

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

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Following news monitoring report is based on the important political, social, economic and Geo-strategic events occurred in Gulf Cooperation Council States along with a Comprehensive summary of the report.

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**Summary****Donation for Flood Victims in Pakistan**

*Saudi Arabia* has issued directives to send two field hospitals to Pakistan to provide health services to the flood-affected people. Meanwhile King Abdullah reiterated Saudi Arabia's support for flood-hit Pakistan. "We'll leave no stone unturned in supporting the Islamic Republic of Pakistan to confront the damages caused by floods," he said.

The *UAE* pledged US\$ 5 million in support of a Pakistan Initial Floods Emergency Response Plan launched by the UN last week for funding urgent relief operations targeting flood-affected population in Pakistan. The UAE Red Crescent (UAERC ), in association with the Unicef launched a vaccination campaign for women and children affected by the devastating floods in Pakistan.

The State of *Kuwait*, on the basis of its approach and its consistent policy in responding to a call of humanity, last week decided to provide a donation of five million dollars to victims of Pakistan's floods, but given the scale of the human tragedy there, His Highness the Amir of Kuwait Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, increased the value of the donation to Ten million dollars.

*Oman* expressed deep concern over the loss of lives and the damage to the infra structure caused by floods in the Islamic Republic of Pakistan, with which Oman has deep-rooted brotherly and historic ties. The Sultanate also expressed solidarity and sympathy with the people of Pakistan.

*Qatar* Charity, in collaboration with Qatar Airways, has set up an “air bridge” to fly in relief for millions of Pakistanis affected by devastating floods. Qatar Charity said it would airlift 80 tonnes of emergency relief items, totalling around QR2.2mn, this week.

### **International Front**

In the *Saudi Arabia*, the Custodian of the Two Holy Mosques King Abdullah Ibn Abdulaziz Al Saud received at his palace in Jeddah on Sunday evening Jordan's King Abdullah II Bin Al-Hussein. During the meeting, they discussed aspects of cooperation between the two countries and ways of their enhancement in all fields. The Saudi government welcomed the relaunch of US-sponsored direct talks between Israel and the Palestinians aimed at reaching a peace settlement in a year.

The nuclear regulatory bodies of the *UAE* and the US have inked a deal for cooperation in areas like safety, security and safeguards of the nuclear installations. The nuclear regulatory bodies of the UAE and the US have inked a deal for cooperation in areas like safety, security and safeguards of the nuclear installations, taking the historic 123 agreement signed by the two countries earlier for collaboration in nuclear fields to greater heights.

### **Social Front**

Amnesty International urged *Saudi* authorities on Friday not to medically paralyse a man in retribution for similar injuries he allegedly caused during a fight. The London-based group quoted reports that a court in the northwestern town of Tabuk had approached a number of hospitals to ask if they could cut the man's spinal cord in retribution, as requested by the victim.

Saudi Arabia's leading supermarket chain has broken the country's strict taboo on women working in public with a pilot programme of women cashiers, a company official said.

King Abdullah, Custodian of the Two Holy Mosques, has ordered the reconstitution of the board of directors of Saudi Aramco for a period of three years effective from Aug. 25 corresponding to Ramadan 15, 1431, reported the Saudi Press Agency (SPA) Saturday.

Official sources with the Ministry of Electricity (MoE) reported that there is a surplus of over 1,000 megawatts of electric power. They confirmed that the crisis is completely over, reported Al-Qabas. The sources mentioned that several factors contributed to overcoming the crisis, most notable of which was saving 400 megawatts by shutting off power to 800 schools throughout the state of Kuwait.

*Bahrain's* top Shiite politician said last week's crackdown on Shiite protesters has destroyed a decade of stable sectarian relations as the country heads into parliamentary elections scheduled for October. Bahrain, home to the U.S. Navy's Fifth Fleet, has experienced daily clashes for the past week between Shiite protesters and Sunni-dominated security forces because of a series of arrests of leading activists.

### **Cyber Front**

The Middle East region is making a strong push towards higher broadband penetration, according to a report released by researchandmarkets.com. The 'Middle Eastern Digital Media, Broadband and Internet Market' report said the young population will be the one of the main drivers of growth as they grow up with Internet use. In addition, liberalisation and increased competition are producing a greater variety of services and mediums, the report noted. Qatar, Bahrain and the UAE all have high household broadband penetration rates, particularly among nationals. Saudi Arabia, the largest country in the region, has low broadband penetration but it is rising quickly.

### **Terrorism Front**

Several soldiers and Al-Qaeda members have been killed during the last week in Yemen. An Al Qaeda militant, who served time at the US-run prison in Guantanamo Bay, Cuba, has surrendered to Yemeni authorities after expressing remorse over his history, a security source said yesterday. The Yemeni government has opened talks with Shiite rebels on implementing a February peace deal that halted the last round of fighting in the northern mountains, the two sides said on Wednesday. The talks' Qatari hosts imposed a news blackout on the negotiations and did not disclose the venue. Consequently, Yemeni Shiite rebels signed an agreement with the government laying out a timetable for implementing previous accords, a rebel source and the Qatari hosts said. The agreement was signed in the Qatari capital Doha, Mohammed Abdel Salam said by telephone, without providing details on the accord.

The Washington Post says the CIA believes Yemen's branch of Al Qaeda has surpassed its parent organization, Osama bin Laden's core group in Pakistan, as a threat to the U.S. homeland. The United States will likely increase strikes against Al-Qaeda in Yemen, seeking to apply the same degree of pressure there as covert drone attacks in Pakistan have had on the core group, US officials said on Wednesday. On the other side, Yemeni forces do not need foreign parties to take the lead in the crackdown on Al-Qaeda, an official said on Thursday, responding to reports that the US may increase strikes on the militant group's Yemen wing. The security official disputed

statements from US officials that they may step up attacks and argued that Yemen is able to fight Al-Qaeda without outside intervention, state news agency Saba reported.

### **Economic Front**

Credit growth in the Gulf Co-operation Council (GCC) countries will pick up by the end of this year and, as improved and brighter economic outlook will induce increased lending by banks, according to analysts. Credit remains relatively tight, in the Gulf, where the property-market correction and troubled regional conglomerates are hampering the banking sector's recovery.

The proposed single stock market in the *UAE* is need of the hour to overcome the prevailing liquidity crisis in the wake of the global financial crisis, Daman Investments chief executive officer said. The UAE companies invested nearly \$ 720 million (Dh2.65 billion) in Iranian power projects last year, becoming the largest foreign direct investor in the country's energy sector. Germany came second with investments worth \$ 445 million in its energy sector, taking the tally to more than \$ 1.16bn last year. Higher oil prices will boost the UAE economy by around eight per cent in current prices this year after it plunged by more than 11 per cent in 2009 because of a sharp fall in crude prices, according to a Saudi investment firm.

### **Oil and Gas**

Crude from Qatar rose to a premium to its official benchmark for the first time in almost four weeks as refiners seek more heavy oil. Oman crude for immediate loading dropped \$ 1.64, or 2.2 per cent, to \$ 72.50 a barrel, according to Bloomberg data. Dubai for loading in October fell \$ 1.64, or 2.2 per cent, to \$ 72.37. Murban decreased 2.2 per cent to \$ 72.86.

The world's lowest input costs have placed Saudi Arabia's petrochemicals suppliers in an enviable position and are helping them capture global market share. The shift currently taking place to heavier and more expensive feed stocks will result in slightly higher input costs but this should not greatly harm the competitiveness of the sector, according to a report by Al Rajhi Capital, the investment banking subsidiary of Saudi Arabia's Al Rajhi Bank.

Abu Dhabi's investments in its massive hydrocarbon sector slumped by more than 12 per cent during 2009 for the first time after a steady increase over the past three decades, according to official data.

## **GCC**

### **Social Front**

#### **Workers in Gulf prefer private than public transport: Survey**

Workers in the GCC countries overwhelmingly opt to use cars to travel to and from their place of employment, according to Regus survey. The global serviced offices company spoke to a series of employees from the UAE, Saudi Arabia, Qatar and Bahrain. While 91 percent of UAE workers used either their own cars, a taxi or a chauffeur to reach the workplace, not one

respondent from the other three GCC nations said they used any other form of transport. In the UAE, four percent of employees walked to work, with the remaining three percent taking the public bus. No respondents said that they used the Dubai Metro to commute to work. In Saudi Arabia, 96.6 percent of respondents said they used their own car to commute to work, with the remaining 3.4 percent stating that they would use a taxi or chauffeur. In Qatar and Bahrain - which had a lower number of respondents to the survey - 100 percent and 88 percent, respectively, said they used their own cars to get to work. Regus said the global average for employees using their own vehicles is 64 percent, with eight percent using underground trains or metros, seven percent taking overland trains and another seven percent walking. In terms of the length of the commute, a majority of respondents from all four countries said that their journeys took between 15-30 minutes. The global average saw 34 respondents saying that their trips took between 1-15 minutes, with 28 percent taking between 15-30 minutes.

