

**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

The Gulf Cooperation Council (GCC) condemned Monday the Israeli "criminal aggression" against the freedom Flotilla which was destined to deliver humanitarian aid to the Palestinians in Gaza Strip. A statement by the GCC foreign ministers, currently in Singapore for a meeting with their counterparts from ASEAN countries, called on the international community particularly the UN Security Council to act immediately and take all necessary measures to protect the Palestinian people and lift the siege on Gaza Strip. The ministers also called for launching an international investigation into the Israeli attack, which reportedly killed 19 people and injured others, said the statement which was released here. The GCC top diplomat said the Israeli "vicious" acts, including piracy and state terrorism, in international waters should stop because they were in "blatant violation" of international and humanitarian laws. They expressed solidarity with Turkey and praised its position in support of justice. Officials from the UAE and the GCC nations have assembled in the capital to discuss issues relating to the implementation of legislation regarding nuclear security, safety and safeguards. The five-day seminar aims at exploring best practices and provisions for nuclear safety legislation. Attending the seminar are 70 high ranking delegates representing critical industries supporting and surrounding the delivery of peaceful nuclear power programmes across the region. Also attending the seminar are officials from the Ministry of Foreign Affairs, the Ministry of Environment, the State Regulatory Authority, law enforcement, police, intelligence, Customs and other government bodies. The International Atomic Energy Agency (IAEA) event is being organised in partnership with the Critical National Infrastructure Authority (CNIA), the Federal Authority for Nuclear Regulation (FANR) and the Emirates Nuclear Energy Corporation (ENEC). The Cabinet condemned on Monday the Israeli attack on the Gaza Freedom Flotilla, describing it as an "act of aggression reflecting Israel's inhumane practices and its evident challenge to the whole of the international community and international law and its persistence in starving the Palestinian people and depriving them of aid, as well as the killing of innocent people". The Cabinet appealed to the international community to "take action against the hostility and barbaric policy of the Israeli occupying forces". Custodian of the Two Holy Mosques King Abdullah highlighted the efforts of Saudi Arabia to foster peace and end clashes in the world in the Alliance of Civilizations conference currently being held in Rio de Janeiro. Brazil's President Luiz Inacio Lula da Silva opened the two-day conference of the Alliance of Civilizations (UNAOC), an offshoot of the United Nation, in Rio on Friday. On behalf of King Abdullah, Foreign Minister Saud Al-Faisal headed the Saudi delegation to the conference and read out the king's speech. "This third forum of UNAOC has a special significance in the light of the ongoing crises and conflicts in the world. It needs our concerted efforts to counter the violence and terror caused by extremist groups who raise a language of hatred," King Abdullah said in the speech read out by Prince Saud. The UAE strongly condemns the inhumane and criminal infliction of force carried out by Israel on the humanitarian convoy of civilians that has resulted in the

death of at least 19 innocent aid workers and the wounding of several more. The UAE further condemns the clear violation of international law committed by the Israeli army in international waters against innocent civilians and urges the international community to end the continued collective and barbaric punishment imposed by the Israeli government on the Palestinian people. In a statement issued today, H.H. Sheikh Abdullah bin Zayed al Nahyan, UAE Foreign Minister called for the Secretary General of the United Nations to order an international investigation into the crime and for a full report to be made to the United Nations. "The deaths of innocent civilians working to deliver basic humanitarian aid to the Palestinian people in Gaza is a clear violation of international law and a moral outrage of the highest order. Such an incident should not pass uncensored and Israel must face the consequence of its actions. The UN Security Council should convene an emergency session and take appropriate action." Kuwaiti Justice Undersecretary Dr. Mohammad Al-Ansari on Tuesday called on the International Criminal Court (ICC) to prioritize Israel's war crimes and crimes against humanity against the Palestinian people. Al-Ansari, who is also the chairman of the national committee of international humanitarian law, told KUNA in a phone call from Rome, where he is taking part in a conference about the ICC's statutes, that the Israeli assault against the Freedom Flotilla was a standard action due to the ICC's lack of action against the country. He said Kuwait has put great emphasis on the ICC's role in enforcing justice in all member countries through the prosecution of all criminals. The ICC has achieved many goals in enforcing justice in the world, but still faces challenges like double standards and selectivity over certain cases, Al-Ansari continued. Hamas-led dismissed government in Gaza welcomed here yesterday a Kuwaiti ship's participation in the Gaza-destined "Freedom Fleet" as a "praiseworthy move". Speaking to reporters, Ismail Haniya, the prime minister of the dismissed government in Gaza, said: "The presence of the (Kuwaiti) ship shows that the great Kuwaiti people stand beside Gaza and the people of Gaza. We greet Kuwait's Amir, people and government. We wish that the Kuwaiti and Algerian ships, together with other ships, could safely reach Gaza." Earlier in the day, Haniya joined a rally at Gaza harbor as part of underway preparations for receiving the "Freedom Fleet", which is hoped to break the Israeli blockade on the Gaza Strip. He urged the international community, mainly the UN and the EU, to pressure Israel to allow the ships to enter the Palestinian territory. The "Freedom Fleet" consists of a cargo ship funded by Kuwait raising the flags of Turkey and Kuwait, a cargo ship funded by Algeria, and a cargo ship funded by Europe from Sweden and Greece, and five vessels to transport passengers. The Sultanate yesterday issued a statement expressing its condemnation of the incidents against the 'aid flotilla' convoy heading for Gaza which was obstructed by the Israeli navy. A statement released by the Foreign Ministry said, "The Sultanate of Oman followed with pain and concern the incidents of the aid flotilla convoy which was heading for Gaza and obstructed by the Israeli navy using weapons that resulted in the fall of martyrs and innocent victims. "The Sultanate expresses its sincere condolences and sympathy for families of the bereaved, and also condemns the Israeli assault which contravenes with the international law. The Sultanate appeals to the international community to shoulder its responsibility towards the lifting of the blockade on Gaza Strip and provide every possible support to alleviate the suffering of the Palestinian people in Gaza and the West Bank." HH the Emir Sheikh Hamad bin Khalifa al-Thani yesterday held a meeting with Turkish Prime Minister Recep Tayyip Erdogan at

the Turkish Council of Ministers headquarters in Ankara. At the outset of the meeting HH the Emir offered Qatar's condolences to the Turkish prime minister on the victims of the Israeli aggression on the Freedom Flotilla which was heading to Gaza to deliver relief materials to the besieged brotherly Palestinian people. During the meeting HH the Emir and the Turkish premier reviewed relations of co-operation between the two countries besides developments in the Middle East and matters of mutual concern. The Emir later left Ankara wrapping up his short visit which came in solidarity with the Turkish people following deadly Israeli raid on the humanitarian aid flotilla in international waters.

Deputy Interior Minister Prince Ahmad denied that the Kingdom had a new list of militants wanted for security reasons. Prince Ahmad made this statement after attending the graduation ceremony at the General Security Training City in Makkah on Saturday. The prince also stressed the need for increased number of qualified security personnel and commended the ministry's efforts to form new security forces in light of the incidents and developments in the Kingdom, the Saudi Press Agency reported. The prince also affirmed the need for pre-emptive security operations to root out terror. "The Kingdom's efforts to fight terror have been appreciated by all countries in the world. There are countries that have benefited from the experience of the Kingdom in fighting terror," he said in the statement. A rescue team has been put on alert in the emirate of Fujairah as a precaution against tropical cyclone 'Phet', as weathermen predicted that it may partially touch the eastern coastline. Deputy Prime Minister and Minister of the Interior Lt. General Shaikh Saif bin Zayed Al Nahyan gave the orders to station the team in the northern emirate as the National Centre for Meteorology and Seismology (NCMS) forecast that the cyclone, which developed in the Arabian sea on Thursday, may partially affect the coastline when heading towards Indian and Pakistani shores. Acting Director of Emergency and Public Safety at the Abu Dhabi Police Col. Mohammed Abdullah Nasib Al-Nuaimi said that the 57-member rescue team has been provided with all the necessary ambulatory, rescue and rapid intervention equipments. A joint operations room will coordinate with the Fujairah Police and other authorities in the country, he added. An Arab forum on government-parliament coordination spoke highly of Kuwait's experience in coordination between its executive and legislative bodies, a participating Kuwaiti official said. Speaking to KUNA on the sidelines of the forum, which concluded here late Thursday, Assistant Undersecretary of Parliamentary Affairs Ahmad Al-Haifi said the participants in the two-day gathering had been impressed by a presentation on the Kuwaiti experience in government-parliament coordination. They also showed much interest in this Kuwaiti experience, voicing a desire to be more aware of it, the Kuwaiti official added. He noted that Kuwait would host the coming forum, possibly focusing on mechanisms for executive-legislative coordination. On the other hand, he said the conferees stressed the significance of maintaining the scientific and informative characteristics of the forum, suggesting that the event be held every year. Heavy rains hit Oman's east coast on Thursday as cyclone Phet approached the sultanate pushing up from the Arabian Sea and authorities raised the alert level to orange. The cyclone, rated at a factor of 3.5 on a scale of five, was moving northwestwardly at a speed of eight kilometres (five miles) an hour. Winds were blowing at a 180 kilometres (112 miles) an hour. Hotels along the east coast of the sultanate have been evacuated, the ministry of tourism said, and the residents of Masirah island were airlifted to safer areas. Oman's top

labour official has urged private companies in the country to reduce dependence on expatriate manpower. Shaikh Abdullah bin Nasser Al Bakri, Manpower Minister, said they should not “go after foreign manpower unnecessarily,” adding that the ministry would draft plans together with the private sector for its requirements of expatriate workers and trained national manpower. Speaking at a meeting with local businessmen at the Oman Chamber of Commerce and Industry (OCCI) here on Saturday, Shaikh Abdullah also underlined the need for private companies to place more emphasis on worker safety and occupational health. Stressing that the ministry had always tried hard for a “true partnership with the private sector,” he revealed that the government would sign an agreement with the International Labour Organisation (ILO) next month to conduct a ‘Decent Work’ training programme to promote the work culture in the country. The number of illegal workers in Bahrain dropped by 5,000 in the last three months. The number of runaway expatriates stood at 48,000 in February which declined to 43,000 by the end of May. The drop in the numbers was achieved as a result of concerted efforts by members of a national committee formed to oversee and address the issue of illegal residents and employment of such individuals in the kingdom. CEO of the Labour Market Regulatory Authority (LMRA), Ali Radhi, attributed the drop to an easy exist campaign launched on May 25. The campaign allows workers who overstayed in Bahrain and those who ran away from their sponsors with expired work permits to leave Bahrain after paying a BD25 fine.

