

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

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Weekly Report. # 126
26th June- 2nd July 2010**

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

SUMMARY

The European Commission's office in Riyadh will host the first meeting of European ambassadors to discuss foreign policy matters with special reference to Saudi-EU relations on July 4. The meeting will be held for the first time at the premises of the Commission's office as per the provisions of the Lisbon Treaty and not at the embassy of Belgium, which holds the EU's rotating presidency from July 1 (today). "All of the 134 EC's delegations worldwide will have more teeth on foreign policy issues following the implementation of the treaty," said Ambassador Luigi Narbone, chief of the EC delegation in Riyadh, on Wednesday. He pointed out that the ambassadors of all 19 member states of the European Union currently posted in Saudi Arabia would attend the meeting. He said that the EU was seeking a larger role on regional issues affecting the Middle East, including Saudi-EU issues and GCC-EU relations. He added that the EU and the GCC had also renewed their commitments to join hands in fighting terrorism. To this end, he referred to the call given by Custodian of the Two Holy Mosques King Abdullah to set up an international center to fight terrorism. Referring to the GCC-EU ministerial meeting early this month, he said that the Gulf bloc and EU had also reaffirmed their commitment to fight terror financing. He said that the EU and the GCC as two major blocs had evinced keen interest in forging partnership. To this end, he pointed out that the recent EU-GCC ministerial meeting had endorsed a joint action program. "The ministerial meeting, which was for the first time co-chaired by Catherine Ashton from the Saudi side, came out with a resolve to boost GCC-EU relations to a new high," said Narbone. The three-year Joint Program reflects "a shared ambition to reinforce cooperation in a number of key strategic areas of mutual interest," he added. He pointed out that investment, trade, energy and environment, IT, education, transport, industry, telecommunications, scientific research, culture and mutual understanding are key areas of cooperation included in the joint plan. US President Barack Obama said Tuesday that he and Custodian of the Two Holy Mosques King Abdullah have agreed on the need to press for Middle East peace in a "significant and bold way," including the creation of a Palestinian homeland. The two leaders briefly addressed reporters after finishing a private meeting and lunch. Obama said he and the king covered Afghanistan and Pakistan, efforts to combat extremism and Iran's attempts to obtain nuclear weapon capability. The president praised what he called a strong, strategic relationship with Saudi Arabia, which is a key player in the Middle East. Obama told the king he appreciated his friendship and counsel. King Abdullah said Obama is respected around the world as an "honorable man." King Abdullah and President Obama met

at the G20 summit in Canada over the weekend, but the king came to Washington to talk one-on-one about Palestine and Iran. A joint UK-UAE diplomatic taskforce has been established in the first move by the new British government to forge stronger ties with the world's emerging economic superpowers. At a speech at the Foreign Office in London, William Hague, the foreign secretary in the seven-week-old Conservative-led coalition government, accused the previous Labour government of ignoring the importance of such links. The prime minister, David Cameron, launched the taskforce with the UAE as part of UK "efforts to elevate links with the Gulf", Mr Hague said. "It will develop options for strengthening our ties across the board." The taskforce met for the first time yesterday. Mr Hague said the new administration would seek to establish similar initiatives with India, Latin America, South East Asia and China. A decline in the UK's market share in trade with the UAE was a reflection of the country's softening in trade policy over the past decade, Mr Cameron said yesterday. Kuwait Ministry of Higher Education signed Wednesday a memorandum of understanding (MoU) with two universities in Hong Kong, Kuwait Consul General to Hong Kong Bader Al-Tuneib said. The treaties, aimed at boosting cooperation in the fields of research and scholarships, was signed by Al-Tuneib, representative of Kuwait Ministry of Higher Education Dr. Ahmad Al-Athari, and the deans of University of Hong Kong and the Hong Kong University of Science and Technology. The agreements would prove fruitful as they will help exchange expertise with time-honored universities, Al-Tuneib told KUNA over the phone. The MoUs are directed towards boosting visits between officials of the domain in both sides which will be reflected on scientific researches, studies and student activities, he said. Kuwaiti Consulate in Hong Kong presents Kuwaitis willing to persue their education in Hong Kong with the help needed, he added. Shaikh Ahmed bin Mohammed al Isa'ee, Chairman of Majlis Ash'shura, will take part in the extraordinary meeting for chairmen of parliament members of the Organisation of Islamic Conference (OIC) scheduled to begin in Damascus tomorrow under the theme "Lifting the Siege on Gaza". Al Isa'ee said that the conference is being held at a time when the Palestinian people are exposed to Israeli occupation and repression. The meeting places before the Islamic parliamentarians their responsibilities in supporting the Palestinian people's resistance and their struggle to gain freedom from siege and occupation, said al Isa'ee. He also noted that the meeting is an opportunity to urge all parliaments in the world to take clear stand towards the Israeli violations, assault and aggression against the Palestinian people. King Hamad bin Isa al Khalifa of Bahrain received at Al Safriya Palace here yesterday Ahmed bin Abdulnabi Macki, Minister of National Economy and Deputy Chairman of the Financial Affairs and Energy Resources Council. Macki conveyed the greetings of His Majesty Sultan Qaboos and his wishes of good health and happiness to King Hamad, along with his wishes of further progress and prosperity to the brotherly people of Bahrain. King Hamad asked Macki to convey his greetings to His Majesty the Sultan. He hailed the two countries' solid ties and co-operation in the interest of their peoples. King Hamad also commended the key role played by officials in both countries to boost economic, investment and trade ties and achieve the common aspirations of the GCC nation. The State of Qatar and the Islamic Republic of Pakistan yesterday signed a joint cooperation agreement on military affairs. The agreement was signed for Qatar by the Qatari Armed Forces Chief of Staff Maj Gen Hamad bin Ali Al Attiyah and for Pakistan by Chairman of the Joint Chiefs of Staff Committee Gen Tariq Majeed. The signing ceremony was attended by Pakistani Ambassador to Qatar Muhammad Asghar Afridi and a number of high ranking armed forces officers. Approximately 650,000 personnel are on active duty in the Pakistan military which is the world's sixth largest armed force as of 2010. Combined with the 302,000 strong Paramilitary forces and 528,000 in

reserve, the Military of Pakistan has a total size of over 1,000,000 personnel. The Military draws its manpower from a large pool of volunteers.

