts in deployment of renewable energy and its civilisational, historic, cultural and heritage contributions.

Education to bolster UK-UAE ties

British academic institutions have their sights on the Capital to enhance their presence in the Mideast and contribute towards strengthening ties with the country. Along with the campuses in Dubai, Abu Dhabi and Ras Al Khaimah, British institutions comprise over 30 per cent of the entire foreign academic presence in the country. Guy Warrington, Consul General, British Embassy, Dubai said the UK and UAE relationship is growing and accelerating and the taskforce that has been set up will look to strengthening trade, investment and education between the countries.

"It is Abu Dhabi where we see the growth coming in the future as British academic institutions are looking to set up in the Capital now," Warrington told Khaleej Times. Various UK academic partnerships are being established in the capital. The London School of Economics and Political Science opened its Middle East multi-disciplinary research in Abu Dhabi in May to collaborate with other academic institutions and train specialists of the region in culture, economics and international relations.

UAE writers slam Arab League for sacking Dhabia Khamees

The UAE Writers Association (URA) has criticised the 'arbitrary' measures taken by the Arab League against the Association's member Dhabia Khamees, who was sacked from her position as an Arab League Ambassador as a reaction to column she wrote. In a statement issued on Saturday, the URA said it was astounded by the decision to dismiss Dhabia Khamees from her

post and called on the Arab League's Secretary General Amr Musa to immediately reinstate Dhabia to her position. The role of the UAE Writers Association and similar bodies is to safeguard and maintain freedom of expression, writing and opinion. Yet, it is also the role of the Arab League, the Arab's large house, for, it makes no sense at all to terminate service of an employee just because she wrote a column in her blog, reviewing a book by an ex-employee about her experience with the League," the statement said. The URA expressed resentment toward the measure and called for an immediate retraction and apology, saying freedom to write cannot be selective. It also criticised raiding and inspecting her office by security and preventing her lawyer from representing her.

Social Front

UAE Ministry of Justice 'can reject verdict of any court'

The Federal Supreme Court has confirmed the power of the Attorney General to reject any court verdict he deems improper, and send the case back to be retried. The landmark ruling effectively confirms the oversight power of the Ministry of Justice, which senior judicial officials said yesterday was necessary to avoid injustices. "The Attorney General, of his own accord or by a written request from the Minister of Justice and Islamic Affairs, can overturn a final court decision, whatever the court that issued it, if the verdict is based on a mistake in implementing or interpreting the law," Justice Amin Ahmed al Hajeri of the Federal Supreme Court wrote in the ruling. While the Attorney General and the justice ministry cannot issue verdicts of their own, they can effectively prevent cases from going forward or can insist they be retried.

Intervention is restricted to cases in which litigants are not allowed to appeal a verdict, either because court deadlines have passed or in final decisions such as those of the Federal Supreme Court. The ruling allows defendants to appeal directly to the Ministry of Justice. The Supreme Court ruling, issued in June and released to The National this week, referred to the verdict in a case in which an Al Ain businessman sued two partners whom he said owed him money. The Court of First Instance ruled that both partners were liable, but an appeals court said only one had to pay. The partner who was ordered to pay appealed to the Federal Supreme Court, which refused to hear his case. He then appealed to the Ministry of Justice for a retrial. The ministry agreed, and wrote to the Supreme Court seeking a new trial arguing the verdict of the appeals court had been erroneous. The Supreme Court granted the retrial.

The ministry's ability to intervene was a subject of debate at the most recent session of the Federal National Council when FNC member Mohammed al Zaabi, from Sharjah, accused the Minister of Justice of arbitrarily interfering "directly and indirectly" in court cases. Mr Zaabi said such involvement was unconstitutional. "I call on the President of the UAE and the Prime Minister, and with a sense of urgency, to enforce a separation of power between the judiciary and the Minister of Justice," he said.

13,775 Emiratis admitted to national universities

Dubai Police launched on Saturday an anti-beggars campaign as part of the efforts to improve the image of the emirate, Lt-General Dhahi Khalfan Tamim, Commander-in-Chief of the police,

said. He said beggars are trying to exploit people's emotions citing various reasons. Brigadier Khalil Ibrahim Al Mansouri, Director of the General Department of Criminal Investigation, praised the role of the CID in fighting the begging problem. He said the police have arrested beggars in coordination with the municipality. He said the department has had made studies on the negative aspect of the beggars who come to the UAE on visit visas. Police patrols keep a vigil in certain areas of the city and its neighbourhood to bring down the nuisance levels caused by the beggars. He said the beggars come on temporary visas and are part of a network. We came across many people of different nationalities who came to the country on various types of visas and then took up begging.

Stricter laws to curb juvenile delinquency: UAE authorities

Social development authorities are going for stricter penalties to curb juvenile crimes, a move that follows the sentence of 10-year imprisonment in a juvenile prison awarded by the juvenile court to a minor who killed his friend Ali. Khalil Al Braimii, head of the juvenile centre and girls' social education, said that the case of Ali's murder by the minor shook the Emirati society, pointing out that last year were witnessed three murder cases by juveniles who used knives and swords for committing the crimes.

More than 50 juveniles arrested between last year and June this year were involved in fighting using swords and knives in various parts of the emirate. All of them are aged between 12 and 16 and have been sentenced to one-week jail term in the juvenile centre. He added that the number of fighting and harassment crimes has been on the rise in the recent times, the reason why the authorities concerned decided to make the juvenile law tougher. The most of the crimes committed by minors are thefts for fun. They mostly steal motorbikes, mobile phones or break into cars and steal its contents.