China has made securing a free-trade agreement (FTA) with the GCC a high priority as demand for energy and industrial imports in the fast-emerging global superpower rises. Formal talks could start as early as this year as China aims to lower barriers on trade to ease its access to oil and petrochemical imports needed to fuel its expansion, officials from the country say. “It’s a top priority for China,” said Professor Zhao Zhongxiu, the deputy secretary general of the China Association of International Trade. “A free-trade agreement with the GCC is under consideration.” Analysts say an agreement between the world’s top exporter and the leading oil-exporting region would make economic sense for both. Islamic loan volume exceeded \$ 5.66 billion (Dh20.78bn) in Saudi Arabia during the May 2009 to May 2010 period, according to different research data. The loan volume in Qatar was the next highest at \$ 2.75bn, followed by the UAE at \$ 900 million, Bahrain at \$ 540m, Turkey at \$ 306m and Kuwait at \$ 293m. The Islamic finance industry would touch the \$ 2 trillion mark in three to five years, said Rushdi Siddiqui, Global head of Islamic Finance, Thomson Reuters. “Given that it took the industry almost 40 years to get to the \$ 1trn mark, it is a pretty impressive growth pattern but only as long as it is based on a solid foundation, is asset backed and is linked to real, economy assets,” Siddiqui told Emirates Business. China and the Middle East are likely to expand two-way capital flows rapidly in the coming years, as investment catches up with recent fast growth in trade, the chief executive officer of Abu Dhabi financial services firm Invest AD told a conference in Shanghai on Monday. Two-way trade between China and the Middle East has tripled in the last five years to \$ 107 billion in 2009. Chinese companies have also become more active in the Middle East, especially in the infrastructure sector, winning \$ 2.1 billion worth of the construction deals in the UAE alone in 2008. The next growth area will be two-way investment, with Abu Dhabi emerging as an entry point to the Middle East and North Africa, Nazem Al Kudsi said during a panel discussion at the Abu Dhabi and

China Economic Forum. The Middle East and China are becoming major investors on the global arena, and both are high-growth markets. Industrial and Commercial Bank of China (ICBC), the world's biggest lender by market value said on Monday it was seeking acquisition opportunities to expand business in the Middle East and North Africa, hoping to benefit from booming trade between China and the Gulf region. ICBC, which currently has branches in Dubai, Doha and Abu Dhabi, is studying the feasibility of setting up operations in Kuwait and Saudi Arabia, and will consider buying assets in other countries in the Middle East and the North Africa region, said Tian Zhiping, head of ICBC's Middle-East operations. "A deeper understanding of the region makes us feel that our existing business layout is inadequate for us to grasp business opportunities," Tian told reporters on the sidelines of a conference in Shanghai. "We're expanding on the back of China's huge economy. Middle Eastern countries not only want more capital from China, they want more cooperation from Chinese companies as well." A British trade delegation from the Middle East Association will visit the Sultanate on June 4 and lasts for three days. The delegation will be led by Ahmed Sulaiman including membership of 9 members covering manufacturing, environment services, market research and information, training, recruitment, construction and insurance sectors. The delegation will meet with a number of officials at the private sector and Omani businessmen to discuss enhancing relations of trade co-operation between the two countries, besides promoting for their products in the Omani market. It is worth mentioning that the Middle East Association is a British establishment that seeks to promote trade with the Middle East, North Africa, Turkey and Iran. The Economic Development Board (EDB) and Greater Paris Investment Agency yesterday signed a deal to promote Bahrain and France as business hubs and boost investments. The memorandum of understanding (MoU) was signed at the EDB headquarters by EDB chief operating officer Kamal Ahmed and the agency's vice-chairman Pierre Simon. The agreement will see the two organisations work in partnership to present Bahrain and France as ideal bases for investors looking to access the European and Gulf markets, said an EDB statement. Both parties will facilitate investment and partnerships between respective business communities. Under the deal, there is also an agreement to work with the relevant authorities to ease restrictions on doing business between the two countries and the hosting of workers, researchers and students from each country. "As per the directives of His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince and EDB Chairman, the board has intensified its efforts towards creating the right environment to attract higher foreign investments as part of the efforts to implement the initiatives of the Bahrain Economic Vision 2030," Mr Ahmed said at a Press conference following the signing ceremony. The current economic and financial turmoil in the world has posed a complex challenge before the developed as well as the developing countries and the best solutions will be possible only with stable environments, the Emir H H Sheikh Hamad bin Khalifa Al Thani said yesterday. Addressing the opening session of 10th Doha Forum and the Enriching the Middle East's Economic Future Conference at the Ritz Carlton hotel yesterday, the Emir said: "Our meeting is being held this year at very difficult circumstances because of the economic and financial turmoil encountered by the world that deserves to be studied and examined, and which makes it difficult for any conference or forum to reach a conclusive view or declare a decision on issues that might be definitive or detailed." "We all are required to follow up what is going on at the sites of international decision- making, world

production and globalised markets, with utmost seriousness and keenness, because we are facing a moment of a major change that the world stability, security and safety necessitate,” he added.

## **GCC**

### **GCC-China strategic dialogue launched**

The Gulf Cooperation Council (GCC) and China initiated a strategic dialogue here on Friday with the aim of stepping up their partnership in various areas. Kuwait's Deputy Premier and Foreign Minister Sheikh Dr. Mohammad Sabah Al-Salem Al-Sabah, the United Arab Emirates (UAE) State Minister for Foreign Affairs Anwar Qarqash, and GCC Secretary General Abdulrahman Al-Attiyah held talks in Beijing with Chinese Foreign Minister Yang Jiechi.

The GCC is moving as a bloc towards groups of political and economic weight around the world, through engaging in strategic dialogue, Sheikh Mohammad told KUNA following the meeting. Sheikh Mohammad has been in Japan yesterday, and had also taken part in the ASEAN-GCC dialogue in Singapore earlier in the week. "The GCC highly values the bilateral ties with China given that the country is a friend of Arabs and a permanent member of the UN Security Council. "China is also the world's leading economy with gaining its presence, especially after the global financial crisis in 2008," he added.

### **Large influx of foreign workers affecting GCC society: Expert**

As for GCC men, he said the expanding government sectors in the GCC states do not encourage them to take up jobs in the private sector. Private companies in the region continue to employ foreign workers in large numbers and they are mostly Asians and given low salaries.

The large influx of foreign workers is adversely impacting the demography of the region, said Al Ansari. Dr Abdul Khaleq Abdullah, professor of political science from Kuwait University, meanwhile, told the Forum which ended yesterday, that over the past three years, in particular, the number of overseas workers in the region had been exploding.

### **GCC Civil Defence chiefs mull common issues**

The GCC Civil Defence chiefs are holding their 21st meeting to discuss a number of issues and topics of common interest in the field of rescue, fire fighting, safety and civil protection.

The first session was held by the committee for 'Unifying Safety Requirements and Preventive Supervision' with participation of prevention officers of the Civil Defence authorities. "We discussed many topics related to security, safety and preventive procedures such as safety requirements in chemical substances and how to move it in

accordance with safety standards,” General Directorate of Civil Defence director and Qatar delegation head Brig Abdullah Jassim Fakhro said.

### **GCC condemns Israeli "criminal" attack on Freedom Flotilla**

The Gulf Cooperation Council (GCC) condemned Monday the Israeli "criminal aggression" against the freedom Flotilla which was destined to deliver humanitarian aid to the Palestinians in Gaza Strip. A statement by the GCC foreign ministers, currently in Singapore for a meeting with their counterparts from ASEAN countries, called on the international community particularly the UN Security Council to act immediately and take all necessary measures to protect the Palestinian people and lift the siege on Gaza Strip.

The ministers also called for launching an international investigation into the Israeli attack, which reportedly killed 19 people and injured others, said the statement which was released here. The GCC top diplomat said the Israeli "vicious" acts, including piracy and state terrorism, in international waters should stop because they were in "blatant violation" of international and humanitarian laws. They expressed solidarity with Turkey and praised its position in support of justice.

### **GCC civil defence chiefs meet**

Civil Defence chiefs in the GCC commenced its 21st meeting on Sunday at the Sharq Village and Spa to discuss significant issues and topics of common interest in the field of rescue, fire fighting, safety and civil protection. The conference which will end on Thursday is hosted by the Ministry of Interior.

Officials discussed on unifying safety requirements and preventive supervision with participation of Civil Defence prevention officers during the first day of the conference. "We discussed many topics related to security, safety and preventive procedures such as safety requirements in chemical substances and how to move it in accordance with safety standards," said Brig Abdullah Jassim Fakhro, Director of Prevention Department in General Directorate of Civil Defence and head of the Qatar delegation.

### **GCC nations attend N-energy forum**

Officials from the UAE and the GCC nations have assembled in the capital to discuss issues relating to the implementation of legislation regarding nuclear security, safety and safeguards. The five-day seminar aims at exploring best practices and provisions for nuclear safety legislation.

Attending the seminar are 70 high ranking delegates representing critical industries supporting and surrounding the delivery of peaceful nuclear power programmes across the region. Also attending the seminar are officials from the Ministry of Foreign Affairs, the Ministry of Environment, the State Regulatory Authority, law enforcement, police, intelligence, Customs and other government bodies. The International Atomic Energy

Agency (IAEA) event is being organised in partnership with the Critical National Infrastructure Authority (CNIA), the Federal Authority for Nuclear Regulation (FANR) and the Emirates Nuclear Energy Corporation (ENEC).

### **GCC to devise anti-tobacco, smoking strategy**

GCC states will work on a unified anti-tobacco and smoking strategy which will be within international criteria, stated an official here on Saturday. Director General of the GCC Executive Council for Health Ministers Dr. Tawfeeq Khojah said in a press release, on the occasion of the 'World Day for Anti-Smoking' coinciding Monday, that tobacco was a dangerous product which should not be distributed commercially, noting that the council's 62nd meeting approved a strategy to combat smoking.

Financing the strategy was a must to protect future generations from such hazard, stated the official, adding that the general goal of this plan was to lessen the consumption of cigarettes and tobacco within the GCC region. He revealed that the strategy would be set for a period of nine to 10 years and it would cost around USD three million. The national campaign of each GCC country would also be vital to the success of such plan, he affirmed.

### **China makes top priority of free-trade deal with Gulf**

China has made securing a free-trade agreement (FTA) with the GCC a high priority as demand for energy and industrial imports in the fast-emerging global superpower rises. Formal talks could start as early as this year as China aims to lower barriers on trade to ease its access to oil and petrochemical imports needed to fuel its expansion, officials from the country say.

“It’s a top priority for China,” said Professor Zhao Zhongxiu, the deputy secretary general of the China Association of International Trade. “A free-trade agreement with the GCC is under consideration.” Analysts say an agreement between the world’s top exporter and the leading oil-exporting region would make economic sense for both.

### **Gulf economy on track to double next decade**

NCB Capital, the investment banking arm of National Commercial Bank, Saudi Arabia’s largest bank, believes that the GCC region’s growing trade and investment links with other emerging markets, along with continued economic liberalization and corporate expansion, will see it evolve as one of the leading global economic hubs within the next decade.

Writing in the investment bank’s GCC Economic bulletin, Dr Jarmo Kotilaine, chief economist of NCB Capital, said “in contrast to its Western counterparts, the GCC region has emerged from the global economic turmoil with its standing enhanced. Growing emerging market demand for hydrocarbons, supported by deliberate economic diversification, will constitute the backbone of this growth which will see the economy

double within a decade.” GCC’s relationship with other emerging markets will be an increasingly critical aspect of the GCC region’s growth in the coming years.

