

**BUSINESS AND POLITICS IN THE MUSLIM WORLD  
GULF COOPERATION COUNCIL  
NEWS MONITORING REPORT  
MADIHA KAUKAB  
9<sup>th</sup> – 15<sup>th</sup> JAN 2010  
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Following news monitoring report is based on the important political, social, economic and Geo-strategic events occurred in Gulf Cooperation Council States along with a short summary of the report. Some of the opinions from different newspapers are also included.

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## SUMMARY

### **Terrorism**

**Yemeni** President Ali Abdullah Saleh has offered to open talks with Al Qaida militants, with whom security forces have been fighting bloody battles, if they "lay down their arms." "If Al Qaida [militants] lay down their arms, renounce violence and terrorism and return to wisdom, we are prepared to deal with them." *Meanwhile*, Yemeni security forces killed a suspected Al Qaida figure and arrested four others in a raid on a house in a remote mountainous province, the region's governor said Wednesday. *On the other side*, Iran's President Mahmoud Ahmadinejad on Wednesday lashed out at Saudi Arabia over its role in Yemen's conflict with the Al Houthi rebels, saying it should seek to foster peace rather than using weapons against fellow Muslims. "We were expecting that Saudi Arabian officials act like a mentor and make peace between brothers, not that they themselves enter the war and use bombs, cannons and machine guns against Muslims," the president said. *Meantime*, Yemen's most influential Islamic cleric, considered an Al Qaida-linked terrorist by the United States, warned that the US-backed fight against the terror group could lead to "foreign occupation" of the country. Shaikh Abdul-Majid Al Zindani's comments on Monday illustrated the pressure Yemen's government is under to limit the US role here even as Washington ramps up counterterrorism aid and training to help combat Al Qaida's offshoot in the country. Al-Zindani is emblematic of how - unlike in Iraq and Afghanistan, whose governments are bitter enemies of Al Qaida - Yemen's beleaguered regime has built alliances with Islamic extremists to hold onto power.

### **International Front**

In **Saudi Arabia**, Islamic preacher Shaikh Sulaiman Al Dowaisb urged Saudi authorities to explore the prospect of imposing a ban on travel to the United States if the United States sticks to its decision to undergo an "enhanced screening" of passengers from Saudi Arabia. At the same time, the Saudi Ministry of Foreign has sent a message to the US administration seeking clarifications regarding the recent US announcement about heightened security checks for Saudi passengers. *Meanwhile*, Syrian President Bashar Al Assad pledged to work with Saudi Arabia's King Abdullah Bin Abdul Aziz to promote a reconciliation between the Palestinian movements Hamas and US-backed Fatah. The two leaders, who met outside the Saudi capital, Riyadh, discussed the Palestinian issue and efforts to "strengthen ties of brotherhood and resolve Arab issues without outside interference," the official Saudi Press Agency said.

In **UAE**, the government of Dubai yesterday announced that it is fully prepared to host the headquarters of the United Nations if its officials decide to move from New York where the organisation is currently located. According to an official source in the Dubai government, the announcement was made in light of the UAE's — and Dubai's — appreciation of the vital role the United Nations plays in all areas, and in the protection of international peace and security and economic development in particular. The source said Dubai welcomes dialogue with UN officials to provide them with full information on the capabilities which the emirate can provide and which could make it the optimal choice as the new seat of the UN headquarters if a final decision is taken to move out of New York.

**Kuwait** is facing rising energy demands and has experienced power cuts in the past. Kuwait and France will sign an agreement on Thursday to develop nuclear energy for peaceful purposes, a

French official said. "This is an intergovernmental agreement for cooperation between the French and Kuwaiti governments," Bernard Bigot, chairman of France's atomic energy commission told reporters at Kuwait's parliament. The 20-year agreement is the first step to developing nuclear energy in Kuwait for peaceful purposes such as providing electricity and water desalination, Bigot said.

### **Social Front**

According to senior **Saudi** scholar Shaikh Abdul Mohsen Al Obeikan, joining Al Qaida is forbidden in Islam. Obeikan, who is a top advisor in the court of Saudi King Abdullah, made his comments in the Okaz newspaper. *Meanwhile*, Saudi Arabia's Shura Council has approved a landmark decision with regard to execution of the death sentence. The council passed a legislation to make amendment in the Criminal Procedure Law by which death sentence shall be carried out with a unanimous decision instead of the existing majority vote. An overwhelming majority of 92 members voted in favour of the new amendment, while a few members opposed it. *While looking more deeply into the society we find* woman breaks new barriers in Kingdom as more reforms under way. For the first time in Saudi Arabia's history, little girl students are reciting a poem written by a Saudi female poet. *Another report shows that* more opportunities will raise women's status in society. Saudi Arabia's Human Rights Commission commended the steps taken by the government to empower women and elevate their position and status in the society. In its latest report on "Women's status in the Kingdom", the government body recommended increasing job opportunities for women. The report highlighted remarkable achievements and contributions being made by Saudi women in various sectors. "The participation of women in the nation's growth and development process is outstanding. Saudi women are showing their capabilities to take up challenging responsibilities and are playing vital role in various key sectors, keeping pace with the lofty position bestowed to them by the Islamic Sharia," the report noted. The HRC underscored that Saudi women are enjoying their special rights and privileges especially during the period of King Abdullah Bin Abdul Aziz.

**Bahrain** has become the first country in the world to establish an arbitration "free zone" and introduce the concept of statutory arbitration after it formally launched the Bahrain Chamber of Dispute Resolution. The Chamber, an initiative of Bahrain's Ministry of Justice and delivered in partnership with the American Arbitration Association, a provider of conflict management and dispute resolution services, will be known formally as the BCDR-AAA.

**Kuwait** is set to introduce within weeks taxis for women only. The pink taxis will be driven by female drivers and will be exclusively for women customers.

**Qatar** is investing heavily in promoting research, spending 2.8 per cent of its Gross Domestic Product (GDP) on funding studies in various fields.

### **Labor Front**

The number of Filipinos in **Qatar** is set to increase by 25 percent this year. A new agreement between Philippines and Qatar is in the works as the Gulf state expects to see its Filipino population increase by 25 percent this year.

The controversial issue of not giving foreign workers their wages is "over", **Kuwait's** social affairs and labour minister has said. "We have addressed the government authorities not to pay dues to any company until they made sure that it has paid the wages of its foreign employees".

### **Economic Front**

Levels of confidence among Gulf business people declined slightly in the fourth quarter of 2009, although Kuwait and Saudi Arabia bucked the trend, a new report published on Wednesday showed. The UAE, Oman and Bahrain business confidence levels all declined in the last quarter, HSBC's quarterly Gulf Business Confidence Index revealed. The index fell from 81.4 to 80.2 between the third and fourth quarters of 2009.

Rulers from the world's top oil exporting region endorsed the much-delayed monetary union last month. A single Gulf Arab currency could be launched in 2015 if countries from the Gulf Cooperation Council (GCC) speed up the process, a senior official from the bloc's secretariat said on Wednesday, according to a report.

The **UAE** plan to build a three-month food stockpile to cushion against supply disruptions may impact supplies to Iran, an Iranian official said on Thursday. Last month, the UAE announced that under the first phase of a plan to bolster food security that it would build up stockpiles of 15 commodities to cover three months' consumption. Stockpiling has begun, food traders said. The UAE is a principal supply route for the Islamic Republic, which is just across the Gulf waters.

**Dubai's** index DFM slumped to a fresh one-month low as investors resume selling after an initial rally, with Dubai's debt problems pushing investors to exit. "UAE markets are performing strangely," said Amed Hamdi, senior relationship manager at Prime Emirates. "Most international markets are performing well, oil is looking good and the domestic economy isn't bad, so people are probably waiting for more news about Dubai World debt restructuring. The uncertainty is overhanging the market." Emaar Properties fell 0.9 percent, Arabtec dropped 0.8 percent and Emirates NBD lost 1.4 percent. Union Properties dropped 2.9 percent to a month low, a day after its chairman told Reuters it was considering selling some of its completed property assets to generate liquidity. *On the other side*, Dubai exports hit a year-high AED18.5bn in December. Dubai exports for December hit a year-high AED18.5bn, latest figures from the emirate's chamber of commerce and industry have revealed. A DCCI study showed its members' total exports for the month were 23 percent higher than the same month last year. *Meanwhile*, Dubai's ruler approved the Gulf emirate's 2010 budget with a deficit of 2 percent of gross domestic product, deeper than last year and in line with a budget committee's proposal.

**Oman's** GDP was 27 percent down to the end of September as economic activity declined. Oman's gross domestic product (GDP) at current prices declined by 27.4 percent as of the end of the third quarter of 2009 compared to the same period in 2008, new data has showed. According to figures released by the National Economy Ministry and published by Oman News Agency, the decline was attributed to a fall in economic activity, particularly in the oil sector.