Economy Front

Mohammed endorses revamp of ministry

Vice President and Prime Minister of UAE and Ruler of Dubai His Highness Sheikh Mohammed Bin Rashid Al Maktoum has issued a decree to endorse the organisational structure of the Ministry of Foreign Trade. The decree included identifying the tasks entrusted to the ministry and the senior management to help them carry out their work efficiently and smoothly and contribute to the upgrading of the ministry's work and its efforts to regulate the affairs of foreign trade on regional and global levels. The new organisational structure defines lines of competence of the Ministry of Foreign Trade and its functions related to the proposal for trade policies of the UAE, legislations on foreign trade and monitors the implementation of trade promotion of UAE in foreign markets.

Emirates A380 gets warm welcome in Delhi

Emirates Airline flew in the first Airbus A-380 aircraft on a scheduled commercial operation into India on Thursday with cannons spraying streams of warm water, akin to a salute in aviation

industry, to welcome the 517 passengers on board. Twenty-five years after it first flew to Delhi, the UAE-based Emirates was also the first international carrier to dock any aircraft—not to mention this super jumbo—at the brand new Terminal 3 of the airport here, marking another milestone in its operations. The Terminal 3 a was inaugurated this month by Indian Prime Minister Manmohan Singh.

“We brought the A-380 to Delhi to show the importance we attach to the Indian market. We have had a healthy load factor of around 80-85 percent to India,” said Majid Al Mualla, the airline’s senior vice president for West Asia and Indian Ocean. “We have also been growing at around 15 percent annually here. This is a very important market and growing,” Al Mualla told IANS on board the special A-380 flight, for which an introductory return fare of Rs.9,990 was offered by the airline with all taxes. The first time the A-380 landed at the Delhi airport was on the morning of May 6, 2007, as part of a test-cum-promotional visit for Airbus, flying in from its headquarters at Toulouse in France. The 517-seat aircraft of Emirates, spread over two decks, offered 14 flat-bed first class private suites with electronic doors, 76 fully-flat seats in business class and 427 contoured seats in economy spread across four roomy cabins on the lower deck.

UAE petrol prices up 25% in 2010

The era of cheap petrol seems to be over as the UAE's oil retailers on Monday announced a 20 fils price hike from next Thursday. A statement issued on Monday by the distributing companies said the increase is part of liberalisation of prices and their gradual rise. Consumers who took the earlier hike by 15 fils per litre in their stride may no longer be able to consider such “marginal” hikes as insignificant.

The second hike in three months comes as companies try to match the domestic retail price with the international oil price. ADNOC, the national oil company that used to sell subsidised fuel is also following a market based pricing mechanism. "The announced rise comes within efforts to gradually mitigate accumulated and growing losses these companies are sustaining due to continuous surge in cost of the product," the statement added. After the 15-fils increase in petrol price introduced in April 2010, the companies have now added another 20 fils taking the total increase this year to 35 fils.

UAE among world’s most commercially open nations

The UAE is considered one of the world’s most commercially open countries, where the percentage of non-oil foreign trade in relation to GDP reached 73 per cent in 2009, a study by the Ministry of Foreign Trade, or MoFT, revealed. This indicates the degree by which the UAE’s economy is interlinked with the world’s economies through its numerous commercial ties, and affirms the important role the UAE can play in the commercial and economic world order. The MoFT has issued an analytical study of the UAE’s Foreign Trade Structure in terms of geographic concentration between 2005-2009, in addition to the first quarter of the current year.

UAE, Morocco share commitment on renewable energy

Morocco and the UAE share the same commitment to addressing the threats of climate change and the same ambition in pursuing renewable energy, according to Dr. Sultan Al Jaber, Chief Executive of Masdar . “Like the UAE, Morocco has associated itself with the Copenhagen Accord. Their \$ 9 billion solar energy initiative, which will deliver 2 GW by 2020, and the 140MW wind facility in Tangiers, are a testament to this ambition. The UAE also set a target of seven per cent renewable energy by 2020. It has also launched major initiatives like Masdar and has taken the initiative to host the International Renewable Energy Agency (IRENA),” Sultan said.

He made these observations while addressing the conference, on “Renewable Energy - A Leap Towards Human Development at the 32nd Assilah International Cultural Festival in the Kingdom of Morocco. Sultan said “It makes me optimistic for our future that the Moroccan government, which has recently announced a number of major energy projects, has invited Masdar to host this conference.”

KUWAIT

International Front

Conditions on border with Iraq normal: Kuwaiti official

Conditions along the Kuwaiti-Iraqi border are calm and very normal, a senior official affirmed on Thursday. Minister of State for Cabinet Affairs and Acting Foreign Minister Roudhan Al-Roudhan said in a statement to KUNA, Iraq has affirmed its full abidance by the relevant Security Council resolutions. He was alluding to a statement made earlier today by Iraqi Foreign Minister Hoshyar Zebari stressing on Iraq's adherence to the relevant Security Council resolution regarding the Kuwaiti-Iraqi border. Demarcation of the border between Kuwait and Iraq was decisively settled with the council resolution 833, it is a compelling resolution for the two countries, he said, calling for abstention from any bids aimed at straining the ties between the two brotherly countries.