Prince Naif has called for an intensification of collective efforts on a global level to locate and wipe out terrorist activities. The second deputy premier and interior minister said the Kingdom had foiled at least 220 terror attacks over the last 10 years. Prince Naif was addressing a graduation ceremony at the Riyadh-based Naif Arab University of Security Sciences (NAUSS) on Wednesday night. Prince Naif said a large number of terrorists and criminals involved in acts of terror were being tried in the Kingdom. He thanked Saudi security agencies "for preventing the attacks, which would have caused many casualties had they not been foiled." The thwarted attacks, he said, were targeting specific locations populated by many people and would have caused significant casualties. He said the best methods for preventing terrorist attacks on a global level were effective intelligence, information sharing, and coordinated counterterrorism operations to stop attacks before they are put into operation. "Effective operations require federal, state, local, and international cooperation," he added. As more than 100,000 workers transfer from a camp near Mohammed bin Zayed City to new accommodation, construction companies complained yesterday that the move will cost them time and money. Abu Dhabi Municipality has told contractors to shift their workers to specially built labour cities by September 17. But the companies say the new developments, although providing more amenities, can cost them an additional Dh600 per person per month. Bassim Abu Zain, the general manager of the construction contractor Detco, said his company could not renew its trade licence unless it proved that its labourers were in a new camp near Al Mafraq, 45 minutes from the city. A number of Kuwaiti MPs have expressed their rejection of any amendments to the Islamic teaching curricula in Kuwaiti schools. The parliamentarians accused education minister Dr Moudhi Al-Humoud of 'making a mistake' in instructing ministry officials to remove 'controversial' lessons from the Islamic Studies curricula. The MPs were speaking on Tuesday evening during a seminar entitled 'Our Islamic religion curricula are not open to political compromises,' which was held in MP Mohammad Hayef's house in Ferdous. The event comes after a number of Shiite MPs said a number of questions included in ninth grade pupils' Islamic religion exam were heretical, and fomented sectarian hatred. The two questions asked students what advice they would give to a friend of theirs if he or she insulted the prophet's companions, and whether he or she performs religious rituals at a grave, or seeks assistance from a dead person. We do not accept an insult to regular citizens, how are we expected to accept insult to the companions of the Prophet Muhammad (PBUH)?" asked MP Shuaib Al-Muwaizri, stressing, "Nobody is allowed to insult our belief." At the same time, Al-Muwaizri called for the adoption of a cautious approach to this kind of issues. "We must be careful not to use vocabulary that might insult others, and to always remember that we are not talking about other people here, but about Kuwaitis," he explained. His Majesty King Hamad stretched out a helping hand to the people yesterday, pledging to ensure a decent standard of living for all. He said he was there to hear their needs, to help them and to enable them to best serve their country and community. The King was speaking as he received a delegation of Al Qadam villagers at Al Safriya Palace, who submitted a series of requests to improve life in their community. "Bahraini citizens are the main objective and top priority of all development policy," said the King, praising Al Qadam villagers' contribution to the country's progress and prosperity. He paid tribute to all Bahrainis, citing their drive to learn, dedication in their work and constructive contribution to developing the nation. The King stressed the importance of focusing on meeting people's needs and ensuring

them quality services. He also emphasised his keenness to co-opt citizens and ensure their active participation in making crucial decisions, through the National Assembly and municipal councils. In a major move, the government might soon allow its employees to take legal recourse to redress their grievances regarding promotions, salary increments or any disciplinary action taken against them, such as suspension or dismissal from job. Aggrieved government employees may be allowed to approach the "trial chamber of the administrative court" with requests to redress their job-related woes. The idea is to ensure a discrimination-free environment and transparency in government offices. Aggrieved employees might also be permitted direct access to the Minister of Labour to air their above-said grievances. This is the first time the government, which is the largest employer of nationals, is mulling streamlining the process of promotion, suspension or dismissal from job of its employees. Once the streamlining process is over, employees in the government sector would benefit from what will be a welcome and revolutionary step.

Saudi Arabia's efforts to stabilize international oil market. "The Kingdom has increased its production capacity to 12.5 million barrels per day," he said. Addressing the G20 summit here on Sunday, the Saudi leader called upon consumer countries to establish effective financial and commodity markets to avoid fluctuations in oil prices. "The fluctuation in oil prices which the world witnessed in 2008 and 2009, caused damage to the producing as well as consuming countries," he said. He also asked consuming countries to cooperate with the producing countries in order to ensure market stability and the flow of investments required for energy production. "It is important to enhance the capabilities of poor countries' access to energy through the adoption of policies and practical programs to implement the initiative of energy for the poor," he said. The promotion of access to sources of clean and diverse energy that is reliable and affordable is essential to achieve sustainable growth and development, King Abdullah told G20 leaders. "Our approach to support clean technologies should not include a bias or prejudice against oil and other fossil fuels." King Abdullah reiterated the importance of supporting developing countries, particularly those affected by the financial crisis. "The Kingdom has done its utmost to help the poor countries and mitigate the global crisis on these countries by increasing bilateral and multilateral development and humanitarian assistances and also supporting and enhancing the resources of the regional and multilateral development banks," he said. The Saudi leader emphasized the success of G20 Summit in its response to the global financial crisis, including the measures taken to make the world avoid falling into recession. "But the fragile global economic conditions prompted the postponement of the announcement of success," he said. Debts burdening state-linked companies in Dubai are expected to restrict economic growth in the United Arab Emirates to 2.5 percent this year, the slowest in the Gulf region. Dubai worries surfaced after the global financial crisis popped a property bubble, erupting in earnest when Dubai World, one of the Dubai government's three flagship holding firms, said in November it wanted to delay repaying \$ 26 billion of debt owed mainly by property units Nakheel and Limitless. Neighboring emirate Abu Dhabi, the seat of the seven-member UAE federation and home to the bulk of its oil wealth, lent Dubai \$ 10 billion in a two-part bailout, helping avert default in December on an Islamic bond issued by Nakheel. Dubai World reached a deal in May to restructure \$ 23.5 billion in debt with its core lenders, but its troubles have raised worries among investors about other state-linked firms. Moody's downgraded seven companies in Abu Dhabi in March, citing a lack of explicit state support after Dubai's crisis. Dubai's economy could also be hit by international measures against Iran, a major trading partner for the