### **Maritime deal in spotlight at GCC talks**

The General Organisation of Sea Ports (GOP) yesterday welcomed guests to the three-day regional Port State Control (PSC) executive committee meeting at its premises adjacent to the Khalifa Bin Salman Port. Delegates from the six GCC nations began discussions on updates to the Riyadh Memorandum of Understanding (MoU), which aims to achieve safe, secure and efficient shipping in maritime jurisdictions in the Gulf region.

The agreement commits the maritime authorities from the six Gulf states to a unified system of PSC measures, and intensifies co-operation and information exchange on issues concerning PSC. "As an active member of the Riyadh MoU, the GOP is committed to promoting maritime safety and protecting the marine environment in the Gulf region through mutual co-operation and best practice sharing with other member nations," said GOP director-general Hassan Ali Al Majed.

### **Second GCC Monetary Council meeting kicks off**

The second meeting of the GCC Monetary Council kicked off here on Saturday with Central Bank of Kuwait (CBK) Governor Sheikh Salem Abdulaziz Al-Sabah participating.

The meeting, grouping central bank governors of council members; Kuwait, Saudi Arabia, Qatar and Bahrain, was headed by Chairman of the Arab Monetary Fund (AMF) Dr. Mohammad Al-Jasser of Saudi Arabia. The meeting discussed approving job description draft of the council's CEO, approving the council's operational budget for 2011, as well as tasks of the statistics' committee and legal and administrative teams.

## **YEMEN**

### **Yemen may review anti-Qaeda tactics**

Yemen may review its methods in fighting militants after an air strike aimed at Al Qaeda killed its own mediator and prompted clashes between his kinsmen and the army, Yemen’s foreign minister said yesterday.

A government inquiry into last week’s strike that killed Jaber al-Shabwani and four others will also investigate whether drones were involved in the operation, Foreign Minister Abubakr al-Qirbi said in an interview. “If there was a drone, and we don’t know, then we have to find out if this was used by the Yemeni security forces or by others, but we don’t know how the incident happened. We will have to wait for the results of the investigation,” Qirbi said.

### **Any US bid to kill cleric unacceptable: Yemen**

An assassination on Yemeni territory of a radical Muslim cleric wanted dead or alive by US authorities would be unacceptable, the Yemeni prime minister said yesterday. US President Barack Obama's National Security Council recently gave the CIA the green light to kill Anwar al-Awlaki, a US-Yemeni citizen whom they accuse of having links to Al Qaeda and who is believed to be in hiding in southern Yemen.

"We will absolutely not accept that," Prime Minister Ali Mohamed Megawar said in an interview. "We are a sovereign country." According to the latest information, Awlaki was still in the southern Yemeni province of Shabwa, Megawar said.

### **Kuwait renews support for Yemen's unity, stability**

Kuwait's Ambassador to Yemen Salem Ghassan Al-Zamanan said Saturday his country has always been firmly supportive of Yemen's unity, stability and security.

"Yemen's reunification was a crucial event which reshaped the country's modern history and affirmed its independence," Al-Zamanan said in a lecture at Zamar University in central Yemen. "Since that historic event, Yemen has metamorphosed from two rival countries into a unified democratic country with a multi-party political system and a free press. "This experiment proves that unity is possible when there is political will, " the Kuwaiti diplomat noted.

### **Foreign tourists shy away from Yemen**

The ancient alleys of Sanaa are still bustling. Shoppers mingle, traders peddle their wares and children play in the street, all to a cacophonous backdrop of roaring motorbikes and honking cars. But there is one thing that is almost entirely missing from the oldest and most picturesque part of the Yemeni capital: tourists.

"We have had no clients for a year and a half," said Madeleine Schaffner from France, who, together with her Yemeni husband, has been running a tour operator for the past 12 years. This week's kidnapping of two U.S. tourists by armed tribesmen near the capital was another nail in the coffin for the badly needed tourist industry of this impoverished country, said tour guide Mohammad al-Hubaishi. "That's it — 99 percent of tourism has stopped as a result of the kidnappings," he said. "The government needs to take harsher measures. If they were in place, then nobody would do it."

Hubaishi, who has worked in tourism for the last 20 years, was himself kidnapped in Shabwa in 2006, when he was held hostage along with French tourists for 16 days — long by Yemeni standards, where most abductions last just a few days.

## **SAUDI ARABIA**

### **International Front**

#### **OIC meeting on Sunday to discuss attack**

An extraordinary meeting of the member states of the executive committee of the Organisation of the Islamic Conference (OIC) will be held in Jeddah on Sunday to discuss the Israeli attack on Gaza aid flotilla. The executive committee is consisted of representatives of Tajikistan, Syria, Kazakhstan, Malaysia, Senegal, Egypt, Saudi Arabia and Palestine.

The OIC meeting follows a request from a number of member states to hold an urgent meeting at the level of foreign ministers to review the tragic developments following the heinous Israeli attack on Gaza aid flotilla. Meanwhile, the International Forum for Muslim Scholars and Thinkers, an affiliate of the Muslim World League (MWL), on Wednesday condemned the Israeli aggression against the aid flotilla. "The Muslim scholars and thinkers in all parts of the world condemn and deplore this heinous aggression aimed at preventing peace-loving nations from demonstrating solidarity with the people of Gaza who are under the yoke of siege," said a statement issued by the forum.

#### **Saudi Arabia seeks enhanced ties with Germany: Salman**

Prince Salman Bin Abdul Aziz, Emir of Riyadh Province, has said Saudi Arabia welcomes cooperation with Germany in all areas. "We want to further enhance cooperation. There have been common interests between the two countries in medical, engineering and architectural fields," Prince Salman said in an address at a reception party hosted in his honor by Berlin Governor and Mayor Klaus Wowereit. He also affirmed that the visit of King Abdullah, Custodian of the Two Holy Mosques, to Germany had been very important for relations between the two countries, and so had been last week's visit of German Chancellor Dr. Angela Merkel to the Kingdom.

#### **'Saudi-US security cooperation strong'**

Saudi Arabia and US were cooperating closely on security, and both shared a deep concern about militant activities in Yemen, said US Homeland Security Secretary Janet Napolitano here Monday. "The security coordination is very strong with Saudi Arabia," she said after meetings with King Abdullah, Custodian of the Two Holy Mosques, and senior officials. "We all share a concern about terrorist activity emanating from Yemen," Napolitano said. Speaking at the Jeddah Chamber of Commerce and Industry (JCCI) Napolitano said that she met Saudi officials to discuss security issues and US visas for Saudi students, but that she did not discuss terror financing.

## **Saudi Cabinet condemns the Israeli attack on the Gaza Freedom Flotilla**

The Cabinet condemned on Monday the Israeli attack on the Gaza Freedom Flotilla, describing it as an “act of aggression reflecting Israel’s inhumane practices and its evident challenge to the whole of the international community and international law and its persistence in starving the Palestinian people and depriving them of aid, as well as the killing of innocent people”. The Cabinet appealed to the international community to “take action against the hostility and barbaric policy of the Israeli occupying forces”.

## **Saudi King, Napolitano hold talks**

Custodian of the Two Holy Mosques King Abdullah received US Homeland Security Secretary Janet Napolitano in his palace in Jeddah on Sunday. Napolitano conveyed the greetings of US President Barack Obama to the king during the meeting, the Saudi Press Agency reported. She later met with Second Deputy Premier and Interior Minister Prince Naif and discussed matters of mutual interest. Napolitano is in Saudi Arabia for talks on global security and counter-terrorism issues, her office said prior to her departure from Washington. She is to travel to the United Arab Emirates on Monday.

## **Saudi Shoura backs cooperation with Vietnam**

The Shoura Council approved on Sunday an agreement for cooperation between the Kingdom and Vietnam at its 28th session presided over by Shoura Chairman Abdullah Al-Asheikh. Shoura’s Secretary-General Abdullah Al-Ghamdi said that the council backed several draft agreements to strengthen international cooperation with friendly countries.

The agreement on Vietnam was presented to the council by the Economic Affairs Committee. Al-Ghamdi said bilateral cooperation with Vietnam included areas in agriculture, livestock and fisheries. He also added that the two countries would concentrate on improving their economic cooperation and encourage entrepreneurs to invest in each other's countries.

## **King Abdullah receives Sultan Qaboos**

Custodian of the Two Holy Mosques King Abdullah received Sultan Qaboos of Oman at the King Abdulaziz International Airport in Jeddah on Saturday, the Saudi Press Agency reported.

Sultan Qaboos is on a two-day official visit to the Kingdom. Second Deputy Premier and Minister of Interior Prince Naif and Makkah Gov. Prince Khaled Al-Faisal were also present at the airport to receive the ruler of the Sultanate of Oman. King Abdullah and Sultan Qaboos later held discussions on matters of mutual interests. The king hosted a banquet for Sultan Qaboos.

## **Al-Atiyyah lauds Saudi King's speech to UN civilizations forum**

Secretary General of the Gulf Cooperation Council (GCC) Abdulrahman Al-Atiyyah highlighted on Saturday the importance of the speech of Custodian of the Two Holy Mosques Saudi King Abdullah bin Abdulaziz to the Third UN Alliance of Civilizations Forum, held in Rio de Janeiro, Brazil, on May 27-29 under the slogan of "Bridging Cultures, Building Peace."

"The speech outlined the policy of the Kingdom of Saudi Arabia for promotion of dialogue among civilizations and coexistence among people with different cultures," Al-Atiyyah said in a statement. "The Saudi policy aims to strengthen the humanitarian values and moderation as means of establishing peace and security," he said, citing the recent decision of the Saudi government to launch a national center for dialogue among components of the Saudi community," he added.

## **Saudi-US judicial cooperation discussed**

Prince Bandar Bin Salman Bin Muhammad, Adviser to the King and head of the Saudi Arbitration Team, discussed at a recent meeting with Chief Judge of the Supreme Court of the United States John G. Roberts cooperation in the field of the judiciary. The meeting looked at sharing expertise and training programs, and exchanging visits.

Prince Bandar was given a tour of the Supreme Court and looked at procedures at the highest judicial authority in the US which is comprised of nine judges. The Prince was accompanied on the tour by William Slate, President of the American Arbitration Association, and the Minister Delegate at the Saudi embassy in Washington, Saud Al-Sati.

## **'Concerted efforts to counter terror needed'**

Custodian of the Two Holy Mosques King Abdullah highlighted the efforts of Saudi Arabia to foster peace and end clashes in the world in the Alliance of Civilizations conference currently being held in Rio de Janeiro. Brazil's President Luiz Inacio Lula da Silva opened the two-day conference of the Alliance of Civilizations (UNAOC), an offshoot of the United Nation, in Rio on Friday.

On behalf of King Abdullah, Foreign Minister Saud Al-Faisal headed the Saudi delegation to the conference and read out the king's speech. "This third forum of UNAOC has a special significance in the light of the ongoing crises and conflicts in the world. It needs our concerted efforts to counter the violence and terror caused by extremist groups who raise a language of hatred," King Abdullah said in the speech read out by Prince Saud.

## **King Abdullah's dialogue initiative hailed**

King Abdullah's initiative for dialogue between followers of religions and cultures has come up for praise here by Lebanese Premier Saad Al-Hariri and United Nations Secretary General Ban Ki-moon.