However, in terms of long-distance commuting, the GCC countries rank favorably. In the UAE only nine percent of commuters travel over 90 minutes every day, while globally, 20 percent of workers are faced with a 90 minute daily commute. "To tackle the damaging effects of commuting on staff health and morale, savvy businesses are introducing more flexibility in their working practices and are seeking workplace solutions that allow their staff to work closer to home," said Regus CEO Mark Dixon. "Remote working and flexi-time can provide a much needed break in the weekly commuting routine and also translate into office space and maintenance savings."

The survey also showed that the cost of the annual commute was on average four percent of an employee's total salary in the UAE, Bahrain and Qatar, and five percent in Saudi Arabia. The global average was 3.3 percent.

## **Security Front**

### **'Terrorists plan attacks in Kuwait, Saudi if Iran hit'**

Arab Times August-22-2010

Bahrain's security service has reportedly notified its counterparts in Kuwait, Saudi Arabia and Gulf states about some armed terrorist groups' plans to launch sabotage operations in these countries in case Iran is attacked due to its nuclear file, reports Al-Qabas daily. Informed sources said the Bahraini intelligence report was prepared on the basis of confessions of a terrorist network of some 250 people arrested in Bahrain a few days ago and they reportedly admitted to belonging to a military body of a state in the region and that there is coordination between them and the sleeping cells in Kuwait and Saudi Arabia. Sources said security authorities in Kuwait took this information seriously and are taking necessary security measures and precautions. According to sources, these terrorist groups are trained to clash with special forces and riot police, and 40-50 groups trained to launch violent and sabotage operations are in Kuwait. "The plan of these sabotage groups is to begin with a peaceful demonstration denouncing the military aggression against Iran in the event of a strike and then start acts of violence and set fire to institutions and enterprises; bomb electrical transformers, other infrastructure and raid malls in order to create public disorder," said the sources. Sources added that these terrorist groups spread in Gulf states and one of these groups had recently been seized in Bahrain. The members of the group admitted to receiving small and medium firearms from one of the countries that has an interest in destabilizing the region, and these terrorist elements are fully aware of vital and



sensitive sites, and have knowledge of the whereabouts of foreign communities in Kuwait and other Gulf countries.

Moreover, sources said, Bahrain's intelligence report states that terrorist groups in Kuwait and other Gulf countries include nationals and expatriates, and there is direct coordination between them and a military body of a state in the region and there is a liaison officer for each group to exchange information and carry out instructions. Sources revealed that there is coordination between the security authorities of Kuwait and Bahrain to exchange information and take necessary precautions. The sources also pointed out that Kuwait's Interior Ministry cannot arrest any terrorist group unless it has complete information and evidence. The situation is being monitored and security authorities are closely following the results of investigations being conducted with members of the network in Bahrain, they said, adding some of the members were ready to strike tourist sites, resorts and hotels in case Iran was attacked.

### **Economic Desk**

#### **Credit growth in Gulf to pick up in H2**

Emirates 24/7 August-22-2010

Credit growth in the Gulf Co-operation Council (GCC) countries will pick up by the end of this year and, as improved and brighter economic outlook will induce increased lending by banks, according to analysts. "Credit remains relatively tight, in the Gulf, where the property-market correction and troubled regional conglomerates are hampering the banking sector's recovery. The region's brighter economic outlook should eventually prompt greater lending by banks, with credit growth picking up by the end of the year," said analysts at IHS Global Insight, which provides economic and financial information on countries, regions and industries. In July, International Monetary Fund (IMF) said that the sluggish credit growth has fallen an average 30 per cent in 2007-2008 to lower single digits would continue to be a drag on the Gulf's economic growth. Global Insight analysts projected that the Gulf's gross domestic product (GDP) growth to break above its long-term averaging more than five per cent for about two years. They, however, warned that inherent risks related to oil prices and external demand remain concerns going forward, as does the sustainability of the global recovery in the medium term, particularly as temporary stimulus measures are withdrawn.

They said the recovery of the Arab world is expected to steadily build momentum later this year, as domestic and external economic conditions continue to improve. After posting its weakest growth in more than two decades of 1.2 per cent in 2009, economic activity across the region is recovering thanks to higher oil prices and strengthening external demand. Indeed, with world economic activity already undergoing an Asia-led rebound, analysts see most of the region's economies further stabilising and strengthening over the next several quarters. In May, Global Insight revised the region's GDP growth projection for 2010 upward to 4.6 per cent from 4.3 per cent in April on the back of signals of a stronger global recovery. Monetary and fiscal policies will remain supportive to solidify the recovery.

Higher oil prices have helped feed improving business and consumer sentiment in the region, while positive developments regarding Dubai World's debt troubles have also been a boon to

confidence. According to Global Insight report, the region's current-account surplus will have a rebuilding year in 2010, but remain well below its 2008 level. Moreover, the trade balance should improve as well. Under current baseline average crude oil-price assumption of \$ 80/barrel in 2010, Global Insight forecast the foreign-trade surplus to rise to \$ 266 billion or 10 per cent of GDP. Indeed, merchandise exports are expected to rise 24 per cent, to \$ 975 billion in 2010, while imports grow 11 per cent, to \$ 709 billion. The region's external surpluses should climb higher in 2011.

## **Oil and Gas**

### **Dubai crude for October loading, Murban decline**

Khaleej Times August-21-2010

Crude from Qatar rose to a premium to its official benchmark for the first time in almost four weeks as refiners seek more heavy oil. Qatar Marine for October loading rose 3 cents to a premium of 1 cent a barrel, according to data compiled by Bloomberg. That's the highest the grade has been since July 27. Murban for October, produced by Abu Dhabi National Oil Co., climbed nine cents to a discount of three cents a barrel to its official price, Bloomberg data showed. Demand from refiners for heavy crudes, which have higher densities, has increased amid gains in processing profits. The margin from refining Qatar Marine through a plant with a unit capable of upgrading fuel oil into gasoline and gasoil, known as a cracking facility, was at \$ 1.88 a barrel on Thursday, according to netback calculations by Bloomberg and EnSys Energy. That's up from \$ 1.02 on August 2.

Oman crude for immediate loading dropped \$ 1.64, or 2.2 per cent, to \$ 72.50 a barrel, according to Bloomberg data. Dubai for loading in October fell \$ 1.64, or 2.2 per cent, to \$ 72.37. Murban decreased 2.2 per cent to \$ 72.86. Oman futures for October delivery climbed nine cents to \$ 72.76 a barrel on the Dubai Mercantile Exchange at 5:06pm Singapore time, with 1,096 contracts traded. The settlement price was set at \$ 72.84 at 12:30 Dubai time.

The Brent-Dubai exchange for swaps for October widened three cents to \$ 1.51 a barrel and the exchange for swaps for November was unchanged at \$ 1.41 a barrel, according to data from brokers PVM Oil Associates. The exchange for swaps is the price difference between Brent and Dubai swaps contracts.

## **Cyber Front**

### **Middle East moving towards higher broadband penetration**

Khaleej Times August-21-2010

The Middle East region is making a strong push towards higher broadband penetration, according to a report released by researchandmarkets.com. The 'Middle Eastern Digital Media, Broadband and Internet Market' report said the young population will be the one of the main drivers of growth as they grow up with Internet use. In addition, liberalisation and increased competition are producing a greater variety of services and mediums, the report noted. While

broadband growth has taken off, wide income disparities across the Arab Middle East region as a whole are echoed by wide disparities in Internet and broadband penetration rates, the report said.

Qatar, Bahrain and the UAE all have high household broadband penetration rates, particularly among nationals. Saudi Arabia, the largest country in the region, has low broadband penetration but it is rising quickly. ADSL is still the prevailing broadband Internet technology in the region, though much is being promised by WiMAX. In Bahrain, services from Zain Bahrain and Mena Telecom, both with country-wide networks, have rapidly gained over 30 per cent market share. It is also having a significant impact in Saudi Arabia and Jordan.

All the GCC and Turkish operators offer HSPA mobile broadband services. Saudi Arabia's second mobile operator Mobily has claimed a 70 per cent share of the country's broadband market. The report noted that one of the reasons for slow Internet and broadband subscriber growth in Arab Middle East countries has been a lack of sufficient content in Arabic. At least 60-70 per cent of homes across the Middle East have access to multi-channel TV, much of it free to air DTH satellite. Around 70 per cent of the 400 plus channels are privately owned, the report said.

According to the report, the broadband sector received a further impetus from the sale of Jordan's Maktoob to Yahoo. This immediately prompted venture capital funds to take a greater interest in the sector. Advertising now provides only a very small revenue for digital media companies.

The UAE's advertisers allot only 3.5 per cent share of their budgets to online advertising compared to a regional average of one per cent, the report said.