emirate, over its nuclear work. On June 28 the UAE froze the accounts of dozens of Iran-linked firms named in the UN sanctions resolution. Dubai, home to some 80,000 Iranians and thousands of Iranian businesses, re-exported \$ 5.8 billion of goods to Iran last year. Kuwait topped Arab countries at the level of "exports of investments" to Arab states in 2009, according to a report released by The Inter-Arab Investment Guarantee Corporation and Credit Exports on Tuesday. Kuwaiti investments in eight Arab countries amounted to approximately USD 6.1 billion, some 31.9 percent of the overall inter-Arab businesses. These investments in Saudi Arabia were estimated at USD 4.3 billion and in the United Arab Emirates, USD 1.2 billion. Abu Dhabi came second in terms of businesses in Arab countries, USD 5.1 billion, some 26.3 percent of the total inter-Arab investments, followed by Bahrain, USD 1.7 billion, some 8.7 percent. Qatar followed, with USD 1.2 billion, 6.5 percent, then Jordan, USD 1.1 billion, 5.8 percent. The report showed that 18 Arab states drew Arab investments worth USD 80.7 billion compared to USD 95 billion in 2008, attributing the drop to impact of the global financial meltdown. However, it indicated that the investment atmosphere in the Arab states remained largely regular due to the enacting of some vital legislations, increasing incentives for investors, slashing taxes and drawing up bilateral and multi-party transactions. It also indicated at the continuation of reform efforts, namely the expansion of the e-government schemes, abidance of Arab governments by privatization strategies, increasing the investment opportunities, establishing industrial zones and towns, promotion diversification and improving accuracy of statistics. The Bahrain Logistics Zone (BLZ), Bahrain International Airport (BIA) and Bahrain International Investment Park (BIIP) have been ranked among the world's top 25 'Free Zones of the Future' from 700 worldwide, a report by Foreign Direct Investment Magazine (fDi), part of the Financial Times Business Group, said on Friday. They ranked 9th, 13th and 24th, respectively. The findings reflect the Kingdom's continued investment in its logistics credentials. It also represents a growing acknowledgment of Bahrain as the gateway to the trillion dollar Gulf market, according to the nation's Economic Development Board (EDB). Kamal Ahmed, chief operating officer of the EDB and acting chairman and CEO of the Bahrain Airport Company, said: "The fDi Magazine rankings reflect our commitment in Bahrain to creating the optimum business environment for international companies to do business in and from. Bahrain does not impose the restrictions of ring-fencing within 'Free Zones'. Products manufactured in the Kingdom and sold into GCC and other Arab markets are free of import duties, providing a five percent margin against Free Zone locations throughout the GCC.

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- 100,000 UAE workers moved to 'labour cities'
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- Kuwait signs two educational MoUs with Hong Kong
- Sanaa appreciates Kuwaiti support for Yemen unity
- Syrian MP praises Kuwaiti support to lift Gaza siege

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- Kuwaiti court convicts politician of slandering PM
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International Front

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- Oman to take part in OIC meeting
- Bahrain king commends ties with Oman

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- Oman Police draws plans to contain drug abuse

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- Oman sees stress on rial if CPI rises
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- Bahrain, Ivory Coast trade boost
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QATAR

International Front

- Qatar, Pakistan sign military cooperation deal
- Darfur displaced seek observer status in talks in Qatar
- Qatar Deputy Emir meets Iraqi vice president
- Qatar, Swiss ties reviewed

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- No layoffs in health centres, says Qatari official
- Qatar' SCH lifts temporary ban on Rotarix children's vaccine

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- Qatar's World Trade Centre Tower to be built in West Bay
- Egypt seeks more Qatar investments and trade

GCC

EU envoys to focus on Riyadh ties

In what can be called a historic moment for Saudi Arabia and Europe, the European Commission's office in Riyadh will host the first meeting of European ambassadors to discuss foreign policy matters with special reference to Saudi-EU relations on July 4. The meeting will be held for the first time at the premises of the Commission's office as per the provisions of the Lisbon Treaty and not at the embassy of Belgium, which holds the EU's rotating presidency from July 1 (today).

"All of the 134 EC's delegations worldwide will have more teeth on foreign policy issues following the implementation of the treaty," said Ambassador Luigi Narbone, chief of the EC delegation in Riyadh, on Wednesday. He pointed out that the ambassadors of all 19 member states of the European Union currently posted in Saudi Arabia would attend the meeting. He said that the EU was seeking a larger role on regional issues affecting the Middle East, including Saudi-EU issues and GCC-EU relations. He added that the EU and the GCC had also renewed their commitments to join hands in fighting terrorism. To this end, he referred to the call given by Custodian of the Two Holy Mosques King Abdullah to set up an international center to fight terrorism.