## **DETAILED REPORT**

### **GCC**

#### **GCC business confidence falls in Q4 - HSBC**

Levels of confidence among Gulf business people declined slightly in the fourth quarter of 2009, although Kuwait and Saudi Arabia bucked the trend, a new report published on Wednesday showed. The UAE, Oman and Bahrain business confidence levels all declined in the last quarter, HSBC's quarterly Gulf Business Confidence Index revealed. The index fell from 81.4 to 80.2 between the third and fourth quarters of 2009.

HSBC said in a statement that while the change was small, it masked a more complex regional picture where Saudi's index rose marginally from 91.5 to 91.6, while Kuwait's rose from 83.1 to 84.6 and the UAE declined from 72.2 to 69.8. The bank added that the main trend of business sentiment over the last three quarters was becoming "slowly more confident", although it remained a long way below the exuberant mood of 2007 and early 2008. The first quarter of 2009 registered an Index score of 70.9, so the year has seen a bounce of more than 10 points in the index. Simon Vaughan Johnson, HSBC's head of commercial banking for the MENA region, said: "We are seeing a slight dip in confidence levels quarter on quarter across the board, but we have not returned to the lows seen earlier in 2009. "If I were to characterise the mood of the region's business people, I would say they are cautiously realistic. 2009 was a difficult year for the GCC economies, and there is a feeling that 2010 will be a year of improvement, tempered by a realism of expectation." He added: "Confidence is on the rise in the hydrocarbon-producing states of Saudi, Qatar and Kuwait, while the UAE's score is clearly heavily influenced by Dubai's well-publicised debt issues." The business confidence survey also showed that Saudi Arabia was the most confident country in the region while the UAE remained the least confident. Results showed that predictions for profitability, turnover, and investment all showed slight rises quarter-on-quarter while 37 percent of respondents said they will add staff in 2010, compared to 36 in the previous quarter.

#### **Gulf may launch single currency in 2015**

Rulers from the world's top oil exporting region endorsed the much-delayed monetary union last month. A single Gulf Arab currency could be launched in 2015 if countries from the Gulf Cooperation Council (GCC) speed up the process, a senior official from the bloc's secretariat said on Wednesday, according to a report. "I personally expect the single currency to be launched in 2015, if we step up the efforts and the work of various committees," Mohammed Al Mazrooei, GCC Assistant Secretary General for Economic Affairs told Reuters, according to the Kuwait-based Al Watan Daily. Rulers from the world's top oil exporting region endorsed the much-delayed monetary union last month despite the pullout of the UAE - the bloc's second-largest economy - and Oman, Al Watan Daily said. Policymakers from the other four states - Saudi Arabia, Kuwait, Qatar and Bahrain - are currently expected to set a timetable for the creation of a joint central bank, but launching the single currency is still a distant prospect, the newspaper added. "I think it's an optimistic scenario given the slower-than-expected progress that has been achieved up to now," said John Sfakianakis, Calyon's chief economist for the Middle East. "But it's feasible if the political will is there." According to Al Watan Daily, striking a power balance in the union remains a challenge as some smaller Gulf states resist the

dominance of Saudi Arabia, the world's biggest oil exporter. "They need to be steadfast to push it forward. They have to complete various technical tasks such as establishing technical committees, synchronising statistics, facilitating capital and labour movements, deciding on the peg and then the name of the currency," Sfakianakis added.

## YEMEN

### **Yemen ready to talk to Al Qaida if they disarm**

Yemeni President Ali Abdullah Saleh has offered to open talks with Al Qaida militants, with whom security forces have been fighting bloody battles, if they "lay down their arms." "If Al Qaida [militants] lay down their arms, renounce violence and terrorism and return to wisdom, we are prepared to deal with them," he told Abu Dhabi TV in an interview carried on Sunday by Saba news agency. Saleh said his government is "determined to stand up to the challenges" of Al Qaida and that his security forces will make every effort to catch as many terrorists as possible. But the Yemeni president said he was open to negotiations. Security forces and air force have achieved "impressive victories" against Al Qaida in the provinces of Abyan, Shabwa and Sana'a, the president said.

### **Yemen's conflicts flare amid Al Qaida fight**

The United States, which is funneling millions of dollars to Yemen's government to fight Al Qaida, is pressing Sana'a to resolve its internal turmoil and focus on the terror group.

Yemeni troops backed with tanks and artillery launched new assaults against Shiite rebels, the military said Saturday, the latest offensive in an increasingly bloody war that has been raging for years on the capital's northern doorstep. Also, lethal clashes erupted this week between protesters and security forces struggling to put an end to a secessionist movement in the once-independent south, where bitterness toward Sana'a is swelling. Observers question if the impoverished nation's military can wage a determined campaign against Al Qaida under the strain of the multiple conflicts, and there are fears the terror group is seeking to link up with insurgents for new recruits, particularly in the south. The United States, which is funneling millions of dollars to Yemen's government to fight Al Qaida, is pressing Sana'a to resolve its internal turmoil and focus on the terror group. Washington warns that the Al Qaida offshoot here has become a global threat after it allegedly plotted a failed attempt to bomb a US passenger jet on Christmas. "There have been numerous conflicts in Yemen and they seem to just get worse and worse," US Secretary of State Hillary Rodham Clinton said Monday. "There are expectations and conditions on our continuing support for the government." Yemen's deputy prime minister in charge of security and defense, Rashad al-Alimi, said Thursday that fighting Al Qaida was the government's "first priority." On Saturday, counter-terror units conducted exercises outside Sana'a, attacking a mock Al Qaida hideout and practicing a hostage-rescue operation. What fuels Yemen's instability is widespread alienation among tribes and factions toward a regime they complain has for years hoarded power and wealth among a small circle of supporters. They say their regions have been neglected, with poverty spreading and infrastructure left to deteriorate. In much of the country, powerful tribes have filled the void, some sheltering Al Qaida fighters. The government holds firm authority only around the capital, and the troops or administrators it sends to lawless areas are seen by many locals as interlopers. The government accuses Al Qaida of working with the Shiite rebels and southern secessionists, a claim denied by both. Unless the

conflicts are resolved, Al Qaida may find allies, particularly among the southerners, Mohammed Abdel-Malik Al Mutawakkil, a political scientist at San'a University, told The Associated Press. Support for Al Qaida is not strong among the southerners, "but if they find there is no solution (to their grievances), they will turn to any outlet, and some will accept" the terror group, he said.

The head of Al Qaida's offshoot in Yemen, Naser Abdel-Karim Al Wahishi, appealed to southerners in May, expressing support for their cause and urging them to continue their fight against Sana'a's "suppression and tyranny." The south was the site of Al Qaida's 2000 attack on the USS Cole, off the port of Aden. The provinces of the south were an independent nation for decades, ruled by a socialist regime, until it unified with the north in 1990. Four years later, San'a put down a new independence bid in a 3-month civil war. Since then, many in the south accuse San'a of taking oil revenues and land, dismissing southerners from the government and military, and imposing northern administrators. "This regime has turned the south into a trash bin. The manner of the regime in the south is one of colonialism and occupation," said Abbas Al Assal, a member of the main southern secessionist movement Al-Harak. The succession movement gained new momentum in 2008, when the government, struggling under reduced oil revenues, cut pensions for veterans of the former southern state's military. In a wave of protests since, security forces have opened fire on demonstrators at least six times in 2008 and 2009, according to the UN based Human Rights Watch. Last Sunday and Tuesday, security forces in the former southern capital Aden twice tried to storm the offices of the south's most influential newspaper, Al-Ayyam, where protests were being held against the paper's closure last year for alleged secessionist tendencies. Forces firing rocket-propelled grenades and automatic weapons clashed with the paper's guards. The fighting killed a policeman and two office guards.

In the north, Shiite rebels known as Hawthisi rose up against the government in 2004. Since August, the conflict escalated into full-fledged warfare, centered in the mountainous corner of Yemen between San'a and the Saudi border. Saudi forces joined in late, battling Yemen's Shiite rebels along the frontier. San'a accuses Tehran of backing the rebels as part of an attempt by the mainly Shiite Iran to extend its power into the Sunni Arab world. But the US and other Western nations are skeptical about Iranian involvement. "It is an indigenous rebellion, largely a result of homegrown grievances," a Western diplomat said, speaking on condition of anonymity in order to discuss the situation. "The chief element is the lack of development." The conflict also has religious overtones. Government elements in the past have encouraged a presence in the north of Sunni Salafist extremists, many of whom consider Shiites heretics. The result has been a backlash from Shiites, the diplomat said. Salafis in the government and military are believed to be pushing President Ali Abdullah Saleh to continue the war in the north, and Sunni extremists have reportedly been brought in to fight alongside government forces. Ali Mohammed Omar, a Salafist who runs an anti-secessionist movement in Aden, warns the regime cannot fight Al Qaida and the other two fronts at once.