Kuwait, Mexico sign memo for deliberations between foreign ministries

His Highness the Prime Minister of Kuwait Sheikh Nasser Al-Mohammad Al-Ahmad Al-Jaber Al-Sabah and Mexican President Felipe de Jesus Calderon held official talks Thursday evening, at the presidential palace in Mexico City. spirit of warmth and friendship prevailed over the talks, during which the two sides discussed bilateral relations in the political, economic, commercial and cultural areas, as well as means to further enhance them to ensure the prosperity of the Kuwaiti and Mexican people. Following the talks, a memorandum was signed to put in place a mechanism for deliberation over issues of mutual concern between the Kuwaiti and Mexican foreign ministries. A joint declaration by the Kuwaiti and Mexican governments was also signed. The two documents were signed by Kuwait's Deputy Premier and Foreign Minister Sheikh Dr. Mohammad Sabah Al-Salem Al-Sabah and Mexico's Secretary of Foreign Relations Patricia Espinosa Cantellano. The Kuwaiti premier and the Mexican president expressed their

content with the warmth that prevailed over the talks, and said that signed the two agreements would serve to further cement ties between the two countries.

'Renegotiating Iraqi-Kuwaiti borders issue unacceptable'

Renegotiating the Iraqi-Kuwaiti borders issue, finalized in resolution 833, is neither on the table nor acceptable, said a Kuwaiti official here late Tuesday. Kuwaiti permanent representative at the UN Ambassador Masnour Al-Otaibi spoke to KUNA on the issue brought up by Iraq's representative Qais Al-Azawi, quoted by electronic media on Tuesday. "Legitimacy of resolution 833 could not be challenged," the official stated, stressing that the Iraqi governments which came after the former Baath regime had agreed to abide by UN resolutions in this regard.

"We are working with Iraqis to facilitate the UN's mission in maintaining the borderline, not to renegotiate it," stressed Al-Otaibi. If the statements of Al-Azawi to media outlets were true, that would be in contradiction with the Iraqi government's statements, the Kuwaiti official reiterated.

Kuwait, Antigua and Barbuda sign agreements in different domains

Several agreements on bolstering relations between Kuwait and Antigua and Barbuda were signed here Wednesday with the presence of His Highness the Kuwaiti Prime Minister Sheikh Nasser Al-Mohammad Al-Ahmad Al-Jaber Al-Sabah and the Premier and Foreign Minister of Antigua and Barbuda Baldwin Spencer. The meeting was also attended by the delegation accompanying His Highness Sheikh Nasser and members of the Antigua and Barbuda government. Five agreements were signed after the official meeting. Kuwait's Deputy Prime Minister and Minister of Foreign Affairs Sheikh Dr. Mohammad Sabah Al-Salem Al-Sabah signed an MOU to bolster foreign relations and hold bilateral consultations and meetings with Spencer.

An agreement on economic and technical cooperation was signed by Kuwait's Finance Minister Mustafa Al-Shimali and the host country's Minister of Finance, the Economy, and Public Administration Harold Lovell. Kuwaiti Commerce and Industry Minister Ahmad Al-Haroun also signed an agreement to bolster commercial ties with Minister Lovell. An agreement on bolstering cultural relations was signed by Kuwait's Foreign Ministry Undersecretary Khaled Suleiman Al-Jarallah and Minister of Tourism, Civil Aviation, and Culture John Maginley. Acting Director of the Directorate General of Civil Aviation of Kuwait, Bader Butaiban, meanwhile signed an agreement to develop aviation services with Minister Maginley.

Time ripe to bolster interaction with South America: Kuwaiti official

Kuwait's Ambassador to Canada and Ambassador Designate to Mexico Ali Al-Sammak stressed Tuesday the importance of the tour of His Highness the Kuwaiti Premier Sheikh Nasser Al-Mohammed to Latin America, saying the Premier is very keen on elevating Kuwait's stance abroad. In an interview with KUNA, Al-Sammak said that the Premier, who will be arriving in Mexico on Wednesday on an official three-day visit, is "very keen" on opening embassies in countries in which "we don't have diplomatic representation." He added that Sheikh Nasser is

keen on "spreading awareness and appreciation of the Kuwaiti culture and identity" and is also keen on establishing cooperation in all domains with all world countries.

He affirmed that the time has come to bolster relations with South America, after Sheikh Nasser's tours in South East Asia. The Ambassador praised Kuwaiti relations with South America, describing them as "good" but still need a "push" in various fields of education, economy, medicine and health care, culture, investment, and industry.

Kuwait's political leadership cherishes Jerusalem: envoy

Kuwaiti Ambassador in Jordan Sheikh Faisal Al-Humoud Al-Sabah said here Sunday Kuwait's political leadership and people cherish Jerusalem and all other Islamic sanctuaries. Speaking to KUNA following a meeting with visiting Kuwaiti activist Sehal Al-Fuleij, Sheikh Faisal said the Kuwaiti political leadership always instructs national quarters involved to support Palestinian steadfastness in Jerusalem, and to aid the Gaza Strip, which has been under three-year Israeli blockade. "Jerusalem is deeply seated in the hearts of the Kuwaiti people, who always commit themselves to backing Arab and Islamic issues," he said. He added that the Kuwaiti people would remain an example for others to follow in view of support for Arab and Islamic issues.

'Tunisia, Syria keen on putting Kuwait Economic Summit into effect'

Tunisia's ambassador to Damascus Mohammad Awiti said on Sunday that his country and Syria are working to put the Arab Economic, Social and Development summit which was held in Kuwait early last year into effect. The Tunisian ambassador said in a press statement on the occasion of the visit of Syrian President to Tunisia tomorrow that the two countries were keen to activate the Arab action in the fields of economy and investment and move to put the recommendations of the Kuwait Economic Summit in place to achieve the interests and aspirations of the Arab economic development.