### **Oman not to monitor BlackBerry, says Al Kharousi**

Oman Tribune August-26-2010

The Sultanate will not monitor the service of Blackberry if it complies with the telecommunication laws of the country, said Engineer Naashiah Saud Al Kharousi, member of the Telecommunication Regulatory Authority (TRA) on Tuesday. Speaking at the Holy Month of Ramadan evening organised by the Oman Chamber of Commerce and Industry (OOCI), Kharousi said the article 404 of the TRA protects the privacy of the customer and nobody would be allowed to violate the law. "The TRA is committed to reduce the roaming cost of GCC travellers to the Sultanate as per the agreement reached by the telecommunication ministers of the region. She said that the TRA was working in this direction and would implement it before the deadline set by the regional body," she added.

### **YEMEN**

### **Yemen regains control of southern town**

Saudi Gazette August-26-2010

A senior Yemeni official says government troops have killed 12 militants and retaken control of a southern town after several days of fighting with rebels. Deputy Interior Minister Lt. Gen. Saleh Hussein Al-Zaweri says the Yemeni army began its assault on the town of Loder after 11

soldiers were killed in an ambush on Friday. Al-Zaweri said Wednesday the militants killed in the fighting were members of Al-Qaeda. However, earlier reports about the violence in Loder, 155 miles southeast of Sana'a, indicated the clashes were between the military and townspeople. The reports could not be independently verified.

### **Killings in Yemen**

#### **12 soldiers killed in south Yemen**

Gulf Times August-21-2010

Twelve Yemeni soldiers have died in two days of clashes with gunmen suspected of being Al Qaeda militants, a local official said, the latest in a string of attacks on security personnel in south Yemen since June. Most of those assaults have been claimed by Al Qaeda, which has stepped up attacks on Yemeni security forces in recent months, marking a widening of tactics for the global militant group's Yemen arm, which previously focused on foreign targets. Yesterday, clashes were renewed between security forces and gunmen believed to be in Al Qaeda, resulting in the death of eight soldiers. A military vehicle was also burned in the clashes, which took place in the southern province of Abyan.

#### **Five Qaeda men killed in Yemen**

Gulf Times August-22-2010

Five Al Qaeda members were killed in clashes with the army in south Yemen, the defence ministry's news website said yesterday, bringing to 19 the toll from the previous day's fighting. Three Al Qaeda militants were also wounded in Friday's clashes between the army and gunmen in the city of Loder, southern Abyan province, said the report carried by the 26Sep.net news website. The latest deaths add to an earlier toll of 11 soldiers and three civilians killed on Friday. The defence ministry said it had managed to identify one of the slain Al Qaeda fighters as Adham Shibani, adding that the wounded militants were currently being interrogated.

#### **Seven al-Qaeda members killed in Yemen**

Yemen News Agency August-23-2010

Seven al-Qaeda terrorists were killed on Sunday in a raid carried out by the armed forces at Ludar city in the Yemen southern province of Abyan, a security official has said. The state-run 26sep.net cited director of the security department in Abyan, Abdul Razaq al-Marwni, as saying that investigations are underway to verify the identities of these terrorist elements, "while the siege still imposed on the remains of them in some homes where they have sought refuge and holed up inside" The security forces supported by army pressure on those elements to force them to surrender within a plan prepared by the security and military forces to clear the area of those terrorist elements and put an end to their criminal and subversive acts.

Security sources have said that a number of al-Qaeda elements have begun to surrender after cracking down on them by the security agencies and painful blows they received during the last period, most recently in the district of Ludar in Abyan. The sources expected that a number of al-Qaeda elements would give themselves up over the next two days. Interior Ministry has urged its

security forces to lift vigilance and tighten security measures to counter any terrorist and criminal acts. The Ministry directed its personnel to take tough security measures against terrorist and criminal elements in some provinces of the country where terrorist elements are expected to carry out acts of sabotage there. These directions were renewed one day after fierce clashes took place in Abyan between government soldiers and al-Qaeda members, killing 11 soldiers and 7 al-Qaeda members.

### **Nine killed in north Yemen clashes: tribal official**

Agence France-Presse August-24-2010

Nine people were killed in clashes between Yemen's Shiite rebels and government-backed tribes in the northern town of Huth on Monday, a tribal official told AFP. "Violent clashes took place at 8:00 am (0500 GMT) between Huthi rebels and tribesmen in which five Huthis and four tribesmen were killed and several others were wounded from both sides," the official said. "Clashes erupted when several Huthis entered the town under the excuse of offering their condolences to the family of a fellow Huthi killed two days ago," a witness said. The man was killed by a supporter of the pro-government prominent tribal chief Sheikh Hussein al-Ahmar who had ordered tribesmen to kill any Shiite rebel entering Huth, in Amran province, according to a source close to the rebels.

On August 1, Ahmar helped mediate the release of 100 Yemeni soldiers captured by the Huthis in recent fighting. The rebels and the army engaged in deadly fighting in July that lasted nine days, rattling an already fragile truce agreed in February which had ended a six-month round of fighting in a conflict that started in 2004. The Shiite rebels complain of political, social and religious marginalisation, and have repeatedly fought with government forces in a conflict that has killed thousands and displaced some 250,000 people.

### **Surrenders and Peace Talks**

#### **Ex-Guantanamo militant surrenders to Yemen**

Gulf Times August-22-2010

An Al Qaeda militant, who served time at the US-run prison in Guantanamo Bay, Cuba, has surrendered to Yemeni authorities after expressing remorse over his history, a security source said yesterday. Ali Hussein al-Taiss "expressed remorse for having served in Al Qaeda" and said he was "ready to collaborate" with Yemeni authorities, the source was quoted by the official Saba news agency as saying. The source did not provide details on how the surrender was negotiated or when it took place. On August 15, Yemen announced the surrender of another Al Qaeda operative. Jamaan Safian was responsible for the organisation's activities in the Al Jawf province, northeast of Sanaa.

#### **Yemen opens talks with Shia rebels on peace deal in Doha**

Agence France-Presse August-25-2010

The Yemeni government has opened talks with Shiite rebels on implementing a February peace deal that halted the last round of fighting in the northern mountains, the two sides said on

Wednesday. The talks' Qatari hosts imposed a news blackout on the negotiations and did not disclose the venue. Delegations from the two sides arrived in the Qatari capital Doha on Sunday, Yemeni officials and a rebel spokesman said. "Negotiations are ongoing... This is not to reach a new agreement but to put in place mechanisms to apply previous agreements," a Yemeni diplomatic source told AFP.

### **Yemen, rebels set timetable for deals**

Gulf Today August-27-2010

Yemeni Shiite rebels signed on Thursday an agreement with the government laying out a timetable for implementing previous accords, a rebel source and the Qatari hosts said. The agreement was signed in the Qatari capital Doha, Mohammed Abdel Salam said by telephone, without providing details on the accord. Qatar's official QNA news agency reported that the agreement was signed by a general, Ali Bin Ali al-Qaysi, on behalf of the Yemeni government, and by Yusef Abdullah Hussein Al-Faishi for the rebels. Yemeni officials and Abdel Salam had said delegations from the two sides arrived in Doha on Sunday. A Yemeni diplomatic source said on Tuesday that the talks were "not to reach a new agreement but to put in place mechanisms to apply previous agreements." Abdel Salam said earlier in the week that the rebels' main demand was "the liberation of prisoners," with an estimate of around 1,000 rebel supporters remaining in government custody.

### **Al-Qaida and Us in Yemen**

#### **Al Qaeda in Yemen now biggest threat to US**

Associated Press August-25-2010

The Washington Post says the CIA believes Yemen's branch of Al Qaeda has surpassed its parent organization, Osama bin Laden's core group in Pakistan, as a threat to the U.S. homeland. The newspaper reports the CIA wants to augment clandestine U.S. military operations in Yemen, with covert armed drone strikes. U.S. special operations forces have been working with the Yemeni government for years to hunt Yemen's Al Qaeda of the Arabian Peninsula, which counts American-born rebel cleric Anwar al-Awlaki among its leadership. A U.S. counterterrorism official says both Al Qaeda and its offshoots are dangerous, but the Yemeni branch has not faced the same pressure as the parent group in Pakistan. The official spoke anonymously to discuss security matters.

#### **US may step up strikes on Al-Qaeda in Yemen**

Reuters August-26-2010

The United States will likely increase strikes against Al-Qaeda in Yemen, seeking to apply the same degree of pressure there as covert drone attacks in Pakistan have had on the core group, US officials said on Wednesday. Al-Qaeda in the Arabian Peninsula (AQAP) and one of its leading figures — American-born Muslim cleric Anwar Al-Awlaki — have increasingly become priority US targets since the group took responsibility for a failed plot to blow up a US passenger jet on Christmas Day. Awlaki has also been tied to an Army psychiatrist charged with killing 13 soldiers in a November 2009 shooting rampage at Fort Hood, Texas.