### **German minister in Yemen, hostages likely an issue**

German Foreign Minister Guido Westerwelle met with Yemen's president in talks Monday likely dealing with the fate of a missing German family reportedly held hostage by Al Qaida. Westerwelle held talks with President Ali Abdullah Saleh and Foreign Minister Abu Bakr Al Qirbi. There were no details on the visit and Yemeni officials had no immediate comment on the meeting. A German couple and their three young children went missing in June along with a

Briton in the northern region of Saada. Two German women and a Korean woman who disappeared with them were found dead soon after. Yemen accused Al Qaida's offshoot there of kidnapping the group. Last week, Yemen's deputy prime minister said the hostages are still alive. Westerwelle made his unannounced trip to Yemen following a visit to Saudi Arabia and other Gulf countries.

### **Yemeni security forces kill Al Qaida figure**

Yemeni security forces killed a suspected Al Qaida figure and arrested four others in a raid on a house in a remote mountainous province, the region's governor said Wednesday. Elsewhere in Shabwa province, suspected al Qaida fighters ambushed a patrol before dawn Wednesday, killing two members of the security forces and wounding four others, officials said. The gunmen attacked the security forces' patrol on a winding mountain road at Nakaba, south of the provincial capital Ataq, the security officials said, speaking on condition of anonymity because they are not authorised to talk to the press. The violence comes as Yemen has stepped up its operations against Al Qaida with help from the United States, which has increased funding and training of the Yemeni security forces. Washington says Al Qaida's offshoot in the Arabian Peninsula country has become a global threat after it allegedly plotted the Christmas Day attempt to bomb a US passenger jet. Shabwa province is one of several where hundreds of Al Qaida fighters are believed to have gained refuge, some protected by tribes disenchanted with the central government. Shabwa's governor, Ali Ahmadi, identified the slain militant as Abdullah Mihzar, a native of the province who was on the list of wanted Al Qaida figures. Ahmadi told reporters he was killed in a raid on a house Tuesday night. Security forces surrounded the house in the mountainous region of Maysaa, about 230 miles (380 kilometres) southeast of the capital, Sana'a, and exchanged fire with about 20 militants inside, security officials said, speaking on condition of anonymity because they were not authorized to talk to the press. During the fighting, Mihzar was killed, four others were arrested, but the rest escaped, the officials said.

### **Kuwait, US review ways to tackle terror-sponsoring in Yemen**

A senior US delegation has reviewed with Kuwaiti officials ways to tackle the issues of money laundering and the sponsoring of terrorism in Yemen, a local daily said. The meeting in Kuwait City between Shaikh Thamer Al Ali, the deputy head of Kuwait's National Security Agency, and the US delegation headed by David Cohen, Department of the Treasury's Assistant Secretary for Terrorist Financing, agreed on "the need to rescue the Yemeni society from the very low living standards that are being used to promote violence and terrorism," Al Qabas daily said. Kuwait is currently the chair of the Gulf Cooperation Council following the summit hosted in Kuwait City last December. The six GCC member countries pledged to offer full support to the Yemeni authorities in their efforts to combat rebels and terrorists. Cohen, appointed in May 2009, is responsible for formulating and coordinating counter-terrorism financing and anti-money laundering efforts of the Department of the Treasury. In this role, Cohen is a key member of the Obama Administration's national security team in developing financial strategies to combat threats, ranging from terrorism, organized crime, to the proliferation of weapons of mass destruction. On January 2, London said that it would discuss developments in Yemen with the European Union and that it would push for tougher action on Yemen from the Financial Action Task Force, an international body tackling money laundering and funding for violent extremist groups. Washington and London have pledged to step up action to fight extremism in Yemen and

Somalia, and have agreed to fund a counter-terrorism police unit in Yemen as part of efforts to fight terrorism. The British embassy in Sana'a closed on January 3, following security concerns, but has since reopened. In 2009 the British embassy closed ten times.

### **Iran criticises Saudi role in Yemen conflict**

Iran's President Mahmoud Ahmadinejad on Wednesday lashed out at Saudi Arabia over its role in Yemen's conflict with the Al Houthi rebels, saying it should seek to foster peace rather than using weapons against fellow Muslims. "We were expecting that Saudi Arabian officials act like a mentor and make peace between brothers, not that they themselves enter the war and use bombs, cannons and machine guns against Muslims," the president said. "If only a small part of the weapons of Saudi Arabia were used in favour of Gaza and against the Zionist regime [Israel], today there would be no sign of the Zionist regime in the region," he added in a tele-vised speech. Meanwhile, dialogue with the Al Houthi rebels was encouraged by the Iranian and Omani foreign ministers during a press conference. Yemen has accused clerics in Iran of backing the rebels and Iranian media have attacked Saudi Arabia for joining in the war against them since November.

### **Yemeni radical cleric warns of foreign occupation**

Yemen's most influential Islamic cleric, considered an Al Qaida-linked terrorist by the United States, warned that the US-backed fight against the terror group could lead to "foreign occupation" of the country. Shaikh Abdul-Majid Al Zindani's comments on Monday illustrated the pressure Yemen's government is under to limit the US role here even as Washington ramps up counterterrorism aid and training to help combat Al Qaida's offshoot in the country. Al-Zindani is emblematic of how - unlike in Iraq and Afghanistan, whose governments are bitter enemies of Al Qaida - Yemen's beleaguered regime has built alliances with Islamic extremists to hold onto power. Some have Al Qaida connections, complicating the fight. Branded a spiritual mentor of Osama bin Laden by the US, Al Zindani is highly influential among Yemenis. The United States has labeled him a "global terrorist," alleging in a 2004 US Treasury report that he helped fund and recruit for Al Qaida and that students from his Iman University were involved in past attacks. Yemen's government has openly allied with Al Zindani in the past and still courts his support. The deputy prime minister last week defended the cleric, saying he is not a member of Al Qaida. Al Zindani laughed Monday as he dismissed the US terror accusations against him at a news conference at his home in Sana'a.

### **Yemen rejects US intervention**

Yemen, hunting Al Qaida within its borders, believes its own security forces must fight militants on its territory and rejects any direct US intervention, the foreign minister said. Yemen, the poorest Arab country, was thrust into the foreground of the US-led war against Islamism after a Yemen-based wing of Al Qaida said it was behind a Christmas Day attempt to bomb a US-bound plane. Asked by CNN whether Yemen would accept direct US intervention, Foreign Minister Abu Bakr Al Qirbi said: "No, I don't think we will accept that. I think the US, as well, have learned from Afghanistan and Iraq and other places that direct intervention can be self-defeating. "We think this is the priority and the responsibility of our security forces and the army," Al Qirbi told the US news channel. Yemeni authorities launched an operation this week to root out Al Qaida militants who they said were behind threats that forced Western embassies to close. The

raid, which killed two militants, allayed US concerns and allowing its heavily fortified mission to reopen.

### **Yemen on the edge**

Yemen's president said he is ready to talk to Al Qaida members who renounce violence, suggesting he could show them the same kind of leniency he has granted militants in the past despite US pressure to crack down on the terror group. Yemen is moving cautiously in the fight against Al Qaida, worried over a potential backlash in a country where anger at the US and extremism are widespread. Thousands of Yemenis are battle-hardened veterans of past "holy wars" in Afghanistan, Bosnia, Chechnya and Iraq, and though most are not engaged in violence now, they preserve a die-hard Al Qaida ideology. "Any movement against Al Qaida will lead to the fall of the Yemeni regime," warned Ali Mohammad Omar, a Yemeni who fought in Afghanistan from 1990-1992 and says he met Osama Bin Laden twice during that time. If the US or its allies become directly involved, "the whole [Yemeni] people will become Al Qaida. Instead of 30 or 40 people, it would become millions," he said in an interview. Yemeni forces recently launched their heaviest strikes and raids against Al Qaida in years, and Washington has praised Sana'a for showing a new determination against Al Qaida's offshoot in the country. The United States has increased money and training for Yemen's counterterror forces, calling Al Qaida in Yemen a global threat after it allegedly plotted a failed attempt to bomb a US passenger jetliner on Christmas Day.