In a speech during a session of the UN Security Council here on Wednesday, Al-Hariri said: "Today's session is a continuation of the efforts exerted by Custodian of the Two Holy Mosques in the session by the General Assembly of the United Nations on dialogue among followers of religions and cultures in 2009." In a similar speech, Ban Ki-moon also hailed the Third Civilization Alliance in Rio de Janeiro as an extension of the King Abdullah's international initiative for dialogue among followers of religions and cultures.

## **Social Front**

### **Qaeda threatens to kidnap Saudi royals**

Al Qaeda has threatened to kidnap Saudi princes and ministers in order to secure the release of a female Al Qaeda operative arrested by Saudi forces, Al Arabiya television said yesterday. In an audiotape played on Al Arabiya, a Qaeda regional commander threatened "major operations" against the kingdom following the arrest of Haylah Al Qassir. Qassir was believed to be responsible for recruiting women to the global militant group as well as handling money issues, the Arab satellite television channel said.

"Al Qaeda is organising cells to kidnap...princes, ministers and officials including military commanders," Saeed Al Shehri said in the audiotape. He said that "preacher" Heila Al Qsayer, a widow of a Saudi Al Qaeda militant killed six years ago by the Saudi authorities, was arrested in Qassim, north of the capital, but did not specify when.

### **Qaeda threat evidence of failure, says Grand Mufti**

The Al-Qaeda statement posted Thursday manifests the group's failure and weakness which has made it resort to issuing threats, said Sheikh Abdul Aziz Bin Abdullah Aal Al-Sheikh, the Kingdom's Grand Mufti and Chairman of the Board of Senior Ulama.

The Grand Mufti was commenting on the Al-Qaeda threats to carry out kidnappings in Saudi Arabia to avenge the arrest of a female supporter. Aal Al-Sheikh hoped that these threats will be 'empty words'. The Grand Mufti asked the khateeb of mosques to warn people against such deviant ideology. "We are a Muslim nation so we have to challenge this group and continue on our principles and values. We should never accept to be humiliated and we should not in any way sympathize with the deviant group or listen to them. It is strictly forbidden for any Muslim to cooperate with them," he said. – Okaz/SGAal Al-Sheikh said: "The terrorists are an odd group who deviated from the right path and the truth."

## **Saudi women join online campaign against unemployment**

Unemployed Saudis are looking to the Internet to campaign against unemployment. One of the recent campaigns launched was titled "A Job is a Right and Not a Gift!" Another campaign launched recently was called "Employ Us or We Will Travel."

Women also started to campaign recently saying that while the idea of Saudi women working as maids is rejected, other jobs are not given to them. Another campaign is by Dalal Al-Batti, a beauty specialist, who along with 100 beauty centers, called for increased Saudization of this sector. One of the most famous campaigns launched recently and called "Her Dream," is directed against the unemployment of women. The campaign has a website and it lists a number of jobs available in different regions. Each member can write her story about her fruitless effort to find work.

## **Bride's age must in new Saudi marriage contracts**

The new marriage contracts represent a serious step to prevent the marriage of young girls, according to sources at the Ministry of Justice. "There is a serious drive by the ministry to determine an age for girls to marry following the recent reporting of older men marrying young girls," the sources said.

The ministry has began distributing new marriage contracts to marriage officials that contain a section that includes a question about the bride's age, a move that has been described by human rights organisations and officials at the ministry as part of a new drive to stop underage marriages. "The new marriage contracts represent a serious step to prevent the marriage of young girls. There is a serious drive by the ministry to determine age for girls to marry following the recent reporting of older men marrying young girls," the sources added.

## **No new wanted terror list: Saudi Deputy Interior Minister**

Deputy Interior Minister Prince Ahmad denied that the Kingdom had a new list of militants wanted for security reasons. Prince Ahmad made this statement after attending the graduation ceremony at the General Security Training City in Makkah on Saturday.

The prince also stressed the need for increased number of qualified security personnel and commended the ministry's efforts to form new security forces in light of the incidents and developments in the Kingdom, the Saudi Press Agency reported. The prince also affirmed the need for pre-emptive security operations to root out terror. "The Kingdom's efforts to fight terror have been appreciated by all countries in the world. There are countries that have benefited from the experience of the Kingdom in fighting terror," he said in the statement.

## **Economy Front**

### **Saudi real estate market may slow**

Although the Saudi market seems attractive from a top-down view, the market may slow due to affordability and financing challenges, Credit Suisse said in its MENA Real Estate Outlook for June. "Hence we prefer exposure to the rental market," it said. Average residential rental yields in Riyadh and Jeddah are holding up at 8 percent and 10 percent, respectively. The report said the Saudi market may experience slow growth in both supply and demand, even after the potential introduction of the mortgage law this year.

The shift to home ownership in the short to medium term will be a limiting factor. "We anticipate additional demand for 1 million units by 2014, which means that annual supply has to double. We believe this looks difficult to achieve, given the shortage of 'off-plan' sales and the need for developers to finance projects in full before offering them for sale." Moreover, mortgage finance is coming from a very low base (2.4 percent of total credit) and even if the mortgage market doubles over the next two years, it will still be modest in absolute terms and not enough to boost home ownership. The report further said that though the new mortgage law should address foreclosure issues, the ability of banks to implement foreclosure rules in practice is in doubt in the short-term as the law "remains untested."

### **Saudi Arabia to allow foreigners to own property**

Foreigners will be allowed to own property in Saudi Arabia for the first time in one of four new metropolitan areas under construction in the kingdom, Bloomberg has reported. King Abdullah Economic City, known as KAEC and named after the head of state, will be the first freehold city in the kingdom as the country seeks new sources of investment.

The city is being built by Emaar Economic City, a company controlled by the Saudi Arabian government and Dubai's biggest property developer. "A lot of people want to invest in the Saudi market and see it as a frontier for real estate investment because of the population explosion here," Fahd Al-Rasheed, Emaar Economic City's CEO, told the news service.

### **China's ICBC eyes Kuwait, Saudi operations**

Industrial and Commercial Bank of China (ICBC), the world's biggest lender by market value said on Monday it was seeking acquisition opportunities to expand business in the Middle East and North Africa, hoping to benefit from booming trade between China and the Gulf region. ICBC, which currently has branches in Dubai, Doha and Abu Dhabi, is studying the feasibility of setting up operations in Kuwait and Saudi Arabia, and will consider buying assets in other countries in the Middle East and the North Africa region, said Tian Zhiping, head of ICBC's Middle-East operations.

"A deeper understanding of the region makes us feel that our existing business layout is inadequate for us to grasp business opportunities," Tian told reporters on the sidelines of a conference in Shanghai. "We're expanding on the back of China's huge economy. Middle Eastern countries not only want more capital from China, they want more cooperation from Chinese companies as well."

### **Privatisation plan for Saudi Ports ready**

Saudi Arabia plans to create an independent firm that will manage the kingdom's eight ports under a gradual privatisation process, the state-run Saudi Ports Authority said yesterday. The authority has completed privatisation studies of the ports, which will lead to the inception of the independent managing entity, its head Khaled Bubshait said in remarks carried by the official SPA news agency. While Bubshait did not say when this entity would be set up, his remarks reactivate a process that has been frozen since late-1997.

A royal decree in 1997 allowed private firms to operate and maintain berths and equipment owned by the Ports Authority on a commercial basis, while keeping the ports and their facilities under government ownership. The move was aimed at raising efficiency and creating more jobs for Saudi nationals. The bidding process then was on the basis of the share of terminal revenues the government would get. In late 1997, the Ports Authority started passing port terminals to the private sector on a terminal by terminal basis. Shipments of oil — the kingdom's main export — are excluded from operations covered by the ports authority or private firms that are operating the ports.

Bubshait also said the body plans to raise the kingdom's container handling capacity to 15 million twenty-foot equivalent units by 2020. According to the authority's website, the overall handling capacity of the ports stands at about 9 million TEUs.

### **Saudi Arabia tops in Islamic loans volume**

Islamic loan volume exceeded \$ 5.66 billion (Dh20.78bn) in Saudi Arabia during the May 2009 to May 2010 period, according to different research data. The loan volume in Qatar was the next highest at \$ 2.75bn, followed by the UAE at \$ 900 million, Bahrain at \$ 540m, Turkey at \$ 306m and Kuwait at \$ 293m. The Islamic finance industry would touch the \$ 2 trillion mark in three to five years, said Rushdi Siddiqui, Global head of Islamic Finance, Thomson Reuters.

"Given that it took the industry almost 40 years to get to the \$ 1trn mark, it is a pretty impressive growth pattern but only as long as it is based on a solid foundation, is asset backed and is linked to real, economy assets," Siddiqui told Emirates Business.

### **Vietnam, Saudi Arabia boost trade & investment relations**

Speeding up multi-faceted cooperation with Saudi Arabia, especially in oil and gas, agriculture, investment, trade and labor, is one of Vietnam's priorities in its foreign

policy towards the Middle East. The statement was made by the President of the Vietnam Chamber of Commerce and Industry (VCCI), Vu Tien Loc, at the Vietnam-Saudi Arabia Business Forum held in Hanoi on Thursday, Vietnam news agency said.

In the coming time, through the Inter-governmental Cooperation Committee, the two countries will create a favorable legal foundation for their businesses to expand trade and investment activities and increase information exchanges, Loc said.

## **UAE**

### **International Front**

#### **UAE nears \$ 7billion missile deal**

The UAE is approaching a milestone in its plans to purchase the Terminal High Altitude Area Defence (THAAD) missile system for an estimated US\$ 7 billion (Dh25.71bn) from the US, according to officials from the American defence company Lockheed Martin. A sale would mark the first time the THAAD system has been exported by the US and underscore the deep ties forming between America and the Emirates.

The UAE could receive a “letter of agreement” from the US government later this summer after the two administrations made progress on their negotiations over the sensitive technology, said Dennis Cavin, the vice president of air and missile defence strategic initiatives at Lockheed. “The UAE and the US have made solid strides in these last few months,” Mr Cavin said.

#### **China deeply appreciative of the UAE's peaceful diplomatic policy**

China holds UAE in great esteem as a crucial economic partner and deems it a pivot for trade in the Gulf, the larger Middle East and Africa. These were the thoughts shared by Mr Cao Jing, Deputy Director Asian Department, Ministry of Foreign Affairs, People’s Republic of China, in an exclusive interview with Khaleej Times in Beijing.

“The reason why the UAE is the trade centre of the Gulf is because, apart from its open economic policy, the country adopts a peaceful, diplomatic policy, which prevents it from getting involved in conflicts and confrontations,” Mr Cao Jing said. “This is why many people are willing to invest in this place and transfer products there.” Burgeoning trade relations between the two states exceeded \$ 20 billion last year. “The UAE has become a terminal centre for China’s products, which are re-exported to Africa and the Middle East,” he said.

#### **Khalifa calls for united response to Israeli attack**

The President, His Highness Shaikh Khalifa bin Zayed Al Nahyan, has called for a collective and concerted international response to the attack by Israeli troops on the high seas against a peaceful flotilla sailing for the Gaza coast with aid and supplies.