Referring to the GCC-EU ministerial meeting early this month, he said that the Gulf bloc and EU had also reaffirmed their commitment to fight terror financing. He said that the EU and the GCC as two major blocs had evinced keen interest in forging partnership. To this end, he pointed out that the recent EU-GCC ministerial meeting had endorsed a joint action program. "The ministerial meeting, which was for the first time co-chaired by Catherine Ashton from the Saudi side, came out with a resolve to boost GCC-EU relations to a new high," said Narbone. The three-year Joint Program reflects "a shared ambition to reinforce cooperation in a number of key strategic areas of mutual interest," he added. He pointed out that investment, trade, energy and environment, IT, education, transport, industry, telecommunications, scientific research, culture and mutual understanding are key areas of cooperation included in the joint plan.

GCC's chief praises GCC Leaders on two separate occasions

Secretary General of the Gulf Cooperation Council (GCC) Abdulrahman Al-Attiyah affirmed here on Tuesday the nature of the challenges facing the Arab nation required intensive consultation and dialogue to achieve the most effective means. The Secretariat General of the GCC received today a written memorandum from the Qatari Ministry of Foreign Affairs containing the recommendations of the five-party one-day Arab Summit meeting held in Libya on Monday. Al-Attiyah stressed the Arab world's need for reformation and development. In this occasion, GCC official praised the Qatari Amir Sheikh Hamad bin Khalifa Al-Thani's efforts in the summit, and his continuous support of the Islamic and Arab issues, both at the humanitarian and international levels.

On another occasion, Al-Attiya praised the participation of the Custodian of the Two Holy Mosques, King Abdullah Ibn Abdulaziz, in the G20 Summit that wrapped up on Sunday in

Toronto, in response to the global financial crisis. Al-Attiyah affirmed that Saudi Monarch's part-taking in the summit, and the speech he addressed reflected a leading position at the Arab, Islamic levels.

No delay for issuance of GCC single currency: Kuwait

GCC states are pursuing the process of issuing a single currency capitalizing on the successful European experience in this respect, the Governor of the Central Bank of Kuwait (CBK) affirmed.

Sheikh Salem Al-Abdulaziz Al-Sabah said in an interview with Kuwait News Agency (KUNA) on Thursday, "The intentions are explicit and sincere as to pressing ahead with accomplishing the mission of the GCC Monetary Council, namely drawing up the necessary regulations and structures for the establishment of the Gulf Central Bank and then the issuance of the common currency, with consideration to the accumulated European experience at this level." Kuwait, like other concerned member states of the council, is exerting efforts at the technical and research levels "to back up the process of issuing the single currency that constitutes a significant step on the path of the Gulf merger," said the governor in the statement to KUNA, on sidelines of a senior-level seminar, organized by the European Central Bank and the Bank of Italy, with GCC monetary and financial officials. "There is no Kuwaiti approach or intention to delay the project of the single Gulf currency," affirmed the governor of the CBK and Head of the GCC Central Banks Committee, stressing that the current financial crisis in the eurozone would not affect the Gulf monetary strategy. Sheikh Salem indicated that, during meetings with European officials, he sought to portray an explicit picture of the economic and monetary conditions in the GCC countries and explore the European experience to avoid some possible obstacles in the process of establishing the Gulf monetary union. He branded as explicit and candid the deliberations, held during the seminar.

GCC offers business potential for entertainment and leisure

Middle East countries, especially the UAE, offer huge business potential for the entertainment and leisure sector. This is the sentiment of Capital Club Dubai CEO, Russell Matcham, who last week attended the first anniversary of the Capital Club Bahrain. Speaking of investment in the region in general, Matcham believes that the Middle East continues to play a prominent role in international business. However, while the focus is generally on the region's supply of oil and gas to world markets and the growth of its strategic global partnerships, he believes that the areas of entertainment and leisure should not be overlooked.

"The entertainment and leisure industry continues to go from strength to strength with new, increasingly creative products and projects coming to the market. In fact, it is at the forefront of visions and development plans with offerings such as the new F1 track. However, there is also a need to cater to a population's day to day leisure needs and clubs play an important role in this." Matcham explains. "One of the main lessons learnt from the financial crisis is the need to diversify, and the UAE is doing exactly that. As such, despite the financial challenges faced globally, investments totaling billions continue to pour into the region as growth has remained strong due to diversification strategies," said Matcham.

“The region has forged a reputation as one of the most important and vibrant in the world, and the development and growth opportunities that the region holds can be of great benefit to those who want to invest economically, socially and culturally.” “GCC countries ‘and the UAE in particular’ offer huge business potential in the area of entertainment and leisure. In fact, this particular sector is booming. There will certainly be a spate of new family leisure clubs opening soon. These clubs are an important part of the leisure industry as they look after the sport and entertainment needs of the whole family in one specifically designed facility”.

GCC steel prices may fall on oversupply

Weak steel demand in the Gulf might lead to oversupply in the market, forcing prices to fall further in the coming weeks, steel traders said yesterday. Construction had slowed down in the Gulf over the past year as economic crisis set back many of the major projects in the region, curbing appetite for steel.

"There's an oversupply in the market, which is pushing prices down and many of the mills are looking to increase their exports because there is excess capacity in this region," said Bhaskar Dutta, Chief Executive of Oman-based Jazeera Steel. Steel billet, which is used in making rebars for construction, held steady last week at about \$ 430 (Dh1,578) a tonne compared to \$ 420 a week earlier. But some traders believe the price could tumble in the weeks ahead as a seasonal slowdown is seen knocking down demand in key consuming areas such as the Mena. Economic activity in the Gulf tends to subside during the holy month of Ramadan, which begins towards mid-August this year. "We are seeing a drop in orders from construction firms in the UAE, Kuwait, Bahrain and many of these companies already have stocks of steel so buying is not on their agenda right now" said one Dubai-based trader.