## **SAUDI ARABIA**

### **International Front**

#### **Saudi scholar suggests ban on travel to US**

Saudi Islamic preacher Shaikh Sulaiman Al Dowaihs urged Saudi authorities to explore the prospect of imposing a ban on travel to the United States if the United States sticks to its decision to undergo an "enhanced screening" of passengers from Saudi Arabia. At the same time, the Saudi Ministry of Foreign has sent a message to the US administration seeking clarifications regarding the recent US announcement about heightened security checks for Saudi passengers. Saudi Arabia is among 14 countries, whose citizens have been subjected to enhanced screening at the US airports. At least 22,000 Saudi young men and women are doing their bachelor's, master's and Phd degree courses in various US universities and higher institutes. Earlier, a Foreign Ministry official said that Saudi Arabia would not tolerate any violation of the dignity of its citizens, their freedom of movement or their privacy. The new US regulations have triggered widespread outrage and anger among Saudi citizens. Speaking to reporters, Saudi Da'awa worker Shaikh Sulaiman Al Dowaihs said that the new security regulations introduced by the US authorities will infringe on the religious rights of Saudi citizens as the new security screening will expose their private parts. Speaking to Gulf News, Saudi security researcher Sultan Al Anqari criticised the new US regulation, saying it is some kind of political blackmailing by the US administration against the Kingdom for the latter's position against unjust practices of Israel.

#### **Bashar Al Assad arrives in Riyadh for summit talks**

Syrian President Bashar Al Assad will arrive here on Wednesday on a landmark official visit — a further sign of the thaw in relations between the two key Arab states. The visit would follow

Saudi Foreign Minister Prince Saud Al Faisal's visit to Damascus last week. The Egyptian-brokered reconciliation agreement between the leading Palestinian factions of Hamas and Fatah, Iranian nuclear dossier and the situation in Lebanon would figure high in the talks. "During the Saudi-Syrian summit talks, the leaders will discuss ways to further strengthen bilateral relations and cooperation in various fields, in addition to the regional and international issues of mutual concern," the official Saudi Press Agency reported.

### **Syria and Saudi Arabia seek Palestinian unity**

Syrian President Bashar Al Assad pledged to work with Saudi Arabia's King Abdullah Bin Abdul Aziz to promote a reconciliation between the Palestinian movements Hamas and US-backed Fatah. The two leaders, who met outside the Saudi capital, Riyadh, discussed the Palestinian issue and efforts to "strengthen ties of brotherhood and resolve Arab issues without outside interference," the official Saudi Press Agency said. They stressed the "urgent need for ending the Palestinian division," the state-run Syrian Arab News Agency reported. King Abdullah visited Syria in October after hosting Al Assad in March at a meeting of four Arab states aimed at persuading Syria to distance itself from its ally Iran. Both Syria and Iran, Saudi Arabia's main rival in the region have close ties to Hamas. Palestinian Authority President Mahmoud Abbas' secular Fatah movement is backed by the US and its allies in the region, including Saudi Arabia and Egypt.

### **Social Front**

#### **Saudi cleric labels joining Al Qaida un-Islamic**

Joining Al Qaida is forbidden in Islam, according to senior Saudi scholar Shaikh Abdul Mohsen Al Obeikan. Obeikan, who is a top advisor in the court of Saudi King Abdullah, made his commends in the Okaz newspaper. "Affiliation with the so-called Al Qaida group is haram (or banned under Islamic teachings)", he said. Al Qaida's ideology, according to the official Saudi view, was one of takfirism, which is forbidden. The concept of takfir is used by Al Qaida, as a way of justifying killing someone by accusing them of apostasy. Saudi Arabia has stepped up its efforts to dissuade Saudis from joining Al Qaida, especially in light of its strong re-emergence in its southern neighbour, Yemen.

#### **Saudi Arabia death sentence law amended**

Saudi Arabia's Shura Council has approved a landmark decision with regard to execution of the death sentence. The council passed a legislation to make amendment in the Criminal Procedure Law by which death sentence shall be carried out with a unanimous decision instead of the existing majority vote. An overwhelming majority of 92 members voted in favour of the new amendment, while a few members opposed it. The Shura members, who voted against the amendment included Dr Zuhair Al Harithy and Dr Abdul Rahman Al Eisa. According to the amendment, death sentence shall be executed only with a unanimous decision of the judges. At present, death sentence can be awarded with a decision of the majority of judges. The amendment says that any verdict issued by a lower court awarding death sentence or severing of hands or similar punishments shall not be executed without a verdict of the Supreme Court, upholding it.

The court decision shall be with a unanimous decision. The Shura Council will conclude voting on the remaining clauses of the draft judicial laws after listening to the viewpoints of the subcommittees for Islamic, judicial and human rights. Airing his objection to the Shura Council's vote for amendment, Dr Zuhair Al Harithy said that a unanimous decision in awarding punishment comes in the purview of the Shariah option of Ijtihad (Islamic jurisprudence). In comments to Al Riyadh Arabic daily, he said that this type of intervention by the Shura in the activities of judiciary makes no sense and it is also incomprehensible. "If there is no unanimity in issuing verdict, it shows that there is some doubt in the verdict and this prevents court from awarding punishment to the culprits," he said while warning that this could lead to murderers going unpunished.

### **First Saudi female poet's work introduced in textbooks**

Woman breaks new barriers in Kingdom as more reforms under way. For the first time in Saudi Arabia's history, little girl students are reciting a poem written by a Saudi female poet. "This is my biggest and most prominent accomplishment in my career and intellectual life," 33-year-old Eitedal Theker Allah said about introducing two of her poems in third-grade textbooks in the current academic year.

### **Saudi rights body lauds steps to empower women**

More opportunities will raise their status in society, report says. Saudi Arabia's Human Rights Commission commended the steps taken by the government to empower women and elevate their position and status in the society. In its latest report on "Women's status in the Kingdom", the government body recommended increasing job opportunities for women. The report highlighted remarkable achievements and contributions being made by Saudi women in various sectors. "The participation of women in the nation's growth and development process is outstanding. Saudi women are showing their capabilities to take up challenging responsibilities and are playing vital role in various key sectors, keeping pace with the lofty position bestowed to them by the Islamic Sharia," the report noted. The HRC underscored that Saudi women are enjoying their special rights and privileges especially during the period of King Abdullah Bin Abdul Aziz.

"The king is keen to make available of more opportunities for women which have helped improve their lot and elevate their position in various sectors." Saudi women can now compete with women in any other country in most sectors of their social life, and that is strictly in line with the Sharia regulations and safeguarding their identity," the report said. The commission referred to an article in the eight five-year Development Plan of the Kingdom as evidence of the Kingdom's determination to take steady steps into the development of women derived from many texts and teaching in the Islamic Sharia, which stands against every violation and breaching of women's rights, the report pointed out.

The HRC report called for exerting more efforts to enable women enjoy and safeguard their rights. "Women should be given more opportunities to develop themselves both academically and career-wise." It is noteworthy that the UN special rapporteur on violence against women Yakin Erturk earlier commended Riyadh for lending a hand of cooperation with the UN agencies. During her visit to Saudi Arabia last year, Yakin said she had particularly enjoyed

returning to Saudi Arabia, where she spent time working before joining the UN. "From a personal perspective, it was amazing to go back," she said.

### **Economic Front**

#### **Saudi Telecom to start Bahraini operations in Q1**

STC acquired Bahrain's third mobile licence for \$230 million in January 2009. The Bahraini unit of Saudi Telecom's (STC) plans to start its operations during the first quarter, a spokesman said on Thursday, a year after acquiring a licence in the country. "We're working (to launch) within the first quarter, but we haven't decided on the exact date yet," a spokesman said. STC acquired Bahrain's third mobile licence for \$230 million in January 2009. It initially planned to start operations at the end of last year. It will compete with incumbent Bahrain Telecommunications (Batelco) and the local unit of Kuwait's Zain over mobile customers in Bahrain, a small market with a population of about 1.3 million. (Reuters)

### **UAE**

### **International Front**

#### **Abdullah calls for broader contacts with Germany**

The German foreign minister is visiting the UAE as part of a tour of the region. Foreign Minister Shaikh Abdullah Bin Zayed Al Nahyan received on Sunday his German counterpart Guido Westerwelle at the Emirates Palace for talks over prospects of bilateral friendship and cooperation.

#### **Dubai invites UN to set up headquarters**

The government of Dubai yesterday announced that it is fully prepared to host the headquarters of the United Nations if its officials decide to move from New York where the organisation is currently located. According to an official source in the Dubai government, the announcement was made in light of the UAE's — and Dubai's — appreciation of the vital role the United Nations plays in all areas, and in the protection of international peace and security and economic development in particular. The source said Dubai welcomes dialogue with UN officials to provide them with full information on the capabilities which the emirate can provide and which could make it the optimal choice as the new seat of the UN headquarters if a final decision is taken to move out of New York. Among the capabilities which Dubai possesses are suitable geographical location and world-class infrastructure and air, land and sea transport systems which make the emirate an easily accessible meeting point in the middle of the world, noted the source. Dubai's offer is part of efforts the UAE is making to assume its full role as a responsible and effective member of the international community and to find alternatives to contribute to stronger international joint actions.