The President received a telephone call from the Amir of Kuwait, His Highness Shaikh Sabah Al Jaber Al Sabah, who is also chairman of the GCC summit, and the two leaders made this issue the top priority while expressing their profound concern over the safety of the survivors and their whereabouts as well as how to get them back to neutral territory and finally to their homelands. Earlier, Shaikh Sabah made similar calls on the leaders of Saudi Arabia, Bahrain and Oman, Kuwait News Agency (KUNA) reported. All the leaders stressed the urgency of lifting the unjust siege on Gaza. They also called for the free inflow of relief supplies and the imperative to put an end to the criminal acts committed by Israel.

### **UAE condemns Israeli attack on the Gaza aid convoy**

The UAE strongly condemns the inhumane and criminal infliction of force carried out by Israel on the humanitarian convoy of civilians that has resulted in the death of at least 19 innocent aid workers and the wounding of several more. The UAE further condemns the clear violation of international law committed by the Israeli army in international waters against innocent civilians and urges the international community to end the continued collective and barbaric punishment imposed by the Israeli government on the Palestinian people.

In a statement issued today, H.H. Sheikh Abdullah bin Zayed al Nahyan, UAE Foreign Minister called for the Secretary General of the United Nations to order an international investigation into the crime and for a full report to be made to the United Nations. “The deaths of innocent civilians working to deliver basic humanitarian aid to the Palestinian people in Gaza is a clear violation of international law and a moral outrage of the highest order. Such an incident should not pass uncensored and Israel must face the consequence of its actions. The UN Security Council should convene an emergency session and take appropriate action.”

### **WHO's Dubai Declaration shows the way**

Unified anti-tobacco policies for the region's countries will be implemented within months as the World Health Organisation issued the Dubai Declaration on Monday.

On the occasion of World No Tobacco Day that is marked each year on May 31, officials from the health body's regional office issued the Dubai Declaration that will lead by example for all GCC countries. Policies under the declaration will be implemented throughout the region within months, said officials. The declaration lists six anti-tobacco policies — the outcome of a two-day intensive workshop held in Dubai last week — that the WHO hopes all regional countries will implement.

## **Social Front**

### **Cyclone not to seriously affect prepared UAE**

A rescue team has been put on alert in the emirate of Fujairah as a precaution against tropical cyclone 'Phet', as weathermen predicted that it may partially touch the eastern coastline.

Deputy Prime Minister and Minister of the Interior Lt. General Shaikh Saif bin Zayed Al Nahyan gave the orders to station the team in the northern emirate as the National Centre for Meteorology and Seismology (NCMS) forecast that the cyclone, which developed in the Arabian sea on Thursday, may partially affect the coastline when heading towards Indian and Pakistani shores. Acting Director of Emergency and Public Safety at the Abu Dhabi Police Col. Mohammed Abdullah Nasib Al-Nuaimi said that the 57-member rescue team has been provided with all the necessary ambulatory, rescue and rapid intervention equipments. A joint operations room will coordinate with the Fujairah Police and other authorities in the country, he added.

### **Average UAE age rising, says survey**

The average age of UAE residents will increase in 20 years, owing to lower rates of childbirth and fewer people leaving the country. A survey by Euromonitor on the future demographic of the UAE found that the number of residents between 45 and 65 will rise from 12.6 per cent in 2010 to 28.5 per cent in 2030.

“There are signs that the demographic is shifting, and getting older,” said Sarah Boumphrey, a UK-based analyst at Euromonitor. “The existing population is getting older. Coupled with that, fertility rates are far lower than in other countries in the region, and are falling at a faster rate than elsewhere.” Between 1980-2010 the fertility rate in the UAE fell by two-thirds, according to UN statistics, and now stands at 1.87 children per female. The Euromonitor report predicts that this figure will change only slightly by 2030.

### **Khalifa issues federal decree on Revised Kyoto Convention**

The President, His Highness Shaikh Khalifa bin Zayed Al Nahyan, has issued the Federal Decree No 33 of 2010 regarding the accession of the United Arab Emirates to the Revised Kyoto Convention in order to facilitate and coordinate the customs procedures (the Text, the General Appendix & Appendix A) after the Decree has been approved by Their Highnesses members of the Supreme Council, Rulers of the Emirates.

In its Item 2, the Decree, instructs the Federal Customs Authority Chairman to take the actions required for finalizing the accession to, and implementation of, the Convention. Mr. Khalid Ali Al Bustani, Acting General Manager of the Federal Customs Authority, said that joining the Revised Kyoto Convention, with its advanced customs procedures,

would enhance trade activities and increase cooperation between the UAE and the world taking into consideration the country's status and position on the map of the world trade.

### **Dubai Children City ... first educational city in UAE devoted to children**

Dubai Children's City is the first educational city in the UAE devoted to children between the ages of two and fifteen years, where they can investigate, explore, play, discover, and learn about the world in which we live. It was inaugurated by Deputy Ruler of Dubai and Minister of Finance Hamdan bin Rashid Al-Maktoum, on March 5, 2002. Head of the Dubai Children's City, Nabeela bint Rashed Al-Mansouri, told KUNA that the Municipality of Dubai planned to establish this city in 1992 as an educational city dedicated for children. The city is specially designed for children to interact and discover together, as families and school groups, she noted.

### **Economy Front**

#### **UAE oil services sector may benefit from US moratorium**

The UAE oilfield services industry could be an unexpected beneficiary of the drilling moratorium in the Gulf of Mexico as companies such as Halliburton shift manpower and resources east. The international oilfield services group headquartered in Houston and Dubai, is preparing to relocate people and equipment to new exploration contracts in the eastern hemisphere from the Gulf of Mexico, where BP's damaged deep-water well continues to leak oil. The US government's decision to impose a six-month moratorium on issuing licences for deep-water wells is a development with global implications. The UAE, in its capacity as a logistics centre for international offshore oil and gas services for the eastern hemisphere, stands to benefit.

#### **UAE, Kuwait ink MoU on civil aviation cooperation**

The UAE General Civil Aviation Authority (GCCA) and Kuwait's Directorate General of Civil Aviation (DGCA) entered into a memorandum of agreement (MoU) for boosting joint cooperation in civil aviation sector. The MoU was signed on the sidelines of the regional civil aviation conference which concluded here yesterday, by Saif Al Suwaidi, Director General of the GCCA and Fuawz Al Farah, Chairman of DGCA. The memo, inked within the framework continued GCC coordination in civil aviation, envisages joint cooperation in diverse areas of exchange of knowledge, training, consultation and expertise.

#### **Double taxation agreement signed by UAE and the Netherlands**

The Treaty for the Avoidance of Double Taxation between the United Arab Emirates and the Netherlands has been enforced. The new bilateral tax agreement is expected to further enhance the strong trade links between the two countries by minimising the double taxation of income that may occur as a result of economic activities.

The treaty will ensure equal taxation treatment for investors, providing incentives for investments in and through the Netherlands. Among the highlights of the agreement, the Treaty allows for a zero per cent Dutch withholding tax rate for dividends paid to government-owned United Arab Emirates entities.

### **Abu Dhabi emerging as entry point to MENA investments**

China and the Middle East are likely to expand two-way capital flows rapidly in the coming years, as investment catches up with recent fast growth in trade, the chief executive officer of Abu Dhabi financial services firm Invest AD told a conference in Shanghai on Monday.

Two-way trade between China and the Middle East has tripled in the last five years to \$ 107 billion in 2009. Chinese companies have also become more active in the Middle East, especially in the infrastructure sector, winning \$ 2.1 billion worth of the construction deals in the UAE alone in 2008. The next growth area will be two-way investment, with Abu Dhabi emerging as an entry point to the Middle East and North Africa, Nazem Al Kudsi said during a panel discussion at the Abu Dhabi and China Economic Forum. The Middle East and China are becoming major investors on the global arena, and both are high-growth markets.

### **UAE, US plan to boost trade and investment**

The Obama administration put plans in place to double US exports to the UAE and the rest of the world over the next five years, a senior US trade official said on Sunday. The US government will be a vigorous partner to American companies seeking to do business in the UAE. The US sees the UAE as a 'gateway to regional and international markets' to increase exports, Suresh Kumar, US Assistant Secretary of Commerce, told reporters at a Press conference in Abu Dhabi.

"The efforts to boost US-UAE bilateral trade and investments were at the centre of talks held with top officials of the Abu Dhabi Urban Planning Council, Abu Dhabi Future Energy Company (Masdar) and the Ministry of Foreign Trade," Kumar said. Kumar, who is also Assistant Secretary for Trade Promotion and Director-General of the US Foreign Commercial Services and US Department of Commerce and Trade Administration, said trade between the UAE and the US has multiplied six times in the last decade to \$ 12 billion in 2009.

## **KUWAIT**

### **International Front**

#### **Kuwait urges ICC to stop Israeli crimes**

Kuwaiti Justice Undersecretary Dr. Mohammad Al-Ansari on Tuesday called on the International Criminal Court (ICC) to prioritize Israel's war crimes and crimes against humanity against the Palestinian people.

Al-Ansari, who is also the chairman of the national committee of international humanitarian law, told KUNA in a phone call from Rome, where he is taking part in a conference about the ICC's statutes, that the Israeli assault against the Freedom Flotilla was a standard action due to the ICC's lack of action against the country. He said Kuwait has put great emphasis on the ICC's role in enforcing justice in all member countries through the prosecution of all criminals. The ICC has achieved many goals in enforcing justice in the world, but still faces challenges like double standards and selectivity over certain cases, Al-Ansari continued.

#### **Withdraw from Arab peace plan, Kuwait MPs urge govt**

Kuwaiti MPs yesterday blasted Israel as a criminal state over its attack on a Gaza-bound aid flotilla and called on the government to withdraw from an eight-year-old Arab peace initiative. Parliament approved a non-binding recommendation by 32 votes to six, urging the government to pull out of the plan that offered Israel full normalisation of ties in exchange for its complete withdrawal from occupied Arab land.

MPs met in an emergency session to debate the deadly Israeli attack on the aid vessels which had on board 18 Kuwaiti activists, including MP Waleed Al Tabtabai and six women. Communications Minister Mohammed Al Baseeri told reporters after the session that the government would “deal positively with the recommendations.” Other recommendations included urging Arab and Muslim states with diplomatic ties with Israel to suspend them, initiating a criminal suit against Israel at the International Criminal Court and securing the release of the Kuwaiti activists.

#### **Kuwaiti FM praises ASEAN's response**

Kuwait's Deputy Premier and Foreign Minister Sheikh Dr Mohammad Sabah Al-Salem Al-Sabah on Monday praised the response of the Association of Southeast Asian Nations (ASEAN) to the Israeli attack earlier in the day on the Freedom Flotilla that was heading to Gaza. Al-Sabah said that the second GCC-ASEAN foreign ministers' meeting had featured discussion of several issues, including the response to the Israeli attack. The attack on a civilian ship carrying humanitarian aid in international waters is a crime against humanity and a violation of international law, as well as being an act of piracy, he stressed.

During the meetings, things were called by their real names, he said, noting that the flotilla passengers who are still being held incommunicado by Israeli authorities were called "hostages" by both the ASEAN and GCC states. Participants in the meeting demanded an immediate end to the Israeli siege imposed on Gaza and the implementation of Resolution 1860 on the siege, he said. They said that Israel was fully responsible for the attack on the flotilla and demanded an investigation, the minister added.