Syria had announced last night through a presidential statement that Syrian President Bashar al-Assad and his wife Asma al-Assad will pay an official visit to Tunisia on July 12-13 at the invitation of Tunisian President Zine El Abidine Ben Ali and his wife Leila Ben Ali. According to the statement, al-Assad will hold talks on bilateral relations and latest developments on the Arab and international arenas.

Social Front

Mixed views on mandatory military service in Kuwait

Kuwaiti politicians and government officials are currently discussing the possibility of reintroducing a period of mandatory military service for male citizens aged between 21 and 30, according to reports in the local media earlier this week. Such a system would see all able-bodied men in this age group compelled to serve for one year with the Kuwaiti military, while it may also be made optional for women in the same age group. People have expressed mixed reactions to the proposed legislation that has yet to be approved by the country's parliament and

Cabinet, with discussion of the issue set to take place when parliament reconvenes in October.

A number of supporters of the proposed law voiced enthusiasm for the idea, asserting that the reintroduction of a conscription system would help to combat negative phenomena in Kuwaiti society. Talal Al-Ajmi, aged 36, declared that ever since an earlier government ended the mandatory military service policy, Kuwaiti society's morals and ethics have declined.

Public sector wages rise by 22% annually in Kuwait

Newly released statistics show that Kuwaiti public sector workers' pay has been increasing by an annual average of 22 percent per year over the past ten years, with civil servants' salaries rising by an average of 11 percent to a total of KD 3.38 billion between the 2008-09 and 2009-10 financial years alone. The increases follow the trend seen over the past ten years, during which public sector employees' salaries have seen massive increases, in parallel with the country record budget surpluses, which have totaled KD 38 billion in the past decade. Between the 2000-01 financial year and the 2008-09 fiscal year, the public sector budget trebled, while salaries rose by a total of 219 percent, an average of 22 percent annually. The newly released statistics also indicate that total public spending levels have risen by 360 percent over the past ten years, increasing by an annual average of 36 percent, reported Al-Qabas. While the total spending for the 2000-01 financial year stood at 3.18 billion, this had increased by 2009-10 to KD 11.8 billion.

Kuwaiti MP warns of serious repercussions

MP Al-Saifi Mubarak Al-Saifi has warned that the cabinet's "unjustified" failure to respond to MPs' questions may damage relations between the parliament and cabinet and have "serious repercussions." In an interview with Al-Rai, the MP said that at present the situation between the cabinet and parliament saw the cabinet able to pass the draft laws it sees as being urgent "while the draft laws that really need to be settled remain ignored.

Al-Saifi voiced concern at what he said were "alarming and unprecedented increasing levels of support for the cabinet" within the parliament, asserting that this supportive stance weakens the cabinet's monitoring role. Al-Saifi voiced great admiration of the Popular Action Bloc (PAB), particularly its leading member veteran MP Ahmad Al-Saadoun and his "profound constitutional and political experience," but stressed that he had never requested to join the bloc or been approached by any of its members to do so. The MP did acknowledge and praise the cabinet's decision to suspend the work of the demolition committees responsible for removing external staircases from outside homes, which the municipality claims have been built on state property.

Support for enforcement of Kuwait smoking ban

Members of the public yesterday expressed their support for enforcing Kuwait's 15-year-old legislation banning smoking in public places. This followed news reports in local media, which quoted a Ministry of Health (MoH) source as stating that new arrangements are to be put in place to enforce the law, which was passed in 1995. The new arrangements will include cooperation

between officials of the ministries of health and interior, with the latter to take responsibility for collecting monetary fines of up to KD 50 for smoking in a public place, the official said.

Unsurprisingly, non-smokers were extremely welcoming of the news. "It is indeed annoying to sit in a place filled with smoke," said Abdulmajid Mashaan, a 29 year old non-smoker. "A few days ago I had to be in a coffee shop, where people were smoking. I had to go there to watch a football game, and by the time the game finished I was really exhausted, almost suffocated.

Kuwait development plan bringing new dynamic culture: Safar

The Ministry of Public Works (MPW) has been able to carry out a number of major projects due to the unstinting support of His Highness the Prime Minister Sheikh Nasser Al-Mohammed Al-Sabah, said minister Dr. Fadhil Safar on Friday. Speaking in an interview broadcast on Al-Rai TV, Dr. Safar said that the steps taken by the ministry in accordance with HH the Amir's vision for turning Kuwait into an international economic center had taken practical action to turn this vision into reality. Each of the projects currently underway in Kuwait proves that a new culture of patriotism and determination is at work in the country, the minister asserted.

Dr. Safar praised the premier's continuous, unlimited support for the development plan, which he said had enabled the minister to achieve several mega projects, including the Mubarak Al-Kabeer Port, Jaber Hospital and the new airport building, as well as being well advanced in preparations for others such as the Jaber Bridge and Hareer City. "All these projects can again make Kuwait the pearl of the Gulf," the minister asserted. He was also keen to emphasize the MPW's commitment to the concept of transparency in all its dealings and in carrying out all the projects, adding that this would be ensured through its close cooperation with various supervisory bodies including the Audit Bureau and the Civil Service Commission.