#### **UAE keen to boost ties with Libya**

Shaikh Abdullah Bin Zayed Al Nahyan, UAE Foreign Minister, on Wednesday confirmed the UAE's keenness to boost its relations with Libya for the benefit of two countries and their people. Shaikh Abdullah said this during his meeting with Libyan leader Muammar Gaddafi. The

minister is taking part in UAE-Libyan talks aimed at enhancing cooperation between the two countries. Shaikh Abdullah conveyed the greetings of President His Highness Shaikh Khalifa Bin Zayed Al Nahyan and His Highness Shaikh Mohammad Bin Rashid Al Maktoum Vice-President and Prime Minister of the UAE and Ruler of Dubai, to the Libyan leader.

## **Social Front**

### **Emiratis at the helm of nuclear industry**

An estimated 60 per cent of jobs available in nuclear energy power plants will be held by Emiratis, Gulf News has learnt. So far, 40 Emirati students have been offered scholarships to study nuclear energy through a \$20.4 billion nuclear power contract signed between the UAE and South Korea to establish partnerships in research, education and vocational training in nuclear energy. There are four power plants that are due to be built in the capital, one of which will be built by 2017. "All four power plants will be ready by 2020, The exact location of the plants remains unknown. The project is vital to the UAE, which is why we are prioritising the development and training of Emirati talent to ensure they lead the UAE civil nuclear energy programme," said Fahd Al Qahtani, Media Relations Manager at the Emirates Nuclear Energy Corporation (ENEC).

### **New UAE smoking law comes into effect on Wednesday**

The anti-tobacco law issued last week by UAE president Sheikh Khalifa bin Zayed Al Nahyan comes into effect from Wednesday, a senior Ministry of Health (MoH) official confirmed. Cafes and restaurants located in residential neighbourhoods have two years to either move or ban smoking while for non-residential outlets, designated smoking areas will be allowed, news agency WAM reported. Dr Mahmoud Fikri, executive director of Health Policies, MoH, said a new national anti-tobacco committee would draw members from all the authorities concerned such as the ministries of health, economy, environment, education and interior.

## **Economic Front**

### **Abu Dhabi's index ADI fell 0.2 percent to 2,707 points.**

Dubai's index DFM slumped to a fresh one-month low as investors resume selling after an initial rally, with Dubai's debt problems pushing investors to exit. "UAE markets are performing strangely," said Amed Hamdi, senior relationship manager at Prime Emirates. "Most international markets are performing well, oil is looking good and the domestic economy isn't bad, so people are probably waiting for more news about Dubai World debt restructuring. The uncertainty is overhanging the market." Emaar Properties fell 0.9 percent, Arabtec dropped 0.8 percent and Emirates NBD lost 1.4 percent. Union Properties dropped 2.9 percent to a month low, a day after its chairman told Reuters it was considering selling some of its completed property assets to generate liquidity.

### **UAE food stockpiling may affect Iran supply**

The UAE plan to build a three-month food stockpile to cushion against supply disruptions may impact supplies to Iran, an Iranian official said on Thursday. Last month, the UAE announced that under the first phase of a plan to bolster food security that it would build up stockpiles of 15

commodities to cover three months' consumption. Stockpiling has begun, food traders said. The UAE is a principal supply route for the Islamic Republic, which is just across the Gulf waters.

"Because of this stockpiling here today there are not enough surplus commodities that could be shipped to Iran from the UAE," said Ali Pashang, chairman of the Iran Trade Center in Dubai. If Iran needed more foodstuffs, it would have to increase imports from countries such as India and Brazil rather than depend on supplies from UAE traders, he said. "The advantage of Dubai is that its close," he said. Shipments from Dubai to Iran would take hours, rather than the weeks that orders from source countries would take, he added. Dubai has long been a big supply source for many types of goods destined for Iran. The plan to stockpile food had been well received by traders who prefer to minimise dealings with Iran due to red tape and other factors.

### **Dubai exports hit new 2009 high in December**

Dubai exports hit a year-high AED18.5bn in December. Dubai exports for December hit a year-high AED18.5bn, latest figures from the emirate's chamber of commerce and industry have revealed. A DCCI study showed its members' total exports for the month were 23 percent higher than the same month last year. The report also revealed that December 2009 exports took the year's total to AED186.1bn, 11 percent higher than 2007 but 16 percent down on the total for 2008 when the prevailing inflation ratio affected the value of exports.

### **Dubai ruler clears 2010 budget with deficit of 2% of GDP**

Dubai's ruler approved the Gulf emirate's 2010 budget with a deficit of 2 percent of gross domestic product, deeper than last year and in line with a budget committee's proposal, the government said on Thursday. "The general budget of the government of Dubai represents a balance between necessities of supporting and stimulating the economy on one side and committing to financial rules and sound principles of managing public funds on the other," Dubai finance department chief Abdulrahman al-Saleh was quoted as saying in a government statement sent to Reuters by a banking source. The 2010 budget gap is projected at 6 billion dirhams (\$1.63 billion), up from a 4.2 billion gap envisaged for 2009, the statement said. The government revenues are projected to reach 29.4 billion dirhams, while expenditure stands at 35.4 billion.

URL: [www.arabianbusiness.com%2F578175-dubai-ruler-clears-2010-budget-with-2-deficit-of-gdp-](http://www.arabianbusiness.com%2F578175-dubai-ruler-clears-2010-budget-with-2-deficit-of-gdp-)

## **BAHRAIN**

### **Social Front**

#### **Bahrain Medical Society to support candidates keen on health reforms**

Bahrain Medical Society will support parliamentary candidates who will endorse its quest for better working conditions and improve health standards, the society said. "As a vocational society, we do not have the right to contest in legislative elections. However, we will support the candidates whose platform includes enhancing doctors' professional status and set out ways to improve health standards," Dr Ahmad Jamal, the society's secretary general, said. "We have common concerns about better health conditions and we are exploring all legal ways to reinforce our drive for higher standards." However, he said that society members had the right to endorse the candidates they liked. "Our members have their own ideologies and opinions and it is

difficult to gear all views towards one specific political platform. They have the freedom to choose the candidate who, they believe, will best serve the interests of the health sector,” he said.

### **Manama protests possible fuel price hike**

Hundreds of people marched on Friday afternoon in a rally in Manama to protest against a possible raise in the prices of fuel. Around 2,000 people, according to the interior ministry, took part in the rally organised by 12 political societies. The figure is well below the 30,000 initially announced by the organizers on the days preceding the public protest. A report published by a newspaper last month said that the government would hike fuel prices by 20 per cent in 2010. The report sparked protests in the lower chamber where all parliamentary blocs and independent MPs blasted the government and insisted on explanations from the oil and finance ministers. However, neither of the ministers confirmed the increase to the lawmakers, prompting them to write a letter to the prime minister requesting a formal and clear answer. The parliament's efforts were supported by political societies that said that they would organise a rally to exert further pressure on the government to reconsider its decision. However, on Tuesday, the parliament speaker told the MPs that the government said that the possibility of raising fuel prices was mentioned in a study commissioned by the state and that no decision on the issue had been made. The government's reply caused some societies to pull out of the rally, but organisers said that they would maintain it and urged people to be part of the march.

### **Bahrain sets up world's first arbitration freezone**

Bahrain has become the first country in the world to establish an arbitration “free zone” and introduce the concept of statutory arbitration after it formally launched the Bahrain Chamber of Dispute Resolution. The Chamber, an initiative of Bahrain’s Ministry of Justice and delivered in partnership with the American Arbitration Association, a provider of conflict management and dispute resolution services, will be known formally as the BCDR-AAA. The BCDR-AAA will provide the region with an international ADR centre of excellence, but with the distinct added advantage of operating an arbitration “free zone” under Bahrain’s new legislation. As a result, where international disputes are heard at the BCDR, where the parties involved agree to be bound by the outcome, the award will be guaranteed and not subject to challenge in Bahrain. This resolves an issue that has been a significant problem in many parts of the world, despite existing international conventions. Bahrain’s arbitration “free zone” will offer jurisdictional and legal certainty to the recognition of arbitration awards, an essential component of modern day commercial transactions.

In another global first, Bahrain has also introduced the concept of statutory arbitration for commercial and financial disputes. Cases that would previously have come before Bahrain’s domestic courts, where the claim is over BD 500,000 (\$1.3m USD) and involves an international party or a party licensed by the Central Bank of Bahrain, will now be directed to the BCDR-AAA for final and binding resolution.