### **Kuwait National Assembly to discuss latest Israeli aggression**

National Assembly (Parliament) Speaker Jassem Al-Khorafi yesterday called for holding an emergency session this morning (Tuesday) to discuss yesterday's Israeli aggression against civilians aboard the Freedom Flotilla, in which over 15 people died and more than 50 were injured, and to make sure that measures are taken to ensure the safe return of the Kuwaiti citizens who volunteered in the campaign.

Several MPs have voiced their condemnation of what they described as the "Israeli crime against humanitarian aid missions headed to the besieged Gaza Strip", while citizens demonstrated in front of the United Nations office in Kuwait against the action. MP Saadoun Al-Otaibi voiced support for holding the emergency parliamentary session to discuss the "Israeli piracy against fleets carrying humanitarian aid," reiterating the importance of maintaining the safety of Kuwaitis taking part in the mission.

### **Kuwaiti FM hails Asia tour**

Deputy Prime Minister and Minister of Foreign Affairs Sheikh Dr Mohammad Sabah Al-Salem Al-Sabah said here yesterday that his Asian tour was part of Kuwait's strategy to bolster relations on the political and economic level with Asian countries.

Sheikh Mohammad was speaking to reporters before departing on his tour to Singapore, Japan and China. "We have begun strategic talks with Turkey and the EU on the beginning of this year, and now it's time to open such dialogue with our Asian counterparts," he said. Sheikh Mohammad said Kuwait in its capacity as the current President of the GCC would be signing a strategic dialogue deal with China as part of the effort to bolster relations, adding that by the end of the year, the GCC would be focusing on boosting relations with Russia.

During the visit to Japan, a deal would be signed between Kuwait and Tokyo to establish a cooperation committee, stated Sheikh Mohammad, noting that discussion on the issue of establishing a free-trade zone between Japan and the GCC would also be on the agenda.

### **Kuwait, Japan begin preparatory talks on joint cmte**

Kuwait and Japan on Monday began working-level preparatory talks before the first meeting of the Japan-Kuwait Joint Committee due later this week, with the both sides

planning to raise their concerns to share and to discuss content of a planned joint statement.

The Kuwaiti participants were to present such issues as the nation's five-year plan, introduction of nuclear power generation project, needs on renewable energy and energy conservation, as well as regional projects in the Gulf Cooperation Council (GCC) states. The Japanese side was expected to note the importance of early conclusions of a bilateral investment treaty and GCC-Japan free trade agreement (FTA) and to underline promotion of exchanges in line with the 50th anniversary of the establishment of Kuwaiti-Japanese diplomatic ties in 2011.

### **Hamas praises Kuwait's part in Freedom Fleet**

Hamas-led dismissed government in Gaza welcomed here yesterday a Kuwaiti ship's participation in the Gaza-destined "Freedom Fleet" as a "praiseworthy move". Speaking to reporters, Ismail Haniya, the prime minister of the dismissed government in Gaza, said: "The presence of the (Kuwaiti) ship shows that the great Kuwaiti people stand beside Gaza and the people of Gaza.

We greet Kuwait's Amir, people and government. We wish that the Kuwaiti and Algerian ships, together with other ships, could safely reach Gaza." Earlier in the day, Haniya joined a rally at Gaza harbor as part of underway preparations for receiving the "Freedom Fleet", which is hoped to break the Israeli blockade on the Gaza Strip. He urged the international community, mainly the UN and the EU, to pressure Israel to allow the ships to enter the Palestinian territory. The "Freedom Fleet" consists of a cargo ship funded by Kuwait raising the flags of Turkey and Kuwait, a cargo ship funded by Algeria, and a cargo ship funded by Europe from Sweden and Greece, and five vessels to transport passengers.

### **Kuwaiti Amir's visit to Germany 'historical' -- ambassador**

The visit of His Highness the Amir of Kuwait Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah to Germany on April 25-30 was very vital to the historic relations between the two countries, said Kuwaiti Ambassador to Germany Musaed Al-Haroun on Saturday. This statement was made by the ambassador to the 'Arab Forum' magazine, a periodical publication printed in German. The upcoming issue of the magazine will focus the relations between Kuwait and Germany.

His Highness Sheikh Sabah's visit helped bolster relations in all aspects, stated the diplomat, adding that the visit also focused on issues concerning the Middle East region and the world. The visit was also the first by His Highness Sheikh Sabah in his capacity as Amir, which made it historical, stated Al-Haroun, noting that it had set the course for future cooperation ventures between Kuwait and Germany, especially after the signing of several memorandums of understanding.

## **Social Front**

### **Kuwaiti gov't-parliament coordination experience commended**

An Arab forum on government-parliament coordination spoke highly of Kuwait's experience in coordination between its executive and legislative bodies, a participating Kuwaiti official said.

Speaking to KUNA on the sidelines of the forum, which concluded here late Thursday, Assistant Undersecretary of Parliamentary Affairs Ahmad Al-Haifi said the participants in the two-day gathering had been impressed by a presentation on the Kuwaiti experience in government-parliament coordination. They also showed much interest in this Kuwaiti experience, voicing a desire to be more aware of it, the Kuwaiti official added.

He noted that Kuwait would host the coming forum, possibly focusing on mechanisms for executive-legislative coordination. On the other hand, he said the conferees stressed the significance of maintaining the scientific and informative characteristics of the forum, suggesting that the event be held every year.

### **Kuwait education ministry, WB to upgrade education process**

A meeting took place yesterday between Dr. Moudhi Al-Humoud, Minister of Education and Higher Education, and a delegation of World Bank (WB) officials. The meeting was chaired by Steen Jorgensen, the World Bank's Director of Human Development and Radwan Shaban, the manager of the World Bank's Kuwait office, with the purpose of launching an agreement for the development of Kuwait's educational system.

Speaking after the meeting, Dr. Al-Humoud said, "The Ministry of Education does not spare any effort in upgrading the educational process," adding, "launching this agreement with the World Bank will allow Kuwait to benefit from the knowledge and experience of this premier international institution and from its global expertise in the education field.

Dr. Al-Humoud thanked the World Bank for its support for Kuwait as the country strives to develop education, and pledged full and close coordination with the World Bank teams as a top priority in attaining this objective. The minister explained, "This agreement provides support to the Ministry of Education in the area of formulation and the implementation of reforms programs in key areas in direct alignment with the Ministry's own priorities on the Government's Work Program of 2010-2013.

### **Kuwait MP seeks to question premier**

Opposition lawmaker Khaled Al-Tahous yesterday executed his warning and filed a request to grill Prime Minister HH Sheikh Nasser Mohammad Al-Ahmad Al-Sabah, holding him responsible for the failure of government institutions to apply the law on plants that have raised pollution levels around the Umm Al-Haiman area. Tahous had threatened to grill the prime minister if the government did not act and close down

several factories that were blamed as the source of pollution and a sharp rise in diseases in the residential area of 45,000 people.

The government ignored Tahous' warning and was quietly working on the issue in accordance with an environment protection law which does not give it authority to shut down factories without a warning. Minister of Communications and government spokesman Mohammad Al-Busairi said the government will study the grilling and will deal with it in accordance with law and the constitution. He said it was premature to say if the government will ask the grilling to be debated behind closed doors like it did with the first ever grilling against any Kuwaiti prime minister which was debated in camera last November.

### **Kuwaiti ministry mulls changes to govt workers residency**

The Ministry of Social Affairs and Labor's (MSAL) labor committee has proposed changes to the mechanism governing the transfer of workers' residencies, which would see government sector workers' residencies changed to a permanent status regardless of their qualifications, reported Al-Jarida.

A MSAL insider said that during a meeting of senior officials, including Undersecretary Mohammad Al-Kandari and the Assistant Undersecretary for Labor Affairs, as well as heads of labor departments in Kuwait's six governorates, the need to raise the level of services being offered to the public was stressed. This could be achieved through expediting the completion of paperwork, said the officials, and through coordinating closely with the immigration department on the formalities required to update files and companies' information.

### **Economy Front**

#### **'Kuwait market open for UK companies': Duwaisan**

The Kuwaiti market is open and the opportunities are there for UK companies and investors, Kuwait's Ambassador here Khalid Al-Duwaisan declared on Thursday.

Addressing the Middle East Association, the Ambassador, who is also the Dean of the Foreign Diplomatic Corps to the UK, said the Kuwaiti people are "predisposed towards British companies and the British people, and we welcome you to come and compete effectively." While issuing the invitation to the UK firms and investors, Al-Duwaisan emphasised that Kuwait will be qualified in the near future to become a financial centre and a gateway to international trade in South West Asia.

The Middle East Association is the UK premier organisation for promoting trade relations with the region and it is supported by the UK government. Its members come from all sectors of industry and commerce, including banking and other financial services. The envoy paid warm tribute to the long-standing historic links between the UK and Kuwait, while recalling that the two countries sought from the outset to build relations based on mutual respect, understanding, and engagement.

## **China's ICBC eyes Kuwait, Saudi operations**

Industrial and Commercial Bank of China (ICBC), the world's biggest lender by market value said on Monday it was seeking acquisition opportunities to expand business in the Middle East and North Africa, hoping to benefit from booming trade between China and the Gulf region. ICBC, which currently has branches in Dubai, Doha and Abu Dhabi, is studying the feasibility of setting up operations in Kuwait and Saudi Arabia, and will consider buying assets in other countries in the Middle East and the North Africa region, said Tian Zhiping, head of ICBC's Middle-East operations.

"A deeper understanding of the region makes us feel that our existing business layout is inadequate for us to grasp business opportunities," Tian told reporters on the sidelines of a conference in Shanghai. "We're expanding on the back of China's huge economy. Middle Eastern countries not only want more capital from China, they want more cooperation from Chinese companies as well."

## **Regulations to be placed for air transport market in Kuwait: official**

The Directorate General of Civil Aviation is preparing a set of regulations for the air transportation market in Kuwait, governing relations between airlines and travel agents, as well as booking systems and passengers, said an official from the directorate Friday evening. Deputy Director for Air Travel and Transport Affairs, Nabil Al-Zamel, was speaking to reporters on the sidelines of his inauguration of the 2010 Boodai Travel Mart (BMT), organized by Boodai Aviation Group.

Al-Zamel explained that these regulations aimed at protecting the rights of passengers, noting that at present, many bilateral and bloc agreements were being signed with different countries to boost tourism and travel activity to and from Kuwait. Since the implementation of the open skies policy in Kuwait in 2003, 93 agreements were signed by Kuwait with other countries, he said, the last of which he signed during a recent visit to China. China is new on the tourism map and is attracting many Kuwaitis, and as per the agreement, the number of weekly flights between the two countries will be raised from three to 17, he explained.

## **OMAN**

### **International Front**

#### **Oman Appeals to International Community to Lift Siege Imposed on Gaza**

The Sultanate yesterday issued a statement expressing its condemnation of the incidents against the 'aid flotilla' convoy heading for Gaza which was obstructed by the Israeli navy. A statement released by the Foreign Ministry said, "The Sultanate of Oman followed with pain and concern the incidents of the aid flotilla convoy which was heading for Gaza and obstructed by the Israeli navy using weapons that resulted in the fall of martyrs and innocent victims.