Economy Front

High-level panel to be set up for development legislation in Kuwait

Kuwait's Deputy Prime Minister for Economic Affairs, Minister of State for Development Affairs and Minister of State for Housing Affairs Sheikh Ahmad Fahad has decided to create a high-level committee to review all pieces of legislation, laws and bylaws bearing on major development contracts. The committee is to be chaired by Deputy Chairman of the Department of Fatwa and Legislation Counselor Faisal Al-Sarawi. The fresh body is intended to seek to wipe out potential obstacles facing contracts to be hammered out by state departments and bodies with contractors for carrying out national development projects, Al-Sarawi told KUNA.

It will review all laws and decrees pertinent to such major contracts, make recommendations for eliminating impediments and obstacles haunting the implementation of contracts, and suggest draft laws and edicts for the purpose, he said. The committee will comprise a galaxy of senior state officials as representatives of ministries, institutions and authorities which have the lion's share of major contracts for planned development projects, added. The formation of the new

panel is part of intensive moves and procedures to attain HH the Amir's directives to transform the State of Kuwait into a regional financial and trade hub, he noted.

The step also comes within the framework of the country's long-term development plan, which is mainly meant to help Kuwait restore its earlier pioneering regional role and position, the committee chairman added. He pointed out that the private sector would be given the opportunity to get engaged in a number of major and giant development projects with a view to creating a congenial atmosphere for a trade and service sector in the country.

Kuwaiti govt signs development contracts worth KD 2 billion

Deputy Prime Minister for Economic Affairs, Minister of State for Development Affairs and Minister of State for Housing Affairs Sheikh Ahmad Fahad Al-Ahmad Al-Sabah said yesterday his government signed contracts involving more than KD 2 billion to implement several vital projects envisaged in the development plan. These projects are part of the country's quest for transformation into a leading international financial, commercial and service hub," Sheikh Ahmad told reporters here. He made the remarks after the signing ceremony of a contract between the Directorate General of Civil Aviation (DGCA) and the developer of the first stage of the project to launch Kuwait Cargo City at Kuwait International Airport (KIA) "The development projects focus on improving the infrastructure and the public utilities nationwide particularly the land, sea and air ports this year and the coming year," the minister pointed out.

Together with the contract, signed a few days ago to implement the project to upgrade the Boubyan Harbor, the signing of the contract on development of the Cargo City today mark essential strides towards the improvement of the utilities. The government seeks to integrate the cement construction with the service construction with a view to realizing comprehensive development. "The government is set to sign this year a range of contracts in the areas of customs, taxes, e-communication and aviation; it attaches great importance to the launching of a third 4.6 km long runway at KIA which will be able to accommodate giant aircraft," Sheikh Ahmad noted.

OMAN

International Front

Oman, Portugal keen on enhancing ties

Minister Responsible for Foreign Affairs Yusuf bin Alawi bin Abdallah, who is currently visiting Portugal, met here yesterday with Portuguese Foreign Minister Dr Luis Amado and the parliament speaker of Portugal. During the two meetings, Alawi reviewed bilateral ties and ways of developing them and discussed latest world issues of common concern in addition to political and historic aspects with the two sides stressing that the exchange of viewpoints would continue.

In a press conference with Dr Amado, Alawi emphasised the significance of exchanging such visit and opening opportunities of cooperation between the two countries. The two meetings were attended by Ahmed bin Nasser al Mahrezi, Sultanate's Ambassador to France and non-

resident ambassador to Portugal as well as members of the delegation accompanying Alawi. Alawi and his delegation paid a visit to the Portugal National Archives to view important manuscripts, charts and historical heritage contained therein. Talks during this visit centred on means of co-operation between concerned authorities in Oman and the Portuguese archive.

Oman gives top attention to ties with India: minister

Oman gives top attention to its ties with India because of the historical and geographical links between the countries, a key Omani official said. National Economy Minister Ahmed bin Abdulnabi Macki also said the many development projects planned to be carried out in the sultanate would create more job openings for Indian workers. “We, in the Sultanate of Oman appreciate and respect the Republic of India and its people for their continuous contribution in the construction and development being witnessed by the sultanate,” he said while visiting the Sultan Qaboos Library at the Islamic Centre in New Delhi on Tuesday. Macki is currently on an official visit to India. “Despite the different religions and political parties in the Republic of India, it is a country that enjoys much respect and appreciation from all nations because of its political and social security and stability,” he said. Macki toured the library and familiarised himself with the services it rendered. The library contains collections of books on Oman and Islam and Islamic scripts covering a host of topics such as culture, science, geography and history.

Economy Front

Oman GDP drops as recession, oil price fall bite

The global recession and the sharp fall in crude prices in the international market led to a 23.5 per cent drop in Oman’s GDP in 2009 following five consecutive years of growth, according to a report published by the Central Bank of Oman (CBO). The country recorded a fiscal deficit of RO680 million during the year, after several years of budget surpluses. The contraction of nominal GDP directly originating from petroleum activities was even higher — 38 per cent, despite a 7.1 per cent increase in oil production. The decline in non-oil GDP was 7.4 per cent.

“As a result, the share of the hydrocarbons sector in the overall nominal GDP declined from 50.5 per cent in 2008 to 40.9 per cent in 2009, while the share of non-petroleum GDP increased from 50.6 per cent to 61.3 per cent during the same period,” the report said. However, a noticeable rise in GDP was seen in the electricity and water sector (11.3 per cent), construction (5.6 per cent), real estate services (14.2 per cent), public administration and defence (four per cent) and agriculture and fishing (4.6 percent).