GCC moves to set up common credit network

Gulf oil producers are discussing plans to set up a common network for the exchange of credit information to face a fresh global fiscal crisis and more regional debt defaults, a Saudi newspaper reported yesterday. Central Bank governors in the six-nation Gulf Co-operation Council (GCC) discussed the project at previous meetings and are expected to hold more talks on the plan in the near future, said the Arabic language daily Aleqtisadia.

Quoting unnamed sources in Riyadh, the paper said the presence of some national credit agencies in the GCC would facilitate the project but added it would take time as more discussions are required. "GCC countries are in the process of setting up a joint network involving linking their financial institutions electronically in the field of credit information with the aim of exchanging relevant data to protect them against credit risks," it said. "GCC central bank governors have already discussed the project and some member countries have shown strong interest in it The governors are now determined to push ahead with this project at talks in the next period."

YEMEN

Saudi Arabia, Yemen tighten border controls

A top Yemeni official has confirmed that the country is working closely with Saudi Arabian security and intelligence authorities to tighten border controls that will prevent terrorists crossing over and launching attacks on installations in the Kingdom. The Governor of the Yemeni Marib Governorate, Naji Abdul Aziz Al-Zaidi, disclosed that this close cooperation is particularly aimed at ensuring that Al-Qaeda in the Arabian Peninsula (AQAP) cannot use the desert in the governorate to enter Saudi territory.

Al-Zaidi's comments come just as sources in Yemen said that the Marib region has been used by terrorists in the past to plan and launch attacks in the Kingdom. The sources said that the explosive capsule used by suicide bomber Abdullah Asiri, in the botched assassination attempt on Prince Muhammad Bin Naif Bin Abdul Aziz, Assistant Minister of Interior for Security Affairs on Aug. 17, 2009, was implanted in the man's body "at a den of Al-Qaeda in the Marib Governorate". The sources further said that Asiri, who died in the assassination attempt, had stayed in the Marib Governorate before entering the Kingdom across the land border with Yemen.

Yemen forces clash with protesters

Clashes between Yemeni police and suspected al Qaeda militants and protesters intensified yesterday after erupting on Thursday in the southern port city of Aden. Local sources said the fighting began on Thursday after security forces arrested nine suspected al Qaeda militants accused of being behind an attack on the city's intelligence headquarters last Saturday in which 11 people were killed. Relatives of the detainees took to the streets of al Saadah neighbourhood on Thursday evening in protests that quickly became armed clashes with police. Police yesterday inundated the area, blocking the main road and intermittently clashing with suspected militants, according to Ahmed al Darwish, an eyewitness. He said that the clashes intensified yesterday after media reports that one of the protesters arrested on Thursday evening died in custody.

Sanaa appreciates Kuwaiti support for Yemen unity

Yemeni Deputy Speaker of Parliament Himyar Al-Ahmar expressed appreciation here on Monday for Kuwait's support for Yemen's economic and political development including its unity and stability. Al-Ahmar considered the support as an evidence of depth of relations and brotherhood. His remarks came during his meeting with the Kuwaiti Ambassador to Yemen Salem Al-Zamanan at the end of his diplomatic tenure in the country. During the meeting, Al-Ahmar discussed with Kuwaiti official ways to bolster the parliamentary ties. On his part, Al-Zamanan praised the positive transitions Yemen is living, assuring him Kuwait's support for the country's unity and stability.

SAUDI ARABIA

International Front

Le Figaro report baseless – Saudi Arabia

An official source denied what was published by the French Le Figaro newspaper on its website on June 30 quoting King Abdullah, Custodian of the Two Holy Mosques, as saying that two states in the region – Israel and Iran – do not deserve to exist. In a statement to SPA Thursday, the official source said the report is totally untrue and expressed astonishment that the newspaper published such false information without verifying it from its sources. The source said that the Kingdom's stand is clear. The source expressed hope that the reputed newspaper would deny the report so as to confirm its credibility.

King Abdullah, Obama urge bold peace move

US President Barack Obama said Tuesday that he and Custodian of the Two Holy Mosques King Abdullah have agreed on the need to press for Middle East peace in a "significant and bold way," including the creation of a Palestinian homeland. The two leaders briefly addressed reporters after finishing a private meeting and lunch. Obama said he and the king covered Afghanistan and Pakistan, efforts to combat extremism and Iran's attempts to obtain nuclear weapon capability.

The president praised what he called a strong, strategic relationship with Saudi Arabia, which is a key player in the Middle East. Obama told the king he appreciated his friendship and counsel. King Abdullah said Obama is respected around the world as an "honorable man." King Abdullah and President Obama met at the G20 summit in Canada over the weekend, but the king came to Washington to talk one-on-one about Palestine and Iran.

U.S.-Saudi talks to focus on Iran sanctions

Saudi doubts over US-driven sanctions on Iran, the flagging Middle East peace process and Afghanistan will be the focus of King Abdullah's talks at the White House this week, analysts say. Tuesday's meeting between President Barack Obama and the 86-year-old sovereign of the Middle East oil giant, their third, comes after the sacking of the US commander in Afghanistan and with Iran still defiant over its controversial nuclear programme. Obama is expected to urge Saudi patience on Israeli-Palestinian peace talks and seek its help in shoring up support in Afghanistan and Pakistan for the fight against the Taliban. The two sides could also agree arms deals to build Riyadh's defensive capabilities against Iran's threat, including a long-pending request for as many as 72 F-15 Eagle tactical fighters, according to defence industry sources. There are no gaping strategic differences between the close allies, said Saudi expert Thomas Lippman at the US Council on Foreign Relations.