### **Bahrain parliament wants solution to land reclamation issue**

Bahrain's lawmakers on Tuesday wrangled for hours over the "most adequate" way to address the controversial issue of land reclamation. All Members of Parliament (MPs) in the lower chamber agreed that the land reclamation rate in Bahrain was causing economic and social

problems and needed to be stopped. However, they could not agree on how and whom to approach for a permanent solution in line with the recommendations of a parliamentary committee set up 18 months ago to look into alleged land reclamation irregularities. The report outlined 19 recommendations. MP Abdul Halim Murad, representing Al Asala, the Salafi bloc, suggested an investigation of ministers mentioned in the report. The call was rejected. Also dismissed was a proposal to set up another committee to oversee the implementation of the recommendations and look into further ways to address the issue. Several MPs said that the lower chamber should form a delegation that will hold talks with the country's leaders and discuss a possible solution.

## **Economic Front**

### **Bahrain Open for Business**

Bahrain's third Gulf Industry Fair (GIF), which opened yesterday, is proof that the kingdom is performing well despite global economic pressures, said the Prime Minister. "The Gulf Industry Fair is a good index reflecting the healthy national economy," His Royal Highness Prime Minister Prince Khalifa bin Salman Al Khalifa said. He was speaking as he opened the expo at Bahrain International Exhibition and Convention Centre. The three-day show is being organised by Hilal Conferences and Exhibitions. The Premier stressed the government's drive to encourage value-added industries with rewarding dividends to improve people's living standards. "The national momentum is continuing unabated although Bahrain is part of the world and is affected by global trends," he said. The Premier toured different pavilions, praising the organisers' expertise and high-profile participation. He urged Bahraini companies to profit from the GIF opportunities to enhance their edge and open up to other companies. He hailed initiatives spearheaded by the private sector and its valuable contribution to economic growth. He also called for a GCC industrial strategy to support national policies in this key sector.

[http://durangoherald.com/sections/News/Business/2010/01/13/Dubais\\_downturn\\_sends\\_ripples\\_throughout\\_Arab\\_world/](http://durangoherald.com/sections/News/Business/2010/01/13/Dubais_downturn_sends_ripples_throughout_Arab_world/)

## **KUWAIT**

## **International Front**

### **Kuwaiti MPs to call for freeze in Jordanian relations over Saddam street row**

Kuwaiti Members of Parliament (MPs) said that they would call upon their government to freeze relations with Jordan if the controversial issue over naming a street in a Jordanian town after Iraqi former leader Saddam Hussain is not settled. The lawmakers, who will issue a communiqué on Sunday, said that they were scandalised by the decision by authorities in the city of Al Karak, south of Amman. "The MPs are pained by the move to pay tribute to Saddam Hussain despite the atrocities he committed in Kuwait during the occupation," Kuwaiti daily Al Rai on Saturday quoted an unnamed parliamentarian source as saying. Iraqi troops invaded Kuwait in August 1990, but were driven out in February 1991 by a US-led coalition of several countries. "The MPs are also surprised that the Jordanian government did not issue a communiqué stating its stance on the naming of the street and whether it had endorsed it, particularly that relations between Kuwait and Amman have been steadily improving," the sources said. "The silence of the Jordanian government towards such a provocative move is puzzling to the people of Kuwait,

knowing that it is not logical to pay tribute to Saddam Hussain who occupied Kuwait for seven months. Jordan is a country that is supposed to respect the feelings and emotions of the Kuwaitis who are keen on bolstering relations with the Jordanians," sources told Al Rai.

### **Slovenia president to visit Kuwait on Monday**

The construction of a mosque in Slovenia, anticipated by Muslims for four decades, will be "done soon", Danilo Turk, the president of Slovenia has said. In an interview with Kuwait news Agency (KUNA), Turk said that his country respected Muslims' religious traditions, and added that the construction of a mosque in Ljubljana would be done soon. One day before landing in Kuwait City on a tour of the Arabian Gulf that will take him also to Qatar, President Danilo Turk expressed hope that Muslims will continue their contribution in the cultural, social, and economic development of Slovenia. Slovenia's Muslim community has been clamouring for the construction of a mosque in the country for over 30 years, with Muslims often performing their religious services in rented-out sports centres. The closest they came to getting a place of worship was in 2003. However, plans to build a mosque on the marshy outskirts of the city were thwarted by unresolved land ownership on the proposed location, Slovenia Times said. Attempts by a group led by a right-wing city councillor to call a referendum on the building of the mosque were blocked by the then Ljubljana mayor, Danica Simsic. The mosque became a political issue and its construction became one of the main campaign promises made by Zoran Jankovic who cruised to victory in 2006 becoming the city mayor. Last year, Slovenian Prime Minister Borut Pahor told Slovenian mufti Nedžad Grabus that he backed the construction of the first mosques in Slovenia and a religious centre for Muslims, adding that building mosques would consolidate the conditions for a modern and open society in Slovenia.

### **Nuclear Energy Front**

#### **Kuwait set to sign nuclear cooperation with France**

Kuwait is facing rising energy demands and has experienced power cuts in the past. Kuwait and France will sign an agreement on Thursday to develop nuclear energy for peaceful purposes, a French official said. "This is an intergovernmental agreement for cooperation between the French and Kuwaiti governments," Bernard Bigot, chairman of France's atomic energy commission told reporters at Kuwait's parliament. The 20-year agreement is the first step to developing nuclear energy in Kuwait for peaceful purposes such as providing electricity and water desalination, Bigot said. "After signing we will be starting discussion, sharing information in such a way that the Kuwaitis will make their own decision and how to move forward," he said. Kuwait, an OPEC oil exporter, is facing rising energy demands and has experienced power cuts in the past, especially during the hot summer months when air conditioning use rises. All six members of the Gulf Cooperation Council UAE, Kuwait, Saudi Arabia, Bahrain, Qatar and Oman, have shown interest in nuclear power to meet soaring domestic demand for electricity and to free more oil and gas for export. Kuwait held talks with France's Areva this year, while France and Saudi Arabia have said they are close to finalising a civilian nuclear energy cooperation agreement.

## **Social Front**

### **Kuwait to launch taxis exclusively for women**

Kuwait is set to introduce within weeks taxis for women only. The pink taxis will be driven by female drivers and will be exclusively for women customers, the woman behind the project has said. "The ambitious new project will succeed because many women need to feel secure in their transportation. I hope to spare women the hassle they might face when a male driver takes them to their destinations," Bedoor Al Mutairi said. Al Mutairi said the project, called Eve Taxi, follows the example of several Arab and Islamic countries, including the United Arab Emirates, Lebanon, Syria, Iran and Bangladesh. "A number of European countries implemented the new style of transportation this year, such as Britain, Spain and Mexico, even though they are known for being liberal," Bedoor told Kuwait News Agency (KUNA). The ambitious entrepreneur needed one year and a half to plan and develop the project and to complete the official documents. She praised the Kuwait Small Projects Development Company, a governmental body of the Kuwait Investment Authority (KIA), for supporting her project and making it a reality. No males will be allowed in the taxis that will operate from 8:00 am to 8:00 pm and will be equipped with a GPS system. The taxi drivers are highly qualified and well acquainted with Kuwait's areas and fares will be in compliance with the regulations of the Interior Ministry, and the taxi routes will cover the governorates of Hawalli, Asma, and Farwaniyah.

### **Kuwait bans controversial Egyptian movie**

Kuwait has banned the screening of a controversial Egyptian film, saying that it promoted a culture of debauchery. The film, Bedoon Rakaba (Out of Control or Uncensored), was produced in 2009 and addresses lifestyles centering on drug uses by young people and lesbianism, a taboo subject in Arab cinema and society. According to the Kuwaiti daily Al Watan, a member of the censorship board said that some of the scenes were "too hot" and that the lesbianism theme was too bold. The member stressed that the scenario was very weak and failed to address the controversial issues properly.

### **Kuwait panel rejects Bill seeking to keep women at home**

Kuwait's parliamentary Women's Committee has rejected a Bill that encouraged women to leave their jobs and stay at home to raise their children for 250 Kuwaiti dinars (Dh3,193) a month. The decision sparked outrage among conservative lawmakers. MP Mohammad Al Hayef — who submitted the Bill — promptly charged the members of the committee, all women, with acting against the welfare of Kuwaiti women. Al Hayef said that the committee's decision to reject his motion to financially support women keen on staying at home was evidence that the committee's members were not in favour of helping women. The Bill compels the state to pay 250 dinars a month to women who give up their jobs and stay at home.