China tops list of Omani crude oil importers

For the sixth consecutive year, China maintained its dominant position as the biggest market for Omani crude oil in 2009, importing roughly a third of the Sultanate’s total crude exports of 242.9 million barrels last year. According to figures published by the Central Bank of Oman (CBO) in its newly released Annual Report for 2009, China imported 77.6 million barrels of Omani crude last year, representing 31.9 per cent of total crude oil exports from the Sultanate during the year.

However, this volume was significantly lower than the previous year's high of 105.9 million barrels shipped to China, a decline attributed to a slump in demand in trend with the global economic slowdown. China has remained the largest market for Omani crude oil over the past decade, lifting anywhere between 30-45 per cent of the nation's total crude exports per annum.

Oman, India sign pact to set up investment fund

The Sultanate's Government and the Government of India on Wednesday signed an agreement to set up the Omani-Indian Joint Investment Fund between the State General Reserve Fund (SGRF) and the State Bank of India (SBI) with a paid-up capital of \$ 100 million equally. The agreement was signed in the presence of HE Ahmed Bin Abdulnabi Macki, National Economy Minister and Deputy Chairman of the Financial Affairs and Energy Resources Council, his accompanying delegation, HE Pranab Mukherjee, Finance Minister of India, and a number of officials in the Indian government.

The agreement was signed on behalf of the SGRF by Warith Bin Mubarak Al Kharousi, Chief Executive Officer of the fund, while Om Prakash signed for the SBI. Macki stressed the importance of the role to be played by the fund in enhancing research fields for new Omani-Indian joint investments in various economic sectors. He said the Sultanate has many investments in India in the telecommunications and real estate services sectors before setting up the fund worth \$ 200,000,000. There are joint investments between Indian companies and Oman Oil Company in the Omani- Indian fertilisers project in the Sultanate and the refinery project 'Pena' in Madhya Pradesh, India. Kharousi said by setting up the fund with SBI, SGRF will enhance the fields of the Sultanate's foreign investments. He said the fund will enhance the investment opportunity in the markets in India which are witnessing growth in various sectors.

BAHRAIN

International Front

King of Bahrain meets Cameron

British Prime Minister David Cameron and the King of Bahrain Hamad bin Isa AL Khalifa had "a warm and productive meeting" Thursday in London, Downing Street said. The Prime Minister set out his Government's ambition to reinforce ties with the Gulf, and specifically with the Kingdom of Bahrain, according to a joint statement issued at the end of the meeting.

The leaders looked back on an already rich history of partnership between the UK and the Kingdom of Bahrain, founded in the 1971 Treaty of Friendship, the 40th anniversary of which would be marked next year. The Prime Minister and the King agreed that the two countries should go further, and build a bilateral relationship for the future. The leaders agreed to expand existing co-operation between their countries across the board including on culture, education, defence and security, trade and investment and foreign policy and they decided to establish a joint Steering Committee to take this forward. "They agreed that a renewed focus on boosting trade links would bring great benefit to the UK and Bahraini economies.

Bahraini activists take cue from Obama campaign

Political activists are hoping the grassroots and web-based campaigning that helped Barack Obama win the US presidential election in 2008 will bring disenfranchised young Bahrainis out to vote. Bahraini activists from across the political spectrum were inspired by the use of social networking sites and on-the-ground campaigning that was the mainstay of the Obama campaign. They also took heart from the success of youth activists last year in neighbouring Kuwait who used similar tactics to secure seats for four women – the country's first female MPs – as well as seats for liberals and independents in face of the then Sunni-Islamist dominated parliament.

From calls to lower the voting age to 19 from 20 to demands for better education, employment and more civil rights, there seems to be a growing consensus among young people in Bahrain – where 65 per cent of the population is under 30 – on the changes they want to see their country make. Activists want to capitalise on this momentum to make Bahraini youth more politically engaged. “The marginalisation of issues affecting youth, such as unemployment, shortage of proper housing and discrimination coupled with the lack of achievements by the 2002 and 2006 parliaments are discouraging youth from turning out to vote,” said Isa al Dirazi, vice president of the leftist Al Shabeeba Society (The Youth Society).

Al Shabeeba, which is an offshoot of the Marxists Bahraini Progressive Democratic Tribune (Al Minbar) party, and the largest of the liberal youth movements, is planning to launch a campaign by the end of the month to encourage young Bahrainis to vote. They will have until November – when Bahrain's third parliamentary elections in the past decade are held – to communicate their message. The campaign, titled “I am not sectarian”, will focus on getting young people to vote for liberal candidates, regardless of their political party affiliation, with voters encouraged to make their choices based on the candidates' merits and policy ideas rather than their religious background, Mr al Dirazi said.

Social Front

Bahraini MPs vow to follow up on key probes

Two major investigations into alleged "land grabbing" in Bahrain and "mismanagement" at Mumtalakat will not be forgotten, MPs pledged yesterday. Despite upcoming parliamentary elections in which 40 seats are up for grabs, the demand for answers will continue, whoever gains power, they said. A probe committee was set up in November 2007 after it was claimed Bahrain had suffered 65sqkm of encroachment on public property since December 2002. another investigation was launched in January following alleged mismanagement at Mumtalakat.

It was ordered after MPs complained that the company had injected money into its portfolio companies such as the Bahrain International Circuit (BIC) without disclosing sufficient information. They also claimed the firm, the investment wing of Bahrain's government, had increased spending on consultancy services without informing any to the tender board.