Social Front

Prince Naif urges global action against terrorism

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The thwarted attacks, he said, were targeting specific locations populated by many people and would have caused significant casualties. He said the best methods for preventing terrorist attacks on a global level were effective intelligence, information sharing, and coordinated counterterrorism operations to stop attacks before they are put into operation. “Effective operations require federal, state, local, and international cooperation,” he added.

New park to be named after Jeddah flood volunteers: Makkah Emir

Prince Khaled Al-Faisal, Emir of Makkah, in a ceremony Wednesday evening honoring volunteers who brought aid to victims of the disastrous floods which hit the city last November, announced that he has asked the mayor of the city to build a large park in a new district in eastern Jeddah and to name it Jeddah Youth.

“Everybody who participated in the aid campaign will have his\her name written in a visible place in this park,” said the Prince. “With people like you, one should not be afraid of the future of this country. You make me proud,” he told the volunteers. As Prince Khaled made his announcement, the more than 5,000 enthusiastic young people assembled for the honoring ceremony in the Prince Abdullah Al-Faisal Stadium shook the stands with their rapturous applause and chants. Jeddah Municipality had planned to name the new park after Prince Khaled, but he said that he insisted that the plan be changed to honor “those courageous boys and girls”.

In a speech on behalf of the families of the floods victims, Wa’el Abu Taleb, resident of a flood-hit neighborhood, said that everybody was heartened when they learned of the decisions of the Custodian of the Two Holy Mosques after the crisis and that those decisions were of great comfort to the martyrs’ families. “We didn’t have to wait long until aid came from everybody and everywhere, especially from individual volunteers from among Jeddah residents who demonstrated their fraternity,” said Abu Taleb.

Large numbers of Saudis resigning from Health Ministry 'not true': Minister

Minister of Health Dr. Abdullah Al-Rabeah said reports stating Saudi medical personnel working in the ministry are resigning in large numbers “are rumors” that occurred because of “inaccurate statistics.”

While inaugurating the Health Electronic System and the One Day Surgery Center at King Abdullah Medical City's Anoor Hospital on Tuesday, the minister said that the numbers might have included foreign medical personnel leading to inaccurate reports. Al-Rabeah said that so far the ministry has been able to include 30 percent of total operations under the category of one-day surgery, noting that the goal is to raise the percentage to 50 percent which would contribute to reducing spending and overcrowding and increasing the availability of beds. He added that 50 percent of the project of Arafat Hospital has been completed and the facility will be opened next year.

Judiciary must renew to cope with changes: Saudi official

Sheikh Ibrahim Al-Huqail, head of the Board of Grievances, has said that "we must keep our Shariah Law but it must be renewed, or else we'll be left behind," Al-Watan Arabic daily reported on Tuesday.

Speaking at the signing of an agreement for Imam Muhammad Bin Saud Islamic University to train judicial administrative staff, Al-Huqail said that the current judicial system "dates back 60 years, when life was simpler". "Judicial administration needs an approach that can cope with the country's continuing advancement, expanding economic and trade activities, and increase in population," Al-Huqail said. He said that the work procedures of judiciary "are not linked to a text" but they "develop naturally like people and their affairs". "It's wrong to keep old ideas and methods and say this is our Shariah," he said.

Panel to study law on marriages between Saudis and foreigners

The Shoura Council set up a special committee on Monday to study a draft law concerning marriages between Saudis and foreigners. The council's 38th meeting presided over by its Chairman Abdullah Al-Asheikh discussed the draft law that contains 12 articles pertaining to Saudis marrying non-Saudis and vice versa, Shoura Council Secretary-General Mohammad Al-Ghamdi said. Al-Ghamdi said the members strongly felt the need for such a law. He explained that the regulation should be drafted in accordance with the Islamic law and keeping in mind the social and cultural environment of the Kingdom. He said that a family is the nucleus of the society and the Kingdom's intention is to strengthen the family for a better society.

While discussing the draft law, the members took note of the social conditions in a family when a marriage between a Saudi and a foreigner takes place. "They discussed the pros and cons of the new law before they appointed a committee to look into the details of such marriages," Al-Ghamdi said. He said that the new law should be applicable in the emerging Saudi society considering the increasing population and international interaction between Saudis and foreigners.

Health care gets priority as Saudi Shoura sets agenda

The Shoura Council chalked out its agenda for its upcoming sessions at its sixth general assembly meeting presided over by Chairman Abdullah Al-Asheikh on Saturday. The meeting

was also attended by the council's Vice President Dr. Bandar bin Mohammed Hajjar, Secretary-General Dr. Mohammed Al-Ghamdi and Dr. Abdul Rahman Al-Barrak.

The Kingdom's health-care service has been prioritized among items listed for discussions during the coming sessions. Members will be asked to discuss ways of improving patient safety. Health-care organizations in Saudi Arabia are striving to improve patient safety and quality of care by implementing safety systems and creating awareness. A recent survey carried out in 13 general hospitals in Riyadh revealed that overall Patient Safety Grade was rated as excellent or very good by 60 percent of respondents, acceptable by 33 percent and failing or poor by 7 percent. The survey gauged the views of 223 health professionals, including nurses, technicians, managers and medical staff.

Saudi ministry seeks public-private sector support for scientific research

The Ministry of Education encourages the creation of public-private sector partnerships to initiate scientific studies in the field of research and development in order to bring about qualitative change and establish a knowledge-based society in the Kingdom.

Dr. Fahd Bin Abdullah Al-Tayash, Spokesman for the Ministry of Education, said that statistical figures such as the existence of five million students, 30,000 schools and 10 million parents should be enough to attract private sector investments for projects that would mutually benefit the key partners - the public sector and Saudi society at large. He made these comments here Tuesday while delivering a keynote speech at the launch of 2share, the brand name given to Emerging Technologies, a Riyadh-based holding company specialized in intelligent voice solutions.