“The Sultanate expresses its sincere condolences and sympathy for families of the bereaved, and also condemns the Israeli assault which contravenes with the international law. The Sultanate appeals to the international community to shoulder its responsibility towards the lifting of the blockade on Gaza Strip and provide every possible support to alleviate the suffering of the Palestinian people in Gaza and the West Bank.”

### **King Abdullah receives Sultan Qaboos**

Custodian of the Two Holy Mosques King Abdullah received Sultan Qaboos of Oman at the King Abdulaziz International Airport in Jeddah on Saturday, the Saudi Press Agency reported. Sultan Qaboos is on a two-day official visit to the Kingdom. Second Deputy Premier and Minister of Interior Prince Naif and Makkah Gov. Prince Khaled Al-Faisal were also present at the airport to receive the ruler of the Sultanate of Oman. King Abdullah and Sultan Qaboos later held discussions on matters of mutual interests. The king hosted a banquet for Sultan Qaboos.

### **Oman-Qatar ties discussed with visiting official**

Shaikh Ahmed bin Mohammed al Isa'ee, Chairman of the Majlis Ash'shura, received here yesterday Dr Saif bin Ali al Hajri, Deputy Chairman of the Board of Qatar Foundation for Education, Sciences and Community Development. The meeting discussed bilateral relations and various issues of common concern. Abdulqadir bin Salim al Dhahab, Secretary-General of the Majlis Ash'shura, and Amir bin Said al Musharafi, Head of Education and Culture Committee, also received Dr Saif al Hajri. The meeting dealt with aspects of co-operation in various fields. The guest was also briefed about the march in the Sultanate.

### **Social Front**

#### **Heavy rains hit Oman as cyclone approaches**

Heavy rains hit Oman's east coast on Thursday as cyclone Phet approached the sultanate pushing up from the Arabian Sea and authorities raised the alert level to orange. The cyclone, rated at a factor of 3.5 on a scale of five, was moving northwestwardly at a speed of eight kilometres (five miles) an hour. Winds were blowing at a 180 kilometres (112 miles) an hour. Hotels along the east coast of the sultanate have been evacuated, the ministry of tourism said, and the residents of Masirah island were airlifted to safer areas.

#### **Oman extends amnesty for illegal expats**

The Oman government has extended an amnesty for illegal expatriate residents for a second time. The new deadline is July 31. The scheme, which allows overstaying expatriates to regularise their status or leave the country without paying fines, was first announced late last year with March 30 set as the closing date, which was subsequently extended by two months until May 31. Embassies of several Asian countries, especially

India, Bangladesh, Pakistan, Sri Lanka and the Philippines, have been requesting a grace period in the past weeks. They pointed out that thousands of their nationals, wishing to benefit from the scheme, had not been able to complete the formalities.

### **Oman ranks 2nd on political stability**

The Sultanate ranked second in the Arab level in political stability index, a component of the General Index for the 2010 International Property Rights Index (IPRI) released by the Property Rights Alliance on its website. Sultanate scored 6.9 points at the political stability index which earned it the 21st rank on the world level. Qatar came first at the Arab level. While the Sultanate came fourth at the intellectual property index with 6.5 points, it came 32nd on the world level from among 125 countries covered by the index. The report affirmed that the Sultanate has achieved good ranking among the countries covered by the index, especially in the judicial independence and political stability indices.

### **Powerful Cyclone Phet takes aim at Oman**

A powerful storm over the Arabian Sea has now intensified into a tropical cyclone and could hit Oman's east coast on Thursday, Oman's weather authorities warned. The government said it was fully prepared to face any eventuality. Meanwhile, hundreds have been evacuated from Masirah Island, where Cyclone Phet is expected to make landfall.

The Directorate-general of Meteorology and Air Navigation (DGMAN) warned fishermen and seafarers in the coastal areas of the country against venturing out to the sea. Cyclone Phet, expected to become a Category 5 storm by Thursday, "will likely affect the Masirah Island and the coastal areas from Ras Madrasah to Ras Al Had when it passes by the coasts of the Sharqiyah region on Thursday," DGMAN said in a statement. "The cyclone is expected to move to the Northwest initially towards the coasts of the Sharqiyah Region in the next 24 hours," DGMAN said.

### **Private companies in Oman told to reduce foreign manpower**

Oman's top labour official has urged private companies in the country to reduce dependence on expatriate manpower. Shaikh Abdullah bin Nasser Al Bakri, Manpower Minister, said they should not "go after foreign manpower unnecessarily," adding that the ministry would draft plans together with the private sector for its requirements of expatriate workers and trained national manpower.

Speaking at a meeting with local businessmen at the Oman Chamber of Commerce and Industry (OCCI) here on Saturday, Shaikh Abdullah also underlined the need for private companies to place more emphasis on worker safety and occupational health. Stressing that the ministry had always tried hard for a "true partnership with the private sector," he revealed that the government would sign an agreement with the International Labour Organisation (ILO) next month to conduct a 'Decent Work' training programme to promote the work culture in the country.

## **Economy Front**

### **Oman Fisheries launches new coastal fishing vessels**

Oman Fisheries Company (OFC) has put into operation four new coastal fishing vessels as part of an energetic push by the Sultanate's leading fisheries firm to strengthen operations and boost earnings. The new acquisitions coincide with a significant turnaround in OFC's fortunes, with the company turning an operational profit for the first time after four successive years of operational losses.

Total revenues for the financial year ended March 31, 2010, rose nine per cent to RO 11.829 million, compared to earnings of RO 10.855 million during the preceding year, OFC Chairman Mohammed bin Hamad al Masrouri stated in the Director's Report issued earlier this week.

### **Major Oman water project started**

One of the biggest water schemes to be carried out in Oman — costing RO90 million and which will supply 25 million gallons of water daily to the districts of the interior Dhakhliya region — has been commissioned. The Dhakhliya Water Supply Project was inaugurated by senior royal family member Sayyid Asad bin Tareq Al Said at a high-profile ceremony attended by ministers, state advisors and other notables.

The potable water for the project, including 288-kilometre pipelines, is supplied by the Barka water desalination plant.

Mohammed bin Abdullah Al Mahrouqi, Chairman of the Public Authority for Electricity and Water, or PAEW, said the pipelines, starting from Barka and ending at Bid Bid, passed through the wilayats, or districts, of Sumayil, Izki, Nizwa, Manah, Bahla and Al Hamra, providing residents with piped water for the first time. "PAEW has taken all measures to ensure the cleanliness and security of the pipelines, water stations and tankers before the water reaches consumers," Al Mahrouqi added.

### **UK trade team to visit Oman**

A British trade delegation from the Middle East Association will visit the Sultanate on June 4 and lasts for three days. The delegation will be led by Ahmed Sulaiman including membership of 9 members covering manufacturing, environment services, market research and information, training, recruitment, construction and insurance sectors.

The delegation will meet with a number of officials at the private sector and Omani businessmen to discuss enhancing relations of trade co-operation between the two countries, besides promoting for their products in the Omani market. It is worth mentioning that the Middle East Association is a British establishment that seeks to promote trade with the Middle East, North Africa, Turkey and Iran.

## **BAHRAIN**

### **International Front**

#### **Bahrain GCC nominee lauds King Abdullah**

In his first interview since being nominated by Bahrain for the post of Secretary General of the Gulf Cooperation Council (GCC), Abdul Latif Bin Rashid Al-Zayani said on Monday that King Abdullah was resolved to “maintain the unity, stability and security of GCC states and strengthen the Council in the midst of the delicate circumstances the region and world are witnessing”.

Al-Zayani, currently the head of Public Security at Bahrain’s Ministry of Interior, said that the Custodian of the Two Holy Mosques’ efforts to unify the positions of Gulf states and Arabs represented “a turning point in the course of GCC and Arab joint work”. “I hope I am successful and capable of realizing the aspirations of the leaders,” Al-Zayani said.

#### **Bahrain Cabinet hails GCC's achievements**

The Cabinet chaired by His Royal Highness Prime Minister Prince Khalifa bin Salman Al Khalifa at Gudaibiya Palace yesterday, hailed royal wisdom in protecting GCC progress and achievements.

It saluted Saudi initiatives to bolster GCC progress and preserve its unity and co-operation. It lauded the Custodian of the Two Holy Mosques King Abdullah's support for GCC countries and boosting bilateral relations between member states, with backing from His Majesty King Hamad. HRH the Premier briefed the Cabinet on German Chancellor Angela Merkel's recent visit to the kingdom, lauding its role in bolstering bilateral co-operation. The session hailed various initiatives aimed at projecting the cultural aspect of Bahrain. It praised Shaikh Khalifa bin Ali Al Khalifa Award for Righteous Son and Daughter and its role in promoting noble humanitarian and religious values.

### **Social Front**

#### **Number of illegal workers in Bahrain declines**

The number of illegal workers in Bahrain dropped by 5,000 in the last three months. The number of runaway expatriates stood at 48,000 in February which declined to 43,000 by the end of May. The drop in the numbers was achieved as a result of concerted efforts by members of a national committee formed to oversee and address the issue of illegal residents and employment of such individuals in the kingdom.

CEO of the Labour Market Regulatory Authority (LMRA), Ali Radhi, attributed the drop to an easy exist campaign launched on May 25. The campaign allows workers who overstayed in Bahrain and those who ran away from their sponsors with expired work permits to leave Bahrain after paying a BD25 fine.

### **Bahrain Crown Prince hails Royal Air Force's achievements**

HRH the Crown Prince yesterday hailed Royal Bahrain Air Force Commander and staff for their competence in defending the kingdom's airspace. During a visit to the Isa Air Base marking the force's 34th anniversary, he also lauded Bahrain Falcons for protecting national achievements.

He highlighted the force's development strides, citing the modern aircraft, armament and qualified personnel to operate hi-tech systems. He inspected the base, in the presence of BDF Commander-in-Chief General Shaikh Khalifa bin Ahmed Al Khalifa and unveiled the plaque of a mosque, signalling its opening. He also visited the Bahrain Falcons Auditorium where he unveiled a new multi-purpose facility. "It is of utmost importance to be armed with science and Islamic principles and values to ensure the country's security and safety," HRH the Crown Prince said, paying tribute to His Majesty.

### **Education is real wealth: Bahraini Crown Prince**

Bahrain's pioneering education system is a key pillar of growth, His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince and Economic Development Chairman, said last night. Speaking at a dinner banquet marking the fifth anniversary of Crown Prince's International Scholarship Fund (CPISF), HRH the Crown Prince said Bahrain, under His Majesty King Hamad's reforms project, has given education great importance, making it the kingdom's real wealth and one of the main pillars of the Economic Vision 2030.

He paid tribute to the private sector's support for the programme, describing it as an effective form of partnership benefiting the Bahraini society. He thanked the supporters of the fund for their contributions, hailing the country's efforts to invest in the most outstanding Bahraini students and encourage them to play an active part in the country's growth story.