Admiral Mike Mullen, who as chairman of the Joint Chiefs of Staff is the top US military officer, acknowledged on Wednesday that while Al-Qaeda in Pakistan had suffered setbacks, its affiliates in Yemen and North Africa had become "more robust" in recent years. Still, US officials stressed that increased attention to Al-Qaeda in Yemen did not mean less concern about Al-Qaeda in Pakistan, described by military and intelligence officials as the core of Al-Qaeda operations. US military and spy agencies have already been stepping up intelligence gathering using surveillance aircraft, satellites and signals intercepts to track Al-Qaeda targets in and around their bases in Yemen.

### **Yemen rejects increased US role in Al-Qaeda fight**

Arab News August-27-2010

Yemeni forces do not need foreign parties to take the lead in the crackdown on Al-Qaeda, an official said on Thursday, responding to reports that the US may increase strikes on the militant group's Yemen wing. The security official disputed statements from US officials that they may step up attacks and argued that Yemen is able to fight Al-Qaeda without outside intervention, state news agency Saba reported. He also said US officials have exaggerated the size and danger of Al-Qaeda in Yemen. "Press leaks published in US and Western media that exaggerate the size of Al-Qaeda and the danger that it poses to Yemen's stability and security," Saba quoted the official as saying. "Yemeni forces, with support from friends and brothers, can bear complete responsibility for annihilating Al-Qaeda elements and whatever destructive elements assist them," he said.

Yemen launched a crackdown on Al-Qaeda in the Arabian Peninsula, the group's regional Yemen-based wing, after it claimed a failed attempt to bomb a US-bound plane in December. The United States has been involved in Yemen's fight against militancy for a number of years, but the failed bombing so alarmed Washington that it further stepped up its training, intelligence, and military aid to Yemen and sent special forces there. The United States' role was called into question earlier this week when Amnesty International released a report which said that US forces appeared to have collaborated with Yemen in attacks on militants that violated international law. The human rights watchdog said that aerial bombings of Al-Qaeda suspects were extrajudicial killings, and urged the US to clarify involvement of its forces or drones in such attacks. In May, Yemeni opposition media reported that a drone had carried out an air strike aimed at Al-Qaeda that mistakenly killed a government mediator, sparking clashes between government forces and his kinsmen. Al-Qaeda militants have stepped up their assault on Yemeni security personnel since June, claiming responsibility for attacks that have killed dozens of people and calling them reprisals for the state's increased collaboration with the US. On Wednesday, US officials said they may consider increasing pressure on Al-Qaeda's Yemen wing using similar methods to their covert drone attacks against the militant group in Pakistan.

Yemen, also struggling to curb a rising secessionist movement in its south and cement a truce with a rebel insurgency in its north, has faced increased pressure to resolve its domestic conflicts in order to focus on Al-Qaeda. Despite a spike in violence in the southern flashpoint province of Abyan over the past week, which the government has mostly blamed on Al-Qaeda, the Yemeni security official said that state forces were gaining ground against militants.

## SAUDI ARABIA

### **International Front**

#### **Saudi, Jordanian kings discuss Palestinian cause**

Saudi Press Agency August-23-2010

The Custodian of the Two Holy Mosques King Abdullah Ibn Abdulaziz Al Saud received at his palace in Jeddah on Sunday evening Jordan's King Abdullah II Bin Al-Hussein. During the meeting, they discussed aspects of cooperation between the two countries and ways of their enhancement in all fields. They also reviewed current situations and developments at Arab, Islamic and international arenas, particularly the developments of the Palestinian cause, and the necessity for the achievement of just and comprehensive peace in the region to ensure the setting up of an independent state on the national land of the Palestinian people in accordance with the resolutions of international legitimacy and the Arab peace initiative. The meeting was attended by Prince Abdulaziz Ibn Abdullah Ibn Abdulaziz, Advisor to the King. It was also attended by the delegation accompanying the Jordanian King and Jordan's Ambassador to the Kingdom of Saudi Arabia Qaftan Al-Majali.

#### **Saudi King, Yemen's President discuss bilateral relations**

Saudi Press Agency August-23-2010

The Custodian of the Two Holy Mosques King Abdullah Ibn Abdulaziz Al Saud received on Sunday a telephone call from Yemen's President Ali Abdullah Saleh. During the call, they discussed the bilateral relations between the two countries as well as current situations at Arab, Islamic and international arenas.

#### **Saudi welcomes direct Israeli-Palestinian talks**

Agence France-Presse August-24-2010

The Saudi government welcomed the relaunch of US-sponsored direct talks between Israel and the Palestinians aimed at reaching a peace settlement in a year. In a late-night session on Monday, the cabinet gave its backing to the plan for direct negotiations on a two-state peace settlement starting in Washington on September 2, SPA said. The statement came a day after The Custodian of the Two Holy Mosques King Abdullah discussed the peace plans with visiting King Abdullah II of Jordan. On Friday, the Quartet of Middle East peace mediators — the European Union, Russia, the United Nations and United States — said the talks on a treaty establishing an independent Palestinian state could be wrapped up in one year.

Saudi Arabia has played a key role in rallying regional support for its Arab land-for-peace initiative, based on a two-state solution with east Jerusalem as the Palestinian capital. The kingdom has at the same time also supported Palestinian resistance to direct talks unless Israel halts its Jewish settlement building in the occupied West Bank. On Monday, Palestinian chief negotiator Saeb Erekat said Israel must choose. "The choice of the Israeli government is settlement or peace, they cannot have both," he said.



### **Saudi King orders 2 field hospitals for Pakistan flood victims**

Saudi Gazette August-23-2010

King Abdullah, Custodian of the Two Holy Mosques, has issued directives to send two field hospitals to Pakistan to provide health services to the flood-affected people, Minister of Health Dr. Abdullah Al-Rabeah announced Sunday. He said the King's humanitarian gesture embodies the great attention paid by him to Islamic and friendly countries. The capacity of each hospital is 200 beds, said Saudi Ambassador to Pakistan Abdulaziz Bin Ibrahim Al-Ghadeer. "Each hospital has an operation room, laboratory, pharmacy, intensive care unit and X-ray room," the ambassador said. The King has also ordered the establishment of Saudi Relief Organization in Islamabad for the victims of flood. Saudi Arabia collected more than \$ 107 million in donations for the victims in a national campaign ordered by the King.

### **King Abdullah reiterates support for Pakistan**

Arab News August-24-2010

Custodian of the Two Holy Mosques King Abdullah on Monday reiterated Saudi Arabia's support for flood-hit Pakistan. "We'll leave no stone unturned in supporting the Islamic Republic of Pakistan to confront the damages caused by floods," he said. King Abdullah made this comment while presiding over a meeting of the Cabinet at Al-Salam Palace. He briefed the ministers on the outcome of his talks with Jordan's King Abdallah and highlighted the deep-rooted relations between the two countries. The Cabinet meeting commended King Abdullah's initiative to send two field hospitals and a search and rescue team to Pakistan to provide necessary assistance to the flood victims. Saudi Arabia has sent several planeloads of relief supplies to Pakistan. King Abdullah also ordered a nationwide fundraising campaign to support Pakistan's flood victims, which raised more than SR400 million. The Cabinet expressed its satisfaction over the good public response to the campaign. The Cabinet urged the Iraqis to establish a national government comprising all factions. It welcomed the Middle East Quartet's statement supporting direct talks between the Palestinians and the Israelis in Washington on Sept. 2. It also welcomed the statement of the Palestinian Liberation Organization in this respect.

### **Social Front**

#### **Saudi urged not to paralyse man as punishment**

Agence France-Presse August-21-2010

Amnesty International urged Saudi authorities on Friday not to medically paralyse a man in retribution for similar injuries he allegedly caused during a fight. The London-based group quoted reports that a court in the northwestern town of Tabuk had approached a number of hospitals to ask if they could cut the man's spinal cord in retribution, as requested by the victim. "We urge the Saudi Arabian authorities not to carry out such a punishment, which amounts to nothing less than torture. While those guilty of a crime should be held accountable, intentionally paralyzing a man in this way would constitute torture, and be a breach of its international human rights obligations," said Hassiba Hadj Sahraoui, acting director of the Middle East and North Africa Programme. One hospital reportedly said it would be possible to medically administer the injury at the same place on the spinal cord as the damage the man

allegedly caused his victim using a cleaver during a fight more than two years ago. The court might decide not to impose the paralysis punishment and could instead sentence the man to imprisonment, financial compensation, or flogging. The man, whose name has not been made public, has already been sentenced to seven months imprisonment for the offence. Amnesty said it had information that he was convicted and sentenced in a trial in which he had no legal assistance. Saudi Arabia regularly sentences people to various forms of corporal punishment.

### **Saudi stores break taboo with women cashiers**

Agence France-Presse August-26-2010

Saudi Arabia's leading supermarket chain has broken the country's strict taboo on women working in public with a pilot programme of women cashiers, a company official said. Panda hypermarkets has put 16 Saudi women to work at one store in the Red Sea city of Jeddah to test the concept in a country where Islamic conservatives have prevented women from working in gender-mixed environments. "The women, compared to men, are really hard workers," Panda spokesman Tarik Ismail told AFP.