Dr. Al-Tayash, a professor at King Saud University, said research and development (R&D) is the backbone of any society's progress and achievements. The professor said the Islamic world has made many contributions to the world in the areas of medicine, science and technology and is now working together with a number of international educational institutions in the United States and Europe in the fields of applied research, physics and chemistry. "Creating partnership deals between the public and private sectors on projects related to scientific research would ultimately benefit end users in Saudi Arabia and elsewhere in the world," he said, noting examples of similar cooperation in a number of countries.

Economy Front

GIH-managed Saudi funds reach \$ 103 million

Global Investment House (GIH) said on Thursday that the total size of its two equity funds, Global Saudi Equity Fund and Global Al Noor Saudi Equity Fund, have reached SR386 million (\$ 103 million) in June 2010. Despite the uncertainties and volatility accompanying the Saudi equity market performance, the Saudi funds managed by Global Investment House in Saudi Arabia were among the best performing funds investing in Saudi equities. The outstanding accomplishment was based on the extensive experience and development studies prepared by the Asset Management team. As of June 28, the Global Saudi Equity Fund recorded a year to date

return of 7.4 percent compared to 2.95 percent recorded by the Saudi market Tadawul All Share Index (TASI). In addition, the Shariah-compliant Global Al Noor Saudi Equity Fund recorded 5.8 percent during the same period compared to 3.4 percent to the funds benchmark the MSCI Saudi Arabia Shariah-compliant index. Zeyad Awad, head of Asset Management at GIH, said “we are proud of this achievement and the exceptional performance of the Saudi funds we manage. Despite the current situation in the financial markets and the relatively short period since we have launched the two funds 18 month back, we were able to raise over \$ 103 million and outperform the funds respective benchmarks.”

He added that “despite the challenges presented by the market’s continued volatility, the careful market analysis conducted by the asset management team at Global in Saudi Arabia led to this sustained excellence compared to funds managed by our peers investing in Saudi equities. In addition, the implementation of the investment plan set by the Funds’ administrative bodies enabled us to overcome the market’s most difficult phases, and take advantage of the market’s volatility, which presented some carefully selected opportunities.” The results were achieved by diversifying the investment sources and carefully monitoring the market conditions to take advantage of the best available opportunities.

Saudi Arabia urges reforms to avert financial crises

Custodian of the Two Holy Mosques King Abdullah, who attended the G20 summit in Toronto, has emphasized the need for global financial reforms to avoid future international economic crises, according to a statement issued by the Council of Ministers. Crown Prince Sultan, deputy premier and minister of defense and aviation who chaired the Cabinet meeting, commended King Abdullah’s participation in the summit and said it reflected the Kingdom’s international stature and the success of its political and economic policies.

“King Abdullah’s speech at the G20 meeting contained important affirmations on global economic situations, financial systems and oil market developments and support to developing countries, especially poor ones,” Prince Sultan told the Cabinet. Prince Sultan said King Abdullah had also spoken about the political, financial and monetary measures taken by Saudi Arabia in order to confront the global economic crisis. The government has decided to spend \$ 400 billion until 2013 to offset the crisis’ impact. The Cabinet reviewed the latest international developments and condemned Israel’s decision to demolish 22 Palestinian homes north of Jerusalem. The Cabinet called for joint global efforts to combat drug addictions and smuggling, referring to the World Anti-Drugs Day that falls on June 26.

King Abdullah vows to stabilize global oil market

Saudi Arabia's efforts to stabilize international oil market. "The Kingdom has increased its production capacity to 12.5 million barrels per day," he said. Addressing the G20 summit here on Sunday, the Saudi leader called upon consumer countries to establish effective financial and commodity markets to avoid fluctuations in oil prices. "The fluctuation in oil prices which the world witnessed in 2008 and 2009, caused damage to the producing as well as consuming countries," he said. He also asked consuming countries to cooperate with the producing countries in order to ensure market stability and the flow of investments required for energy production. "It

is important to enhance the capabilities of poor countries' access to energy through the adoption of policies and practical programs to implement the initiative of energy for the poor," he said.

The promotion of access to sources of clean and diverse energy that is reliable and affordable is essential to achieve sustainable growth and development, King Abdullah told G20 leaders. "Our approach to support clean technologies should not include a bias or prejudice against oil and other fossil fuels." King Abdullah reiterated the importance of supporting developing countries, particularly those affected by the financial crisis. "The Kingdom has done its utmost to help the poor countries and mitigate the global crisis on these countries by increasing bilateral and multilateral development and humanitarian assistances and also supporting and enhancing the resources of the regional and multilateral development banks," he said. The Saudi leader emphasized the success of G20 Summit in its response to the global financial crisis, including the measures taken to make the world avoid falling into recession. "But the fragile global economic conditions prompted the postponement of the announcement of success," he said.

UAE

International Front

Doosan signs \$ 3.9b deal with UAE

South Korea's Doosan Heavy said on Thursday it had signed a deal to provide nuclear plant equipment worth 4.7 trillion won to KEPCO. In December 2009, a South Korean consortium led by utility KEPCO won a \$ 40 billion deal to build and operate four nuclear reactors for the United Arab Emirates. Doosan Heavy said it would supply the equipment until May 1, 2020. The order came from state-run Korea Electric Power Corp. Last December a KEPCO-led consortium won a landmark 20 billion dollar deal to design, build and operate four 1,400-megawatt reactors by 2020 in the UAE. As part of the consortium, it falls to Doosan Heavy Industries to supply the major components for all four reactors. Enec has applied to the Federal Authority for Nuclear Regulation (FANR) for a limited licence to "manufacture and assemble nuclear safety related equipment."