### **Economy Front**

#### **Bahrain 'major investment hub'**

His Royal Highness Prime Minister Prince Khalifa bin Salman Al Khalifa yesterday highlighted Bahrain's investment strides. "Economic development strategies and viable legislation have turned Bahrain into a major investment destination," HRH the Premier said as he received Abu Ghazalah International Group chairman Talal Abu Ghazalah.

He welcomed the group's decision to establish its headquarters in Bahrain and run 73 offices all over the world. Mr Abu Ghazalah outlined projects which will be carried out in the kingdom. The Arab Chartered Legal Accountants will be registered in Bahrain as part of the schemes. The group is also planning to open Abu Ghazalah Institute for Chinese Language and Culture. A forum for transnational auditing firms will also be organised in Bahrain.

### **New BSE facilities to boost trading**

Bahrain Stock Exchange (BSE) chairman Rasheed Al Maraj and board members yesterday visited its new premises at Bahrain Financial Harbour. They examined the trading floor and the BSE's offices and its facilities. Mr Al Maraj said he was delighted with the relocation of the BSE to its new premises. He hoped that it would positively reflect on the operations of the exchange and encourage all related parties to benefit from the new advanced infrastructure and contribute to the development of the capital markets sector in Bahrain, especially with the legal and administrative changes currently taking place at the exchange.

### **New Bahrain-France bid to bolster economic ties**

The Economic Development Board (EDB) and Greater Paris Investment Agency yesterday signed a deal to promote Bahrain and France as business hubs and boost investments. The memorandum of understanding (MoU) was signed at the EDB headquarters by EDB chief operating officer Kamal Ahmed and the agency's vice-chairman Pierre Simon.

The agreement will see the two organisations work in partnership to present Bahrain and France as ideal bases for investors looking to access the European and Gulf markets, said an EDB statement. Both parties will facilitate investment and partnerships between respective business communities. Under the deal, there is also an agreement to work with the relevant authorities to ease restrictions on doing business between the two countries and the hosting of workers, researchers and students from each country.

"As per the directives of His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince and EDB Chairman, the board has intensified its efforts towards creating the right environment to attract higher foreign investments as part of the efforts to implement the initiatives of the Bahrain Economic Vision 2030," Mr Ahmed said at a Press conference following the signing ceremony.

## **QATAR**

### **International Front**

#### **Qatar shows solidarity with Turkish people**

HH the Emir Sheikh Hamad bin Khalifa al-Thani yesterday held a meeting with Turkish Prime Minister Recep Tayyip Erdogan at the Turkish Council of Ministers headquarters in Ankara. At the outset of the meeting HH the Emir offered Qatar's condolences to the Turkish prime minister on the victims of the Israeli aggression on the Freedom Flotilla which was heading to Gaza to deliver relief materials to the besieged brotherly Palestinian people.

During the meeting HH the Emir and the Turkish premier reviewed relations of co-operation between the two countries besides developments in the Middle East and matters of mutual concern. The Emir later left Ankara wrapping up his short visit which came in solidarity with the Turkish people following deadly Israeli raid on the humanitarian aid flotilla in international waters.

#### **Qatar Emir calls for a fair and just global system**

HH the Emir Sheikh Hamad bin Khalifa al-Thani has called for a global design that provides "opportunities for all and achieves justice to all parties". In his opening remarks at the plenary session of the World Economic Forum Global Redesign Summit at the Sheraton last night, the Emir said: "We are among those who believe that we will not find an alternative to the idea of a global market. But the key issue is to have respect for the laws of that market above the selfish interests of the powers and the unbridled ambitions of individuals." While thinking of a new global design, the Emir said: "We have to consistently distinguish between building a design and managing action within that design. Much of the disorder we observe in the world today is due to mismanagement and the buildup of obstacles facing action within the systems and organisations rather than any other factor.

#### **Qatar Emir, Latvian president discuss bilateral relations**

HH the Emir Sheikh Hamad bin Khalifa al-Thani with the President of Latvia Valdis Zatlers yesterday at the Emiri Diwan. The Latvian president is in Doha to take part in the World Economic Forum Global Redesign Summit. Bilateral relations were discussed during the meeting.

#### **Qatari Amir meets Kuwaiti Prime Minister**

Qatari Amir Sheikh Hamad bin Khalifa Al Thani met here Saturday His Highness the visiting Prime Minister of Kuwait Sheikh Nasser Al-Mohammad Al-Ahmad Al-Sabah, who arrived here earlier in the day to lead his country's delegation participating in the World Economic Forum (Davos) Global Redesign Summit.

During the meeting, the Kuwaiti premier conveyed greetings from HH the Kuwaiti Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah and HH the Crown Prince Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah to the Qatari Amir, wishing his country more development and prosperity.

### **Oman-Qatar ties discussed with visiting official**

Shaikh Ahmed bin Mohammed al Isa'ee, Chairman of the Majlis Ash'shura, received here yesterday Dr Saif bin Ali al Hajri, Deputy Chairman of the Board of Qatar Foundation for Education, Sciences and Community Development. The meeting discussed bilateral relations and various issues of common concern. The meeting dealt with aspects of co-operation in various fields. The guest was also briefed about the march in the Sultanate.

### **Qatar and Canada agree to resolve region's conflicts**

The Doha Regional Workshop on the peaceful resolution of conflicts and democratic transition opened here yesterday. The two-day function, organised by the Qatar National Commission for Human Rights (QNCHR), brings together representatives of 110 organisations of the Arab and international civil societies within preparation for the 7th Future Forum due to open in Doha next December.

The Deputy Minister of Foreign Affairs for Follow Up Affairs H E Mohamed Abdullah Al Rumaihi who is also chairman of the standing committee for organising the conference said the meeting being attended by representatives of governments is the first launching of the official activities of the Future Forum. In his opening address before the workshop, Al Rumaihi made clear that such a forum went off in the form of an initiative since 2004, constitutes a joint basis of a set of reforms and schemes and opens the door for relationships between governments, civil society organisations and the private sector, noting that the 7th forum chaired by Qatar and Canada will form a serious addition to the positive results in Marrakesh, Manama, Amman and Abu Dhabi.

### **Social Front**

#### **Qatar elected as Interpol's regional head to fight IT crime**

Qatar has been elected to head Interpol's regional taskforce to combat cyber crimes. This came up during the meeting of Interpol's Regional Working Parties for Middle East and North Africa (MENA) for preventing Information Technology Crime that concluded here yesterday.

The two-day meeting was attended by delegations from eight countries and Qatar was represented by Captain Ali Hassan Al Kubaisi, Head of Criminal Information Section at the Criminal Investigation Department. At the end of the meeting participants elected

Qatar to head MENA's Working Group for preventing Information Technology Crime through a voting system, while Kuwait was elected as vice-chairman.

### **Qatar Emir names two new ministers in reshuffle**

HH the Emir Sheikh Hamad bin Khalifa al-Thani yesterday named new ministers for business and commerce and for Islamic affairs in a Cabinet reshuffle. Emir order No 2 of 2010 appointed HE Sheikh Jassim bin Abdulaziz bin Jassim bin Hamad al-Thani as the new minister of business and commerce and HE Dr Ghaith bin Mubarak bin Imran al-Kuwari as minister of Awqaf (Endowments) and Islamic affairs.

Later yesterday, Sheikh Jassim bin Abdulaziz and Ghaith bin Mubarak al-Kuwari took the oath of office before the Emir at the Emiri Diwan. The ceremony was attended by HH the Heir Apparent Sheikh Tamim bin Hamad al-Thani and HE the Prime Minister and Foreign Minister Sheikh Hamad bin Jassim bin Jabor al-Thani.

### **Qatari PM calls for democracy in international relations**

The force of law would prevail over the law of force whenever democracy is practiced in international relations, the Prime Minister and Foreign Minister H E Sheikh Hamad bin Jassem bin Jabor Al Thani said here yesterday.

“Democracy at the inner level is the sole means for realising the social peace on the basis of justice, equity and equality, the matter which would lead us inevitably to provide for stability and thus rules and frames required for the development of communities for a better life in all areas will be available,” said the Prime Minister, while addressing the opening session of the 10th Doha Forum and the Enriching the Middle East's Economic Future Conference. He further said that via such a channel, freedom would be available to explore means of science and knowledge and what it involves of creativity, noting that democracy is in itself is a recognition of a predetermined acceptable legal framework governing the social relations.

### **Economy Front**

#### **Qatar plans to secure food supplies domestically**

Qatar is placing the emphasis on home-grown agricultural production over foreign farmland buys as it seeks to increase its food security, a top food supply official told Reuters on Tuesday.

Farming in the Gulf region is a challenge due to extreme heat, limited water supplies and high soil salinity. Despite the obstacles, Qatar and some other Gulf states are investing in technology that would help secure food supplies domestically. "Qatar's priority right now is to put in place the resources to enhance domestic production," said Mahendra Shah, director at the Qatar National Food Security Program (QNFSP), a state entity established in 2008 to set the policy strategy for the securing food supplies.

## **Stability must for growth: Qatar Emir**

The current economic and financial turmoil in the world has posed a complex challenge before the developed as well as the developing countries and the best solutions will be possible only with stable environments, the Emir H H Sheikh Hamad bin Khalifa Al Thani said yesterday.

Addressing the opening session of 10th Doha Forum and the Enriching the Middle East's Economic Future Conference at the Ritz Carlton hotel yesterday, the Emir said: "Our meeting is being held this year at very difficult circumstances because of the economic and financial turmoil encountered by the world that deserves to be studied and examined, and which makes it difficult for any conference or forum to reach a conclusive view or declare a decision on issues that might be definitive or detailed." "We all are required to follow up what is going on at the sites of international decision- making, world production and globalised markets, with utmost seriousness and keenness, because we are facing a moment of a major change that the world stability, security and safety necessitate," he added.

## **Qatar eyes farm, energy investment in Moldova**

Qatar will seek investment opportunities in Moldova, particularly in the country's farm and energy sectors, HE the Deputy Premier Abdullah bin Hamad al-Attiyah has said.

He said a trade delegation from Qatar, which was expected to visit Moldova shortly, would identify 'potential areas' for investment. Al-Attiyah was speaking after receiving Moldova's Deputy Prime Minister and Foreign Minister Iurie Leanca at his office yesterday. Asked whether any specific agreement had been reached between the two countries at their high-level meeting, al-Attiyah said, "Moldova is a young country; we are only getting introduced. But I understand Moldova has a favourable climate and good farmland, which Qatar's Hassad Food could possibly look at for opportunities."

## **Qatar expected huge jump in cargo volumes by 2014**

Qatar is expected to see a huge jump in cargo volumes by 2014 in view of the expected buoyancy in the country's economy and exports, according to an estimate. Cargo volumes handled in Qatar's Doha Port and in its successor (currently under construction) the New Port of Doha are set to grow very strongly, according to [Companiesandmarkets.com](http://Companiesandmarkets.com)

"By 2014, we expect the number of containers handled at the Doha Port to be up to 427,811 20ft equivalent units (TEUs), while at the New Port, they will have reached 106,953 TEUs," it said. The estimation is based on assumption of 8.3%-12.1% growth in volume of cargoes over the next five years. Highlighting that the macroeconomic environment in which Qatar's shipping and ports sector is changing rapidly, it said: "2010 presents itself as a particularly V-shaped recovery."