Bahrain polls unlikely to heal sectarian rift

Parliamentary elections in Bahrain later this year will offer little to Shia opposition groups pressing for more democratic reforms, and are unlikely to heal their rift with the country's Sunni Muslim rulers. The election for parliament's lower house, likely in October or November, will be the third in the Gulf Arab state since its king launched a reform process a decade ago to help to quell Shi'ite street protests of the 1990s. Bahrain's main Shia opposition group Al Wefaq, which holds 17 seats in the 40-member body, is expected to contest the elections hotly although analysts say they are unlikely to alter the balance significantly in Bahrain's only elected national body.

"The elections will maintain the status quo as it is, without causing significant improvement or deterioration of the situation," said Mansoor Al Jamri, editor-in-chief of the opposition daily Al Wasat. Bahrain, a close ally of Washington and Riyadh, is ruled by the Sunni Muslim Al Khalifa family while the majority Shia population often complains of discrimination in jobs and services, a claim government officials deny. Reforms instituted by King Hamad bin Isa Al Khalifa led to a new constitution and parliamentary elections in 2002 and 2006, easing some Shi'ite demands, although ultimate authority still rests with the ruling family. By law, the next election must be held by the end of the year, and most analysts expect it to take place after the end of the Islamic holy month of Ramadan in September but before the Haj pilgrimage season begins in November.

Bahraini women poll candidates trained in campaigning

Thirty Bahraini women, who are knee-deep in election preparations, were last night trained in how to plan their campaigns. Candidates, campaign managers, public relations officers and volunteers took part in the fourth workshop held under the 'Women's Political Empowerment for the 2010 Parliamentary and Municipal Councils Elections' campaign. The event, organised by the Bahrain Women's Union in co-operation with the United Nations Development Programme (UNDP), highlighted various methods candidates can adopt to set out their agendas.

It also focused on identifying each candidate's campaign objective, determining the nomination process and improving public-speaking skills. The Bahrain Institute for Political Development (BIPD) will organise a workshop on electoral crimes and violations. It will be presented by legal consultant Dr Ahmed Farhan on July 17 and 18, the BIPD chief executive officer said.

Economy Front

BDO Bahrain is eyeing corporate finance push

BDO Bahrain is looking to become a major player in the field of corporate finance as the region comes out of the global economic downturn. It is one of the largest professional firms in Bahrain for auditing, management consulting and advisory services. The firm recently headhunted a leading UK specialist in the field, Peter Petyt, who has been made partner in charge of corporate finance and management from the UK, and is already making strong inroads into a market in which it was probably perceived as not as strong as it could be in the past. "This is not the easiest time for corporate finance even in Bahrain which was not immune to the global downturn," said

Mr Petyt. "But this is a time when there are opportunities to capitalise on. "I am fairly flexible about how we move ahead and am looking at corporate restructuring and turnaround opportunities and a market that includes both small to medium-sized businesses as well as large companies.

"BDO Bahrain has strength in consultancy but has probably not developed the corporate finance side of the business as strongly as it could have. "The key to good corporate finance is to make something out of something," he said. "Consultancy is about seeing how things can be taken forward. "I am fairly bullish about the UK at the moment where corporate and personal debt are a problem and it will take some time to get over that," he added. "By 2008, the UK market for corporate finance had become problematic. The last two years in the UK were a tough time. There was no lack of opportunities but executing was a problem because banks were not prepared to lend. "That is not really the case here so I was more than happy to come to Bahrain to put the skills I developed in the UK to good use. "Here small to medium-sized enterprises that have expansion plans can go to the Bahrain Development Bank for support and we can help them put together the programme to get them that assistance. I wish there was a development bank in the UK like that.

"The region is looking at interesting multi-million-dollar developments and that is where corporate finance can play an important role. "Along with BDO, Australia and Stirling University Institute of Aquaculture, we are looking to develop a strategic report on the Saudi Arabian fishing industry to see how it can be developed," he said. "We are also involved in looking to raise development capital for a number of larger companies including a telecom company looking to come to the Middle East that needs capital. "We are looking at a management buyout of one institution here and are also involved in raising capital for companies in the field of cable, restaurants and packaging. "Going forward, we will see the need for restructuring of private equity companies who have to shore up balance sheets and find strategic opportunities," he added. "Bahrain is particularly interesting because it is in a hub position and people from across the region like doing business here because it is a free economy and as a banking centre has a lot of financial expertise. It is a good place to access the Middle East as a whole," he said. "There are a lot of opportunities both in Bahrain and the region and BDO Bahrain is a an established firm with a compelling high level practice and contacts. "They are well connected. There is no door they can't open," he said. "Perhaps what they lacked was someone who can go through the door and focus on developing corporate finance, and that is what we now intend to do."

QATAR

International Front

Qatar Emir meets King Abdullah

King Abdullah, Custodian of the Two Holy Mosques, received Sheikh Hamad Bin Khalifa Al-Thani, Emir of Qatar, at his residence in Casablanca, Wednesday. During the meeting, overall developments at the Gulf, Arab, Islamic and international arenas with special emphasis on Palestinian cause as well as prospects for cooperation between the two countries and ways of

enhancing them in all fields were discussed. The meeting was attended by Prince Salman Bin Abdul Aziz, Emir of Riyadh region, and Prince Miqren Bin Abdul Aziz, chief of General Intelligence. It was also attended by Sheikh Hamad Bin Jassim Bin Jabr Al-Thani, Prime Minister and Minister of Foreign Affairs of Qatar.