## **Labor Front**

### **Laws in place to ensure timely payment of salaries, says Kuwait Minister**

The controversial issue of not giving foreign workers their wages is "over", Kuwait's social affairs and labour minister has said. "We have addressed the government authorities not to pay dues to any company until they made sure that it has paid the wages of its foreign employees,"

Mohammad Al Afassi said. "The ministry is now looking into any complaint of non-payment of salaries or wages and, if need, be submitted to the public prosecution," said the minister who has been pushing for better working and living conditions for the hundreds of thousands of foreigners in Kuwait. A new labour law promulgated last month has been hailed as a positive step forward to provide more rights for workers in the private sector. The legislation, which replaces a 45-year-old law seen as being favourable to employers at the expense of workers, includes annual leave, end of service indemnities and holidays. It also sets stringent penalties, including jail terms, for people who trade in visas or who pledge to employ expatriate workers but fail to provide them with jobs or to pay their salaries regularly. Around 2.3 million foreigners live in Kuwait, mainly Asians working in the booming construction sector.

## OMAN

### Social Front

#### **Oman government studying amnesty for illegal workers**

There seems to be light at the end of a dark tunnel for blue-collar workers stuck in Oman without valid papers even as the Manpower Ministry relentlessly continues its crackdown on illegal workers in the country. According to reliable sources, the government machinery has been set in motion to study the possibility of giving these illegal workers an exit out of the country without paying fines or at least some concession. "That [waiving fines] is the best way out to allow illegal workers to exit and regularise the labour market," reckons Indian Ambassador to Oman, Anil Wadhwa. He told Gulf News that the mission was in the process of registering Indian expatriate workers without any legal papers. The Indian envoy is in the process of meeting senior government officials with a proposal to waive fines of the workers, who wish to return home. "I have had a meeting at the Ministry of Foreign Affairs," said Wadhwa, who is also expected to meet the Manpower Minister on the subject.

#### **Sultan Qaboos University to design Omani eco-house**

Due to concerns about the environment, researchers at Sultan Qaboos University (SQU) are conducting investigations for designing and building eco-houses suitable for the country, informed the authorities. The SQU has taken steps to unite knowledge and expertise in a research project aimed at designing and building the first prototype of a typical Omani eco-house. To fulfill this task, the SQU Renewable and Sustainable Energies Research Group- RASERG, a research group functioning in the College of Engineering, has undertaken the task. "The objective of this eco-house project is to develop an innovative residential house that is aesthetically pleasing and functionally working, economic, technically feasible, energy-efficient, climatically appropriate and socio-culturally acceptable," says a statement. "It is of utmost importance in prototype housing development to use appropriate materials which can be produced locally and perhaps to some extent by the users themselves, which would meet the climatic, technical and aesthetic needs."

### Economic Front

#### **Oman's GDP falls 27% to end of Q3 2009**

Oman's GDP was 27 percent down to the end of September as economic activity declined. Oman's gross domestic product (GDP) at current prices declined by 27.4 percent as of the end of the third quarter of 2009 compared to the same period in 2008, new data has showed. According to figures released by the National Economy Ministry and published by Oman News Agency, the decline was attributed to a fall in economic activity, particularly in the oil sector. Services related to oil and gas production decreased noticeably due to the fall in crude oil prices, the report said, adding that the average price for oil was \$51.85 as of the end of the third quarter of 2009 compared to \$103.87 in the corresponding period in 2008, a decline of 50 percent. Activities in the mining and quarries industries also declined by 13 percent while the chemical industry fell by 43.9 percent and the retail and wholesale trade sector by 21.2 percent.

## QATAR

### Social Front

#### **Qatar spends 2.8 per cent of GDP on research**

Qatar is investing heavily in promoting research, spending 2.8 per cent of its Gross Domestic Product (GDP) on funding studies in various fields, a medical expert said. Opening the seminar on Essentials of Research, Dr Al Hareth Al Khater, Chairman of Medical Research Centre at Hamad Medical Corporation, said that there was a research development in Qatar with an annual spending totalling \$1.5 billion (Dh5.5 billion) on research studies. More than 250 researchers, physicians, paramedic staff, nurses and medical institutions took part in the seminar, Qatar News Agency reported. "The aim of the seminar was to promote research among medical professionals and help educating participants on research ethics, methodologies, and safeguarding patient rights, which is essential to research," said Dr Al Hareth.

### Labor Front

#### **More protection looms for Filipino workers in Qatar**

The number of Filipinos in Qatar is set to increase by 25 percent this year. A new agreement between Philippines and Qatar is in the works as the Gulf state expects to see its Filipino population increase by 25 percent this year, it was reported on Wednesday. Philippine Ambassador to Qatar, Crescente Relacion, said the deal seeks additional protection measures for Filipino workers in Qatar and comes in wake of the arrest of Filipino national Jason Aguilar by Doha police. Aguilar, working in Qatar as a welder, was arrested in December 31 after being mistaken for Manila-wanted man Jason Aguilar Ivler who was included in the Interpol Red Notice. Ambassador Relacion told Qatar Tribune that his office only got to know about the arrest through media but the new agreement proposed by his office would require Qatar to inform the Philippine embassy about arrest and deportation of Filipino nationals. "The agreement will strengthen Qatar-Philippines ties especially in handling such labour concerns," Relacion told the paper. The ambassador added that according to the Ministry of Interior Affairs projections the population of Filipinos in Doha is likely to swell to 250,000 from the current 200,000 due to the additional visas granted by the Qatari government.

[www.arabianbusiness.com%2F578634-more-protection-looms-for-filipino-workers-in-qatar](http://www.arabianbusiness.com%2F578634-more-protection-looms-for-filipino-workers-in-qatar)

## COMMENTRIES

### **Yemen clerics in jihad threat**

A group of Yemeni clerics yesterday called for jihad against foreign occupation, as the government declared open war on Al Qaida and warned its citizens against aiding the global terrorist group. "Security forces are launching a wide campaign against Al Qaida elements," a security official said, speaking on condition of anonymity. "If any party insists on aggression, or invades the country, then according to Islam, jihad becomes obligatory," said a statement signed by 150 clerics and read at a news conference in the capital Sana'a. The clerics also rejected "any security or military agreement or cooperation [between Yemen and] any foreign party if it violates Islamic Sharia" and "setting up [of] any military bases in Yemen, or in its territorial waters". The group also said it believes an international conference on Yemen, to be held on January 27 in London, was intended to clear the way for the Arab country's occupation by foreign nations. The conference will be attended by the United States and European countries. On Wednesday, the chairman of the US Senate Armed Services Committee, Carl Levin, urged Washington to consider targeting Al Qaida terrorists in Yemen with drones, air strikes or covert operations. "Most options ought to be on the table," short of invasion by US forces, the Michigan Democrat said.

Nicole Stracke, Security and Terrorism Researcher at the Gulf Research Centre in Dubai, told Gulf News Levin's comments were "shocking". "The population is already very weary and sensitive to any perceived US involvement in Yemen," she said. Asked whether the call for jihad would resonate among the people, she said because of the nature of Yemeni tribal society, people reject outside interference. "They even reject government interference, so you can imagine what this will mean if there is a foreign occupation."

(<http://gulfnews.com/news/gulf/yemen/yemen-clerics-in-jihad-threat-1.568328>)

### **American public view about its Yemen Policies**

#### **(Blog Posts)**

- Obama didn't have much choice, seeing as Bush/Cheney dropped the ball on Afghanistan by running us into Iraq, for God knows what reason.
- Why did we go again? Anyone care to remind me?
- As to Yemen, or wherever else Al Qaeda sets up shop in their on going game of whack-a-mole, the relevant point for me is, every potential Republican candidate will be far more likely to make the same dreadful mistake and run us headlong into another quagmire.
- Or, certainly it's a fair and vitally important question to ask any potential President candidates, what do you about Yemen?
- I for one think what we've learned is, marching our military into countries, dismantling their leadership and taking ownership of the entire country, just to fight Al Qaeda is NOT the way to go.

- The wonderful country of Yemen  
And, some are actually calling for an invasion of this place?? Have we learned nothing?

### **Son's book sheds light on Bin Laden's gruelling life**

With a book written by one of Osama Bin Laden's sons, and with news of a daughter sheltering in the Saudi Embassy in Iran, some of the blanks are being filled in on the life of the September 11, 2001 mastermind's large family, including lurid details of his parenting style. Two weeks ago, the son, Omar Bin Laden, revealed that many of the children who had been with their father in Afghanistan escaped to Iran following the 2001 US-led invasion, and were still together in a walled compound under Iranian guard. Confirmation came with the news that a daughter, Eman Bin Laden, had taken refuge in the Saudi Embassy in Tehran. Saudi officials are negotiating with the Iranians to allow Eman to return to Saudi Arabia, where she was born, and on Tuesday Omar Bin Laden told The Associated Press that he, as well as his wife and mother, had applied for visas to go to Tehran and help speed Eman's case. Omar and his wife, Zaina Alsabah, later e-mailed the AP to report that another Bin Laden son, 16-year-old Bakr, had been allowed to leave on December 25. It said "He arrived with great joy at the destination of his choice," and was with relatives. The e-mail did not disclose where Bakr was, but said he was not in Saudi Arabia. Bin Laden's family was already under the spotlight in "Growing Up Bin Laden," written by Omar and his mother, Najwa Bin Laden, and published in late October. The book describes a brood of children — up to 20 from different wives — who were raised from an early age by an authoritarian father who shunned the luxury his inherited wealth could buy. The mother and son write that the kids grew up in Saudi Arabia, Sudan and Afghanistan without laughter or toys, were routinely beaten, and lost their pets to painful death from poison gas experiments by their father's fighters. When they became young adults, their father asked them to volunteer for suicide missions. When Omar protested, Bin Laden was quoted as replying: "You hold no more a place in my heart than any man or boy in the entire country. This is true for all my sons."