### **Middle class slowly disappearing in Saudi Arabia**

Arab News August-26-2010

Saudi Arabia can boast of being among the few countries least affected by the global financial crisis. However, a large number of citizens have still become the worst victims of the price rises that came from the credit crunch. Prices of essential goods including food as well as rent have risen exorbitantly, putting the budgets of many middle class people in jeopardy. A situation has been created where the rich have become richer and the poor have become poorer, resulting in more difficult circumstances for those on low-incomes. Subsequently, those in the middle classes are slowly disappearing and many of them find a berth in the lower class of the poor and destitute. This phenomenon takes place despite a series of measures from the government to rein in prices and implement several welfare packages for those on low incomes, according to a report published by Al-Riyadh Arabic daily. Salem Al-Musharraf, a citizen, says that price rises following the global meltdown has made life tougher and harder. "In the past, we could manage to lead a decent life with a small amount of money. But that golden period is no more. Even citizens with a monthly salary of SR10,000 are struggling to make ends meet. Those with a salary of SR3,000 are in a desperate situation because they do not know how to support their families," he said.

### **UNESCO urged to enlist Old Jeddah on heritage list**

Khaleej Times August-27-2010

Saudi Education Minister Prince Faisal bin Abdullah has called upon UNESCO to enlist the historical part of Jeddah among the world heritage sites. The prince commended the efforts being made by the Saudi Commission for Tourism and Antiquities (SCTA) to enlist Old Jeddah among the world heritage sites. "Heritage is a source of inspiration, which has been agreed upon internationally. It reflects human relations and shared values of civilizations," he said. Prince Faisal made this comment during a meeting with Munir Bushnak, deputy director-general for culture at UNESCO, and Ziyad Al Drees, the Kingdom's permanent ambassador to the UN body on Wednesday.

**Displaced youths refused compensation by Saudi Finance Ministry**

Saudi Gazette August-27-2010

The Ministry of Finance branch in Jizan Region refused on Tuesday to give entitlements to Saudi youths below 30 years of age who were displaced from areas near the Saudi-Yemen border after infiltrators caused security threats which resulted in military action. The decision has resulted in chaos at the Finance Ministry branch offices amid demands to expedite the issuance of the checks and entitlements for families that are still suffering due to delays in their receiving compensation. The families hope to be compensated before the advent of Eid Al-Fitr, a number of people said. Saudi Arabia was drawn into armed conflict late last year when Yemeni rebels seized Saudi border areas. The Saudi government declared victory in January after three months of fighting when rebels offered a ceasefire agreement, according to published reports. A large number of displaced citizens who gathered at the Ministry of Finance branch expressed astonishment over the decision to withhold their checks. They said they received checks several times in the past and provided letters from schools and sheikhs of tribes to prove that they meet the conditions for compensation. The Ministry of Finance branch told them that it had received new directives from other authorities, they added.

Several people told Okaz/Saudi Gazette that their checks were available at the Finance Ministry branch, but it referred them to the region's governorate.

**Saudi Aramco Board reconstituted**

Saudi Gazette August-22-2010

King Abdullah, Custodian of the Two Holy Mosques, has ordered the reconstitution of the board of directors of Saudi Aramco for a period of three years effective from Aug. 25 corresponding to Ramadan 15, 1431, reported the Saudi Press Agency (SPA) Saturday. Minister of Petroleum and Mineral Resources Ali Bin Ibrahim Al-Naimi will continue to be the chairman of the 12-member board. The two new members are David J. O'Reilly, former chairman and chief executive of US oil firm Chevron, and Amin Nasser, Saudi Aramco's vice president for exploration and production.

**Oil And Gas****Saudi petrochem sector 'boosts market share'**

Gulf Daily News August-23-2010

The world's lowest input costs have placed Saudi Arabia's petrochemicals suppliers in an enviable position and are helping them capture global market share. The shift currently taking place to heavier and more expensive feed stocks will result in slightly higher input costs but this should not greatly harm the competitiveness of the sector, according to a report by Al Rajhi Capital, the investment banking subsidiary of Saudi Arabia's Al Rajhi Bank. The 70-page report, entitled Advantage Saudi Arabia, initiates coverage of the Saudi Arabian petrochemicals sector and includes five companies - Sabic, Sipchem, Saudi Kayan, Yansab and Petro Rabigh. It provides detailed analysis of strategic prospects for the sector over the next decade, and concludes that numerous strategies are transforming the Saudi petrochemical sector into a

formidable force. It notes that China is the primary force driving global petrochemicals demand, and that Asia including China is already the key market for the Saudi petrochemicals industry. The Middle East is investing heavily in new petrochemicals capacity, and Saudi Arabia alone should account for more than 10pc of global capacity by 2014.

## UAE

### **International Front**

#### **UAE pledges \$ 5 mln to Pakistan relief fund**

Khaleej Times August-21-2010

The UAE today pledged US\$ 5 million in support of a Pakistan Initial Floods Emergency Response Plan launched by the UN last week for funding urgent relief operations targeting flood-affected population in Pakistan. The UAE donation was announced by Reem Al Hashemi, Minister for State, while addressing a two-day special meeting of the United Nations General Assembly to call for global solidarity to help flood-hit Pakistan in the wake of the country's worst disaster in living memory and for generous support for vital relief operations. In her statement before the extraordinary meeting, Al Hashemi expressed profound heart-felt of the government and people of the UAE to the government and people of Pakistan for the great loss in lives and properties, and displacement of millions of Pakistanis. While voicing UAE's solidarity with the government and people of Pakistan at these critical times, the UAE minister, who chairs the UAE delegation to the UN gathering, reiterated the UAE's determination to pursue delivery of urgent and much-needed assistance to save flood-victims and secure their basic daily living requirements in order to resume their life at the nearest opportunity. Al Hashemi highlighted the longstanding cordial bonds with Pakistan under which the UAE has been committed since 1975 to offer long-term direct and indirect development aid through its partnership with the UN agencies. According to her, the UAE has given its hand to Pakistan in several calamities it faced during the Swat events in 2009 and the 2005 devastating earthquake just to name a few.

#### **UAE launches vaccination drive for Pak flood victims**

Khaleej Times August-24-2010

The UAE Red Crescent (UAERC), in association with the Unicef, on Monday launched a vaccination campaign for women and children affected by the devastating floods in Pakistan. The UAERC will send some 42 doctors in phases as per the requirement and each team would comprise at least six doctors in a medical aid flight to Pakistan, said Dr Saleh Mussa Al Tae'e, secretary general advisor of the UAERC in the capital. Mohammed Khalifa Ahmad Al Qamzi, general manager of UAERC and Lara Hussain, Office-in-Charge of United Nations Children's Fund signed an agreement to reach out to Pakistan flood victims and provide all sort of aid. According to the Unicef report, which was unveiled at a Press conference in the capital on Monday, some 15.4 million people have been affected by the floods and as many as 3.5 million children will be at risk of contracting deadly water-borne diseases like dysentery, diarrhea and cholera.

**UAE, US ink deal on nuclear safeguards**

Khaleej Times August-24-2010

The nuclear regulatory bodies of the UAE and the US have inked a deal for cooperation in areas like safety, security and safeguards of the nuclear installations. The nuclear regulatory bodies of the UAE and the US have inked a deal for cooperation in areas like safety, security and safeguards of the nuclear installations, taking the historic 123 agreement signed by the two countries earlier for collaboration in nuclear fields to greater heights. The latest agreement has been signed between the Federal Authority for Nuclear Regulation (FANR) of the UAE and the Nuclear Regulatory Commission (NRC) of the US at the NRC's headquarters in Washington, D.C, according to a communication issued by the UAE's official news agency Wam here on Monday. This Arrangement was made within the framework of the bilateral nuclear cooperation (123) agreement between the Governments of the UAE and the US which was signed in January last year and implemented on December 17, 2009, Wam report said.

**Economic Front****UAE needs single stock market**

Khaleej Times August-25-2010

The proposed single stock market in the UAE is need of the hour to overcome the prevailing liquidity crisis in the wake of the global financial crisis, Daman Investments chief executive officer said.

The report highlights the set of factors that impact the UAE economy today, and suggests some solutions that may help guide the country as it finds its path back to economic recovery. The UAE economy is presently at a crossroads that will prove critical to the manner and speed in which it emerges from its present malaise, according to the report. "There are tough factors to consider, and tough decisions to be made. While the economic miracle that is the UAE is far from dead, the very real economic crisis in which the country finds itself has thrust upon it a set of challenges that will require courage and ingenuity to overcome," according to the report.