China, Qatar vow to boost military cooperation

China and Qatar agreed to further boost military cooperation at a meeting of senior military officials in Beijing Wednesday, state-run Xinhua News Agency reported. "China and Qatar, with different social systems, historical backgrounds and cultural traditions, always respected, supported and helped each other and treated each other on an equal footing," said Chinese Defense Minister Liang Guanglie when meeting with Hamad Bin Ali Al-Attiya, chief of the general staff of Qatar's armed forces. Liang said China spoke highly of Qatar's active role in safeguarding the unity and promoting the cooperation of Arab countries, according to Xinhua. "China attached great importance to its relations with Qatar and was ready to further exchanges and cooperation of the two nations and armed forces," he said. Al-Attiya said Qatar and China enjoyed sound diplomatic and military ties, expressing hope to advance friendly and cooperative relations through his visit.

US firm to build Qatar's satellite

Eutelsat Communications and ictQATAR have chosen the Palo Alto, California-based Space Systems/Loral to build the high-performance satellite they will jointly own and operate. The selection of the prime contractor marks the next step forward in the partnership signed in May by the France-based Eutelsat and ictQATAR to invest in and operate a high-capacity satellite at 25.5° east in geostationary orbit, one of the two longstanding and anchored neighbourhoods serving the rapidly expanding markets in the Middle East, North Africa and Central Asia. The two organisations selected Space Systems/Loral, following an international consultation, to deliver a spacecraft with a more than 15-year design life based on the Space Systems/Loral 1300 satellite bus, which is a decades-proven, modular platform with high power capability and flexibility for a broad range of applications. ictQATAR secretary general Dr Hessa al-Jaber said: "This is an important step forward as we work to meet the rapidly growing communications needs in the region. The collaboration between ictQATAR and Eutelsat on this strategic satellite is already proving advantageous as both teams were able to bring complementary insight and expertise to the decision-making process. In selecting Space Systems/Loral we followed a fair and transparent process."

Michel de Rosen of Eutelsat Communications said: "Following on from the historic partnership signed with ictQATAR only two months ago, we are delighted to take a further step forward with the selection of prime contractor for our jointly-owned satellite. The close and positive collaboration with ictQATAR during this process adds even further weight to our conviction that we have begun a lasting relationship that will benefit both organisations. "The powerful new spacecraft delivered by Space Systems/Loral will equip Eutelsat with the continuity we need at the 25.5° east position, which is already a pillar for video broadcasting in the Middle East and North Africa regions, and usher in new business opportunities for us in the Ka-band." John Celli, president of Space Systems/Loral, said: "We look forward to working with

Eutelsat and ictQATAR to help broaden the availability of communications technology in the region.

Economy Front

Qatargas starts LNG production

Qatargas has resumed production at all five of its liquefied natural gas (LNG) trains, a company official said yesterday, knocking prices lower on the London market. "We have all five trains running," the official said. August contract prices on the London gas market fell by around a per cent immediately following news of the restart, according to one broker. Qatargas 2 Train 5, which can produce up to 7.8 million tonnes per year of LNG intended for British, European and Asian markets had been under planned maintenance since June. The official did not specify when production resumed on the fifth train. Qatar is the world's biggest exporter of LNG, or gas cooled to liquid form so it can be transported by tankers. The size of the new Qatari megatrains means their closure has a much greater impact on global gas supply. Planned maintenance at three Qatargas LNG production units has helped to tighten global LNG supply and contributed to a surge in UK gas prices.

Taqqa to invest in Qatar gas, Iraq oil sector

Saudi industrialization and energy services company Taqqa is considering investing \$ 1.6 billion in pipelines and \$ 133 million in offshore platforms in Qatar and Iraq. Officials from Taqqa was quoted in a published report Friday saying that the company was considering investing in the gas industry in Qatar and the oil industry in Iraq by building platforms and pipelines for companies already working in the two countries. Taqqa has invested SR500 million in offshore oil and gas platforms in Saudi Arabia. Officials said interest has increased since one of the company's main partners, the Italian oilfields services company Saipem, won a \$ 10 billion contract to develop fields in southern Iraq. Meanwhile, New York's main contract, light sweet crude for delivery in August, rose 65 cents to \$ 76.09 a barrel. Brent North Sea crude for August gained 71 cents to \$ 75.42.

Qatar's water reserves to be expanded

Qatar's existing desalinated water reserves can last only one-and-a-half days in an emergency, but the size of the reserves is being increased to meet the country's water requirements for a week. The country hopes to be ready with the increased capacity in about two years, according to the head of water networks at the Qatar General Electricity and Water Corporation (Kahramaa). The capacity upgrading is being done as part of the country's strategy to ride over a possible water crisis in future. New reservoirs are being built to help achieve the strategic goal. Engineer Ali Saif Al Malki said six water desalination plants at present produce some 270 million gallons of water per day and the figure would soon go up to 325 million gallons when the seventh plant comes on stream. Increased production would take care of the fast growing demand for water from both residential as well as industrial users all over the country over the next five years, he told Al Sharq in an interview. According to him, the water distribution networks in the country have 4,200 kilometres of pipelines, but soon this figure will increase as

plans are afoot to link upcoming industrial and commercial areas to the networks. Desalinated water is a precious commodity here so a law was enforced two years ago, in 2008, to help rationalise its use and prevent its waste as it remains subsidised by the state and is provided free to the nationals. The water here is safe for drinking, reiterated Al Malki. Random samples are regularly taken from various spots in the country and tested for quality at the laboratories of Kahramaa as well as at Qatar University, he said. The labs are equipped with the latest technology and can spot microbes or any other pollutants in water. "Our focus is on water safety and the water meets the latest specifications of the WHO (World Health Organisation)," said Al Malki.