It was then, Omar recounted, that he "finally knew exactly where I stood. My father hated his enemies more than he loved his sons." Speaking to AP, Omar recalled visiting his father's training camps in Afghanistan and being sent to the front lines of the civil war that tore Afghanistan in the 1990s. "I nearly lost my life so many times," he said. "People may ask why I left my father. I left because I did not want anyone to chose my destiny. ... And I believe I chose correctly, for I chose life. I chose peace." Osama Bin Laden was 17 when he married his Syrian first cousin, Najwa, then 15. The couple lived in the western port city of Jeddah, where Bin Laden took three more wives.

In Jeddah's suffocating heat, the family was denied the use of refrigerators and air conditioners. When Omar's asthma got bad, his father ordered him to treat it with honeycombs and onions. In the early 1990s, Bin Laden fell out with the Saudi royal family over the presence of US-led troops on Saudi soil and moved his wives and children to Sudan. On a nighttime camping trip outside Khartoum, the Sudanese capital, Bin Laden told his oldest sons to dig ditches in the desert and then ordered his wives and children to each lie in one of them, according to the book. When someone complained of the desert cold, Bin Laden said they should cover themselves with

dirt or grass. "Do not think about foxes or snakes," the book quoted him as saying. "Challenging trials are coming to us."

### **Bahrain tops Arab world in UN e-government survey**

Bahrain has improved its United Nations e-government readiness rankings, jumping this year to the top of the Arab world and to the third spot in Asia and to the 13th place globally. No other Arab country or Middle Eastern country has ever reached such high levels. "Our ambition was to move forward and to be among the top five countries in Asia, but thanks to the dedication and devotion of the team in charge of e-government, we have surpassed our own known abilities and jumped past several countries with a rich history of achievement in the field," Shaikh Ahmad Bin Atiyatallah Al Khalifa, cabinet affairs minister, told the media on Monday. "While we highly value the outstanding tribute to Bahrain's success from the United Nations, we will not fall into self-complacency and we will work harder with all our partners to enhance our rankings at all levels and consolidate our achievements," he said. Bahrain was 42nd globally and eighth in Asia in 2008. "These spectacular improvements place on us a higher level of responsibilities and duties as we will face the greater challenge of consolidating our progress and improving our ranks according to global indicators," Shaikh Ahmad said. According to the latest study released by the United Nations, Arab countries have had mixed fortunes since 2008.

The UAE fell 17 notches, slipping from 32nd to 49th while Qatar fell by nine ranks, moving from 53rd to 62nd. Lebanon had a spectacular fall by 19 ranks, slipping to 93rd globally, while Syria went down from 119 to 133. Somalia remained at the end of the 184-nation survey. But it was not all gloom for the Arab world. Tunisia made the greatest leap globally, moving up by 58 ranks, from 124th to 66th. Morocco went up by 14 notches to reach 126 and Iraq by 15 ranks to the 136th spot. The six Gulf Cooperation Council (GCC) states fared well, ranking among the top eight countries in the Arab world, with only Jordan and Tunisia taking up a niche among them. Globally, Korea was top of the class, up from 6th, two years ago. The US came second, two ranks better than in 2008, Canada was third after it gained four ranks and the UK was fourth thanks to a six-notch advance. Sweden, top of the world in 2008, slipped to 12th, just one rank ahead of Bahrain. The 2010 UN Global E-Government Readiness Survey assesses UN member states on their application of information and communication technologies to serve and interact with citizens. Its composite index includes a web measure index, a telecommunication infrastructure index and a human capital index.

#### Arab countries e-readiness ranking

1. Bahrain (13 globally – 42 in 2008)
2. UAE (49 - 32)
3. Kuwait (50 - 57)
4. Jordan (51 - 50)
5. Saudi Arabia (58 - 70)
6. Qatar (62 - 53)
7. Tunisia (66 - 124)
8. Oman (82 - 84)
9. Egypt (86 - 79)

10. Lebanon (93 - 74)
11. Libya (114 - 120)
12. Morocco (126- 140)
13. Algeria (131 - 121)
14. Syria (133 - 119)
15. Iraq (136 - 151)
16. Sudan (154 - 161)
17. Mauritania (157 - 168)
18. Yemen (164 - 164)
19. Somalia (184 - 183)

**Comment: Gulf must not waste crisis lessons**

Last year the world economy stared into the abyss. With the right policy response, the worst has been avoided. Gulf Co-operation Council countries have been affected by the global slowdown, but the 2010 outlook appears more promising. Despite its challenges, the previous year has highlighted some important facts and lessons. First, emerging markets have outperformed. A shift of power from the west to the east is under way. Second, counter-cyclical policies work. Third, no boom is eternal, and recessions also end. All these will have significant implications for the Gulf.

Gulf forecast to enjoy year of uneven growth - Jan-04  
 Analysts bullish on Gulf companies - Dec-30  
 Chinese trade flows along new 'Silk Road' - Dec-14  
 Oil heavyweight ponders landscape - Nov-11  
 Comment: Oil wealth must be used prudently - Nov-11  
 In depth: Oil - Sep-02  
 Asia and the GCC outperformed in 2009. Both are likely to continue to do so this year, with growth reaching 7 per cent in Asia and 3.5 per cent in the GCC. Emerging economies have learnt valuable lessons from previous crises, which helped them deal with this one. Asia, for example, was a capital importer in the 1990s before the Asian crisis. The region was dependent on investment inflows, and their reversal in 1997 proved disastrous. This time, Asia entered the recession as a capital exporter. It has proved resilient and had the luxury of using vast surpluses to employ counter-cyclical policies.

The rise of Asia has implications for the GCC. Already, north-east Asia is the GCC's largest trading partner. This is mainly because of strong hydrocarbon demand. Qatar, which is the GCC's fastest growing country, uses tankers to distribute some of its gas exports, and does not rely solely on pipelines. This allows quick adjustment to changes in global economic conditions. And it has done just that by diverting some gas exports that were due for the US, where demand was falling, to China, where demand has remained robust. Adjusting to the changing global economy will be important and economies that can adapt will have an advantage.

Pro-cyclical policies led to problems in the GCC. Monetary policy, during the boom years of 2007 and 2008, was ultra loose because of the peg to the US dollar. This led to excessive credit growth and the creation of asset bubbles. Fiscal policy, fuelled by high oil prices, was also loose. And loose monetary and fiscal policies, combined with a lack of transparency and ambiguity between sovereign and private debt, led to economic overheating. Pro-cyclicality must be avoided during the next boom and GCC countries should now improve transparency, financial

reporting and data availability, by setting much higher standards of governance. Counter-cyclical policies, on the other hand, work. Fiscal expansions during the economic downturn last year, such as in Saudi Arabia and the United Arab Emirates, helped the economies avoid the worst. Saudi Arabia has announced its 2010 budget, and so has Dubai. Fiscal expansions are rightly set to continue this year. A global recovery is in place, but remains at an early stage. The GCC's challenge during the next boom will be to ensure a tightening of both fiscal and monetary policies. During a boom euphoria dominates, and this can distort the perception of risk. The financial system tends to perceive risk as being low during the expansionary phase of economic activity. Paradoxically, it is during this phase that risks build up. During an upswing, markets price risk too cheaply. The relatively low price and high supply of credit mutually reinforce increases in credit, asset prices and economic activity.

The GCC has experienced such a boom. It has also experienced the consequent correction in 2009. Policy and regulation need to prevent excessive risks from developing. The world economy is likely to experience positive growth once again in 2011. Counter-cyclical fiscal policies will be crucial and the GCC is in the comfortable position of using these effectively without facing serious budget constraints. This is not the case in the west. The shift of economic power from the west to the east has begun, but it will take decades to be completed. Asia has shown us how countries can learn lessons from previous crises. The GCC must not waste them. Marios Maratheftis is regional head of research: Middle East North Africa and Pakistan, Standard Chartered Bank.