**UAE is top investor in Iran's conventional power sector**

Emirates 24/7 August-26-2010

The UAE companies invested nearly \$ 720 million (Dh2.65 billion) in Iranian power projects last year, becoming the largest foreign direct investor in the country's energy sector. Germany came second with investments worth \$ 445 million in its energy sector, taking the tally to more than \$ 1.16bn last year. Iran is under four rounds of UN sanctions because of fears that its uranium enrichment programme is aimed at developing nuclear weapons capability. But Tehran insists its enrichment work is for peaceful energy only. Tehran began loading fuel into its first nuclear power plant in the Gulf city of Bushehr on Saturday, a potent symbol of its growing regional sway and its rejection of international sanctions designed to prevent it building a nuclear bomb.

**UAE nominal economy to rise 8% in 2010**

Emirates 24/7 August-21-2010

Higher oil prices will boost the UAE economy by around eight per cent in current prices this year after it plunged by more than 11 per cent in 2009 because of a sharp fall in crude prices, according to a Saudi investment firm. Real growth is projected at only around 0.9 per cent following a contraction of about 0.6 per cent in 2009 as a result of lower oil output and a sharp downturn in the construction sector, NCB Capital (NCBC) said in a study. After a decline of 11.9 per cent, the nominal GDP will rebound by nearly eight per cent this year and pick up by around 11 per cent in 2011 and nearly 12 per cent in 2012, said NCBC, an affiliate of the Saudi National Commercial Bank. The rate of the recovery remains far behind growth in the UAE's nominal GDP in 2008 and 2007, when it leaped by 36 and 22.2 per cent respectively, it said. Real GDP will also rebound by around 3.1 per cent in 2011 and accelerate by about 4.1 per cent in the following year, the study said.

A breakdown showed the non-hydrocarbon sector will drive real growth in the next two years as it is projected to swell by 3.7 per cent in 2011 and around 4.1 per cent in 2012. In 2010, non-oil growth is forecast at only 0.1 per cent. The report projected real growth in the oil sector at around 2.1 per cent this year and 2.2 per cent in 2011. It expected growth to pick up to 4.2 per cent in 2012. It said the UAE's Consumer Confidence Index (CCI) dropped by only around 0.5 points over the previous quarter while its fellow GCC members excluding Qatar, recorded a decline in the range of 1.7-4 points.

## **Oil and Gas**

### **Abu Dhabi oil investment down for first time**

Emirates 24/7 August-23-2010

Abu Dhabi's investments in its massive hydrocarbon sector slumped by more than 12 per cent during 2009 for the first time after a steady increase over the past three decades, according to official data. The government, pursuing a drive to expand output and maintain its present sustainable capacity, pumped around Dh9.269 billion in to the oil and gas industry last year, down by about 12.3 per cent from the Dh10.564 billion channeled into the sector during 2008, showed the figures by the Abu Dhabi Statistics Centre, the emirate official data provider. The figures were contained in the Centre's annual report about the emirate's gross fixed capital formation and its contribution to the domestic economy.

A breakdown showed gross capital formation recorded growth in all other sectors, with total investments in the economy climbing to a record Dh79.84 billion last year from around Dh72.67 billion in 2008. The decline in gross capital formation in the hydrocarbon sector followed many years of a steady increase as Abu Dhabi has been locked in a drive to expand its crude production capacity, develop its gas sector and set up related projects. Investments in this sector leaped by nearly 24.7 per cent in 2008 as oil prices soared to an all time high of \$ 147 a barrel in late July that year and global demand was at its peak before both prices and demand collapsed after the eruption of the global financial crisis in September 2008. Growth in such investments stood at eight per cent in 2007 and around 5.3 per cent in 2006.

The investments in the hydrocarbon sector last year accounted for nearly 11.5 per cent of the total gross capital formation of around Dh79.8 billion, which was higher by about 10 per cent over the 2008 investments of Dh72.6 billion. Abu Dhabi is the main oil producer in the UAE, which aims to boost its crude output capacity above three million barrels per day in the next few years. Official figures showed Abu Dhabi alone is pumping nearly Dh30 billion during 2005-2011 into oil projects, which target both its onshore and offshore areas, mainly the super-giant Upper Zakum and other major fields. Around \$ 1.5 billion (Dh5.5 billion) would be spent on the development of the offshore Upper Zakum to add 200,000 bpd to its 550,000 bpd capacity. An equivalent sum has also been allocated for the expansion of the mammoth Umm Shaif offshore field and \$ 2 billion for the Nasr Field development by the Abu Dhabi Marine Oil Company (ADMA-OPCO).

## KUWAIT

### International Front

#### **Helping Pakistan is a humanitarian responsibility: Kuwait**

Kuwait News Agency August-21-2010

The State of Kuwait has apprised the international community on Friday of the decision of His Highness the Amir of Kuwait to double the donation, which was submitted to the Government of Pakistan to help it cope with the effects of the devastating floods, after it became apparent the magnitude of the tragedy experienced by the affected country. This came in a speech delivered by the Permanent Representative of Kuwait to the United Nations, Ambassador Mansour Ayyad Al-Otaibi, before the General Assembly session devoted to express the international community's solidarity with the Government and people of Pakistan in the face of the tremendous suffering by its people from the disastrous floods. Ambassador Al-Otaibi said in the speech that "The State of Kuwait, on the basis of its approach and its consistent policy in responding to a call of humanity, last week decided to provide a donation of five million dollars to victims of Pakistan's floods, but given the scale of the human tragedy there, His Highness the Amir of Kuwait Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, increased the value of the donation to Ten million dollars." He explained that the Kuwait Red Crescent Society has been assigned, in coordination with the Ministry of Foreign Affairs, to ensure that humanitarian relief aid gets to the Pakistani people, emphasizing that Kuwaiti aircraft, loaded with emergency relief, have already started relief missions to Pakistan. He added that the Kuwaiti cabinet has decided to deduct ten percent of the amount of the donation and allocate it to international relief organizations and United Nations agencies working to provide humanitarian assistance to the Pakistani people. He said Kuwait will also organize a major campaign to collect donations from the public over the next two days and that institutions of civil society and the private sector and members of the Kuwaiti public, have already collected about two million dollars to be sent to Pakistan. Commenting on the speech by Minister of Foreign Affairs of Pakistan, Shah Mahmood Qureshi, who delivered it before the General Assembly on Thursday evening, along with foreign ministers from a number of Member States, Ambassador Al-Otaibi said "We can assure the Minister of Foreign Affairs Qureshi that he can return home and deliver a clear message to the Pakistani people that Friends of Pakistan will not stand idly by and the international community will stand united together for Pakistan and would provide all possible support and assistance.

### **Kuwait expresses concern of Iran's Bushehr nuclear reactor**

Kuwait News Agency August-24-2010

Foreign Undersecretary Khaled Al-Jarallah expressed Monday the State of Kuwait's concern of Iran's Bushehr nuclear reactor because it was geographically very close to Kuwait. "The concern of Kuwait stems from its fear in the case of any leaks that can happen due to natural causes which will have future impacts," Al-Jarallah told reporters on sidelines of meetings of the Council for Arab and International Relations. Answering a question on reported terrorist cells of groups in Kuwait and the Gulf countries, Al-Jarallah said the "security (authorities) in Kuwait are in contact with brothers in the Gulf countries." He said there was continuous scrutiny for any information about any terrorist cells of groups. On Kuwait's purchase of patriot missiles, the Kuwaiti official said the patriot missiles' deal with the US "is within a network to protect Kuwait and other security arrangements that were agreed upon." Al-Jarallah, on the other hand, said the Kuwaiti and Saudi sides were meeting and coordinating to finalize the movement of people with the smart card as soon as possible.

### **No Israelis allowed to enter Kuwait**

"Kuwait will not allow any Israeli to enter Kuwait," said interior minister Sheikh Jaber Al-Khalid Al-Sabah yesterday, following a meeting of the parliamentary interior and defense committees to discuss the subject of the Israeli journalist who recently visited the country.

### **Political Front**

#### **Kuwait heading towards a new, bright political era**

Arab Times August-22-2010

Kuwait expects more achievements in the coming period, which will be a major landmark in its political history. This includes the development of state institutions to ensure the successful implementation of huge projects that will commence in the next few months. According to the highest authority, Kuwait is gearing towards a new era that will reposition the country as a cornerstone for economic and political activities in the region. The leadership arrived at this conclusion after experimenting on the previous political maneuvers, since the liberation till date. He has analyzed the statements issued by political blocs from several tribes and sects, which are keen on controlling political and unionist activism. At a certain point, it nearly led to the reconsideration of institutional, legal and political activities. The highest authority wondered whether such a situation occurred in another era or it would lead to proper democratic practice. The leadership then started to search for a democratic philosophy and basis for joint administration calls for which began in 1921. He probed the several difficult terrains faced by the captains of the ships at various points, unknown to the Kuwaiti society. The leadership affirmed his belief in democracy and Constitution, regardless of the silent annoyance over tension-provokers who have mastered the culture of envy, quarrel, abuse and lack of respect for the elders among the youth. These people have also introduced a strange culture like selfishness, provoking tension, and obstructing the movement of the wheels of development to the extent that Kuwait lags behind its peers in the region.



## **Social Front**

### **Steps to improve Kuwait human rights record**

Kuwait Times August-24-2010

The Office of the United Nations High Commissioner for Human Rights (OHCHR) has issued a number of recommendations which it suggests would help solve the persistent problems in Kuwait's human rights record. In a report sent to the Ministry of Social Affairs and Labor and Ministry of Interior by OHCHR head Navi Pillay, she commended the steps taken by the ministries to date concerning this issue, but noted delays in the implementation of a number of measures. Among the recommendations which Pillay suggested would help to put Kuwait among the top countries meeting international human rights principles was appointing suitably qualified female citizens to senior posts in the country's judiciary. Pillay also offered to provide OHCHR assistance in helping Kuwait to resolve the outstanding human rights problems faced by the country's Bedoon (stateless) population, which numbers around 120,000. The OHCHR head also called for domestic workers to be included in the private sector labor legislation and given the same rights as other workers, as well as indicating that the OHCHR is willing to suggest strategies to facilitate the cancellation of the sponsorship system and its replacement with employment legislation to international standards.

### **Kuwait Ministry of Electricity reports energy crisis over**

Kuwait Times August-21-2010

Official sources with the Ministry of Electricity (MoE) reported that there is a surplus of over 1,000 megawatts of electric power. They confirmed that the crisis is completely over, reported Al-Qabas. The sources mentioned that several factors contributed to overcoming the crisis, most notable of which was saving 400 megawatts by shutting off power to 800 schools throughout the state of Kuwait. They also pointed out that there were two power producing units that were recently restored to full capacity, which provided 300 megawatts per unit for a total of 600 megawatts. They added that the electricity situation in the country is satisfactory and that if temperatures reached 50 degrees for the remainder of summer there would be enough energy to handle the load. With the construction of the Shuaiba station, the ministry is hoping to introduce nearly 1,300 megawatts to the nation's power grid by June 2011 with the first stage of the project. Additionally they are planning to introduce 700 more megawatts by 2012. The sources added that the ministry is planning to add 6,000 additional megawatts throughout the next four years.

## **Economic Front**

### **Kuwait's four-year plan seen crucial for economy**

Emirates 24/7 August-22-2010

The approval of the largest four-year development plan in Kuwait's history is a turning point in the Gulf country's economy as it will give a fresh impetus to growth and sharply expand the private sector, a key Kuwaiti bank has said. National Bank of Kuwait (NBK) said the private sector could pump nearly half the targeted investments of KD31 billion (Dh387 billion) in the plan, which was approved by the Emirate's parliament early this year. "The year 2010 may prove

to be a major turning point for the Kuwaiti economy....the trigger is the Kuwaiti Parliament's approval of one of the most ambitious development plans in the region," NBK said in a study.

Besides the plan, new initiatives with the greatest impact on the economy in the near term include the award of a number of big projects, with many others in the pipeline or planned in accordance with the recently approved development plan. Kuwait's Parliament ratified the plan in February, the first of six consecutive development blueprints which Kuwait hopes will achieve its vision of becoming the region's financial and trade center by 2035. One of the main elements of this ambitious development strategy is to restore the leading role of the private sector, primarily through the introduction of various reforms and incentives to stimulate private investment. Accordingly, half of the envisioned investment outlays under the four-year plan are anticipated to come from the private sector either as direct investments or in the form of "Build, Operate and Transfer" or "Public Private Partnerships (PPP)."

## **BAHRAIN**

### **International Front**

#### **Nine Bahraini sailors jailed in Qatar**

Khaleej Times August-21-2010

Nine Bahraini amateur sailors were sentenced to two years in jail on Thursday by a Qatari court for straying into Doha's territorial waters. The families of the convicts will appeal the sentence that has been the toughest penalty ever given to Bahrainis detained for crossing into the Qatari waters. A Commander of Bahrain Coast Guard told the press that his team would be following up the cases of nine amateur sailors as well as other sailors who are in detention in Qatar. The nine were arrested on August 7 and according to coast guards, it is the first time they were detained for such a violation. Another group of seven sailors is also in detention awaiting court hearing. Six of them were arrested on August 6, while one of them, Adel Mohammed Kadhem, was arrested in May after he was hit by a bullet during a chase by Qatari coast guards.

### **Social Front**

#### **Two Bahraini rioters injured in clashes**

Khaleej Times August-22-2010

Two out of 12 Bahrainis detained on Friday on rioting charges were injured during clashes with security forces, according to security officials. One of them has been admitted to hospital.

The deputy chief of public security in his daily announcement about violence stated that 25 arson attacks were reported on Thursday. Empty glass bottles ready to be used as Molotov cocktail, 34 tyres and seven water tanks were seized in one village, he said. The 12 suspects were charged with setting on fire tyres, trash bins, empty water tanks and private properties, in addition to hurling Molotov cocktails to endanger the lives and affect the interests of the public. According to Kuwait-based newspaper Al Qabas, the new intensified measures taken by the Bahrain government to deal with violence came after the discovery of active cells in Bahrain and sleeping

cells in neighbouring countries to promote violence in case of any military action against Iran over its nuclear programme.

### **Shiites say Bahrain crackdown sets back relations**

Kuwait Times August-23-2010

Bahrain's top Shiite politician said last week's crackdown on Shiite protesters has destroyed a decade of stable sectarian relations as the country heads into parliamentary elections scheduled for October. Bahrain, home to the U.S. Navy's Fifth Fleet, has experienced daily clashes for the past week between Shiite protesters and Sunni-dominated security forces because of a series of arrests of leading activists. Shiites make up as much as 70 percent of Bahrain's population, according to a 2008 State Department report. But the country is governed by a small Sunni elite headed by the ruling Khalifa family. "The way the ongoing security campaign had been handled and the rights violations that accompanied it has in one week destroyed 10 years of progress in this country," said Sheik Ali Salman, the head of Wefaq society, the largest Shiite bloc in parliament at a press conference Saturday. He also accused the government of tarnishing Bahrain's human rights record and warned violence would not solve the continued problems between the two groups. Shiites have complained of discrimination for decades. They say Sunnis get the best government jobs and housing, while Shiites are barred from high posts in the military and security forces and suffer from higher rates of poverty. A government statement issued Saturday blamed internationally funded insurgents for trying to disrupt national security. It also said the suspects were arrested according to Bahraini anti-terrorism laws.

### **Bahrain pay increases set to hit 5.3 per cent**

Gulf Daily News August-24-2010

Average salary increases in Bahrain are set to hit 5.3 per cent this year, according to a report by global consulting firm Hay Group. And at a seminar in the Gulf Hotel yesterday for human resource (HR) specialists, the consultants predicted that there would be continued steady growth in salary levels next year of around 6.5pc. The report analyses pay data for 14,600 employees in Bahrain. The average pay rise of 5.3pc is higher than the forecast of 5pc reflecting the steady economic growth of the kingdom. Those at the management level and those with specialist skills have reaped the biggest rewards and functions including engineers, health and safety professionals and staff in environmental positions command a higher price in the market. The report also finds there has been an increase in bonus payouts to those in management positions as organisations take steps to change the reward mix to include more incentive based pay, and a smaller proportion of fixed pay.

Currently standing at 7pc in Bahrain, this element of the pay package is expected to become of increasing importance, says Hay Group Middle East director of reward information services Vijay Gandhi. "Variable pay, which takes into account individual and business performance, can be used to motivate people and reward the right behaviour effectively. "Organisations can also use variable pay to drive efficiency by differentiating for performance.

### **Economic Front**

**US-Bahrain Customs meeting held**

Gulf Daily News August-21-2010

Customs officials from Bahrain and the US met to discuss ways to further enhance the capability of Bahrain Customs to effectively implement all the aspects of the US-Bahrain Free Trade Agreement (FTA). The officials from Bahrain Customs and the US Department of Commerce, US Customs and Border protection officials attended programmes that were organised and funded by the Middle East Partnership Initiative under the Commercial Law Development Programme of the US Department of Commerce. Phase I programme was conducted in Bahrain in June and phase II in Washington this month. Phase I covered the overall aspects of "advance ruling", which is one of the vital components of the FTA. Phase II programme was an extension of Phase I and covered an in-depth understanding of all the specific sub-clauses of this aspect such as, valuation determination, regulatory audit, penalties, classification and determinations. Further joint committee meetings are expected to be held between US and Bahrain officials soon.

**OMAN****International Front****Oman supports Pakistan, UN told**

Oman Daily Observer August-21-2010

The Sultanate expressed deep concern over the loss of lives and the damage to the infra structure caused by floods in the Islamic Republic of Pakistan, with which Oman has deep-rooted brotherly and historic ties. The Sultanate also expressed solidarity and sympathy with the people of Pakistan. This came in the Sultanate's speech delivered by Ambassador Fuad bin Mubarak al Hinai, Oman's permanent representative to the United Nations yesterday before the General Assembly in its 64th session on boosting relief in events of emergency, reform, reconstruction and prevention following the destructive floods in Pakistan. Al Hinai said the government of the Sultanate, in consultation with Pakistan authorities, lent full support for the government of Pakistan to face the urgent needs of the people affected. He added that the world community can not stand by as spectator without doing anything for those devastated; stressing that Pakistan is in dire need for aid for millions of people who require food, shelter and medicine. On behalf of the government of the Sultanate, Al Hinai expressed heartfelt condolences to the government and people of Pakistan on the death of innocent children, women and men.

**Qaboos orders more aid for Pak flood victims**

Oman Daily Observer August-25-2010

In response to the Royal orders of His Majesty Sultan Qaboos, the Sultanate's government, represented by the Oman Charitable Organisation (OCO), has provided humanitarian aid for flood victims in Pakistan. The aid included 422 tonnes of foodstuffs, home appliances, medicines and tents. The aid was distributed in Sind province, Sukkur, Baluchistan and Quetta. More aid weighing 764 tonnes will be distributed in Punjab and Khaibar. The total aid provided by the Sultanate to the victims amounts to 1,186 tonnes. The Sultanate had distributed similar aid at the beginning of this year and last year for refugees from Wadi Sawat, Bajoor and Mahman. It also sent two flights early this week carrying 84 tonnes of humanitarian aid to Multan and Peshawar.

DPA adds from Islamabad: The Pakistani government yesterday announced emergency measures aimed at averting major outbreaks of cholera and other epidemic diseases in the country's flooded areas. A national steering committee, comprising top health official, was set up to monitor the situation on a regular basis, officials said after a meeting chaired by Prime Minister Yusuf Raza Gilani and attended by local and international health officials.

### **Oman, South Korea review bilateral relations**

Oman Daily Observer August-22-2010

Sayyid Ali bin Hamoud al Busaidy, Minister of the Diwan of the Royal Court, received here yesterday Cho Sung Hwan, Ambassador of South Korea, who bid the minister farewell at the end of his tour of duty here. They also reviewed bilateral relations. The ambassador expressed his thanks for the co-operation extended to him during his stay in the Sultanate that had facilitated in carrying out his duties. The minister thanked the ambassador for his good efforts which had contributed in enhancing the good relations between the Sultanate and South Korea, wishing him success in his future assignments.

### **Oman, Russia discuss issues of common concern**

Oman Daily Observer August-23-2010

Shaikh Mohammed bin Marhoon al Maamari, Minister of State and Governor of Dhofar, received here yesterday Captain 1st Rank Igor V Smolyak, Deputy Commander of the Russian Black Sea Fleet Naval Surface Force, and Captain 1st Rank Sergey I Tronev, Commander of the Russian Guard Missile Cruiser "Moskva". They discussed issues of common concern.

## **Social Front**

### **Preliminary meeting of census 2010 supervisors concludes**

Oman Daily Observer August-27-2010

The preliminary meeting of supervisors listed to participate in the count stage of the General Census of Population, Houses and Establishments 2010, scheduled for December, concluded here yesterday. The two-day programme was held at Crowne Plaza Hotel and attended by 48 supervisors who listened to several lectures aimed at sharpening their skills in the census process. These included updating of data flow, the count process, the counter's guide, the role of the communication centre in the count process, the supervisors' connection with communication centre. During the first day of the programme, supervisors were briefed on the timetable and the systems to be utilised during the count stage. This gathering is to be followed by several extensive meetings to provide participants with necessary skills to carry out their task in the best possible way.

## **Economic Front**

### **Oman's first integrated steel plant to launch operations next Jan**

Oman Daily Observer August-21-2010

Shadeed Iron and Steel, the Sultanate's first integrated steel plant, is scheduled to commence commercial operations next January, a milestone development that's set to launch Oman into the ranks of steel-producing nations. The world-scale project, which was recently acquired by Indian steel-making giant Jindal Steel and Power, is currently nearing completion at the Port of Sohar. Cold commissioning of the 1.5 million tonnes per annum (mtpa) Direct Reduction (DR) plant — the centrepiece of the complex — is set to begin as early as this October, with hot commissioning slated for December, according to a top executive of the company. "Our immediate plan is to complete all utilities for the DR Plant and commence commercial production of Hot Briquetted Iron (HBI) by end of January 2011. The DR Plant is 100 per cent complete. Remaining work mainly includes material handling (76 per cent complete) and utilities (95 per cent complete). We are working on a plan to complete the balance works in phases so as to meet the commissioning requirements," D K Saraogi, Executive President – Projects, said in comments to the Observer. Significantly, the upcoming launch of the Shadeed venture promises to impart robust impetus to Oman's industrial and socioeconomic development, says Saraogi. "As the first integrated steel plant in the Sultanate of Oman, Shadeed is strategically positioned to serve as a key building block for an emerging steel industry in Oman. Any steel plant of the size and potential of Shadeed opens up a plethora of upstream and downstream business opportunities."

## QATAR

### International Front

#### **Qatar Charity sets up 'air bridge' for flood relief**

Gulf Times August-22-2010

Qatar Charity, in collaboration with Qatar Airways, has set up an "air bridge" to fly in relief for millions of Pakistanis affected by devastating floods. Qatar Charity said it would airlift 80 tonnes of emergency relief items, totalling around QR2.2mn, this week. Flights are scheduled daily to airlift relief supplies, Qatar Charity's deputy chairman Abdullah bin Hussein al-Ni'mah said. The first cargo aircraft was scheduled to depart Dubai International Airport for Lahore last night, carrying 40 tonnes of relief goods, he added. Meanwhile, Qatar Charity has launched a donation campaign for the flood victims. Citizens and residents may give their donations at Qatar Charity headquarters or at its branches in the state. They may also call the 24-hour hotline on 44667711, al-Ni'mah said.

Qatar Charity, a non-governmental organisation established in 1992, is one of the largest of its kind in the Gulf, with its activities covering more than 40 countries in Africa, Asia and Europe, through its registered field offices or local civil societies as implementing partners. UN chief Ban Ki-moon yesterday praised the global community as emergency donations for Pakistan neared \$ 500mn, but warned the flood-stricken nation faces "years of need".

#### **Qatar calls for united effort to help Pakistan**

Gulf Times August-23-2010

Qatar has called for a united global effort to help flood ravaged Pakistan, praising the tangible efforts made so far to assist the South Asian country. Addressing a UN meeting entitled “Strengthening of the co-ordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance”, Ambassador Nasser Abdul Aziz al-Nasser, Qatar’s Permanent Representative to the United Nations at the United Nations General Assembly, lauded the president of the UN General Assembly and the secretary general of the United Nations for convening the important meeting to assist Pakistan.

### **Qatar, Indonesia discuss security ties**

Gulf Times August-22-2010

HE the director general of public security Staff Major General Saad bin Jassim al-Khulaifi with the Charge d’affaires in the Indonesian embassy in Qatar Andang Pramana Sosodoro, at his office in the Ministry of Interior. The officials discussed ways to boost co-operation in the field of security.

### **Qatar, Sudan discuss bilateral relations in the Labour sector**

Gulf Times August-25-2010

HE the Undersecretary of the Ministry of Labour Hussein al-Mulla yesterday met the Sudanese Ambassador to Qatar Ibrahim Abdullah al-Faqiri. They discussed bilateral relations in the Labour sector.

## **Economic Front**

### **Qatar laws to regulate online trade deals**

Gulf Times August-21-2010

HH the Deputy Emir and Heir Apparent Sheikh Tamim bin Hamad al-Thani has issued a decree to enact a law for regulating online trade and business transactions. Covering various aspects of e-commerce, the four-part decree has a total of 44 articles. The task of formulating the necessary byelaws has been assigned to the Supreme Council for Communications and Information Technology (ictQatar). The decree shall not be applicable to written documents, records and instruments pertaining to family matters, including marriage, divorce and related issues; transactions in cash and kind pertaining to real estate deals; and documents that are required to be officially authenticated. It will also not be applicable to instruments of commerce and trade.

It stipulates that prior agreement is essential between any two parties that wish to do online transactions. They have to agree on the modalities of sending and receiving business documents, including contracts, through e-mails.

Article 7 provides for rejection of an online transaction if the receiver detects discrepancies or has serious doubts on the authenticity of the sender. Article 20 states that all the data transmitted online shall be deemed as legally valid irrespective of the fact whether it is in expanded or abbreviated form. Article 28 deals with electronically-signed documents. It states that the signature shall be deemed as valid if it is generated from the personal e-mail ID of the party

concerned and not from any other ID. The ictQatar will be responsible for working out the technological details in this regard.

Authentication of electronically-generated certificates will require adequate information on the person making the authentication. In case the authentication is done from abroad it will be valid in Qatar only if the authenticating person has the prior approval and recognition from the authorities concerned here. If an individual enters a wrong data entry he has the right to withdraw it and inform the party to which it was sent. A person using a domain or a particular ID from a specific country will not be considered as being based in that country.