UAE-UK taskforce to strengthen regional ties

A joint UK-UAE diplomatic taskforce has been established in the first move by the new British government to forge stronger ties with the world's emerging economic superpowers. At a speech at the Foreign Office in London, William Hague, the foreign secretary in the seven-week-old Conservative-led coalition government, accused the previous Labour government of ignoring the importance of such links. The prime minister, David Cameron, launched the taskforce with the UAE as part of UK "efforts to elevate links with the Gulf", Mr Hague said. "It will develop options for strengthening our ties across the board." The taskforce met for the first time yesterday. Mr Hague said the new administration would seek to establish similar initiatives with India, Latin America, South East Asia and China. A decline in the UK's market share in trade with the UAE was a reflection of the country's softening in trade policy over the past decade, Mr Cameron said yesterday.

Abdullah invites his Nigerian counterpart to Security and Peace Forum

UAE Foreign Minister H.H. Sheikh Abdullah bin Zayed Al Nahyan has invited his Nigerian counterpart Henry Odein Ajumogobia to participate in the Security and Peace Forum the Abu Dhabi will host on 5-8 November 2010. The invitation was delivered by UAE Ambassador to Nigeria Rashid Al Dhahiri to the Nigerian foreign minister during an audience here yesterday. The Nigerian minister welcomed the invitation and lauded the distinguished bonds between the two countries and the future vision to strengthen them through joint agreements. He said that he was pleased with the good treatment the Nigerian community receives in the UAE.

'UAE now plays active role in international affairs'

Foreign Minister Shaikh Abdullah bin Zayed Al Nahyan has said that the UAE's foreign policy has changed enormously, thanks to the prudent guidance by its leaders. The UAE today applies the latest methods in diplomacy and continues to make several global initiatives. It also ensures its strong presence in the international forums and play an active and effective role in international affairs, he added.

Shaikh Abdullah was addressing the first forum of the Heads of the UAE's diplomatic missions in the European continent. He asserted the pride of the leaders in the role and efforts of the ambassadors in the service of the UAE and its people. He also said the Foreign Ministry will be holding a General Forum for the country's ambassadors abroad in the holy month of Ramadan, creating for them the opportunity to meet with senior government officials and interact positively and effectively with them. Regional forums will also be held in other parts which have not yet been covered by the present gathering.

UAE 'freezes' UN-banned Iran firms' accounts

The UAE's central bank has told financial institutions in the Gulf Arab country to freeze any accounts belonging to dozens of firms targeted by new UN sanctions on Iran, a banking source said yesterday. Last week an Emirati newspaper reported that the seven-member United Arab Emirates federation was "tightening the noose" on companies the UN Security Council suspects act as fronts for supplies to Iran's disputed nuclear programme.

Iran and the UAE have close economic and historic relations. Tens of thousands of Iranians live and work in trade hub Dubai and elsewhere in the UAE, many of them involved in the multibillion-dollar, re-export trade to Iran. With Iran facing growing Western pressure, its relations with Dubai have drawn scrutiny from the US, which is spearheading a drive to isolate Tehran over nuclear activity the West fears is aimed at developing bombs. Iran denies the charge. Iran has been circumventing restrictions on goods blacklisted by sanctions and much of the trade goes via the UAE, said Middle East analyst Gala Riani of IHS Global Insight. The Security Council has imposed four rounds of sanctions on Iran since 2006 over its refusal to halt sensitive uranium enrichment and open up to UN nuclear inspections. The US and European Union have adopted extra punitive measures. "The UAE, and Dubai especially, has come under a lot of pressure...to tighten restrictions and controls on Iranian firms," Riani said. They are now "signalling that they are playing ball with the international community", she said.

The Abu Dhabi banking source said the central bank order was issued on Sunday and it listed 40 entities and one individual named in the June 9 UN resolution, which expanded a UN blacklist of firms whose assets worldwide are to be frozen for assisting Iran's nuclear or missile programmes. "You are required to freeze any accounts deposits and stop any remittances in the names of the (companies or persons) designated as being involved in the Iranian nuclear or ballistic missile activities," the source quoted the bank as saying. He was confirming a June 21 report in the Emirates Business daily. The central bank was not available for comment.

The latest UN resolution calls for measures against new Iranian banks abroad if a connection to the nuclear or missile programmes is suspected, as well as vigilance over transactions with any Iranian bank, including the central bank. It blacklists three firms controlled by Islamic Republic of Iran Shipping Lines and 15 belonging to the Revolutionary Guards, whose influence appears to have grown in recent years, and also calls for setting up a cargo inspection regime. Gulf News, a UAE newspaper, last week cited official sources as saying that the operations of any companies proved to have connections with the Guards or other entities and individuals subject to a UN asset freeze would be shut down. The UAE has closed more than 40 firms in a crackdown on illegal dealing in dual-use equipment and materials and money laundering, it said, without specifying when it happened or the intended destination of the goods. Last year Dubai's re-exports to Iran - goods originally coming from Europe, Asia or elsewhere and then sold on to Iran - rose 4.8% to Dh21.3bn (\$ 5.8bn).

MENA lags behind in spending on AIDS prevention Asma

Domestic spending on HIV is low in most countries in the Middle East including the UAE, depicting a lack of focus on tackling the disease, said experts at a high-level meeting that presents the first comprehensive scientific report on spread of HIV/AIDS in the Middle East and North Africa (MENA) region. Only seven out of 20 member countries gave details of the national budget allocated to tackle the epidemic in their reports for the United Nations General Assembly Special Session (Ungass) submitted in March this year. Though the UAE said in its report that \$ 17.6 million are spent in public funding annually, it said it was difficult to pinpoint the exact spending figures on AIDS since there was no clear budget from the Ministry of Health or local authorities.

The two-day meeting aims at shaping policies and providing 10-point consultations on prevention methods to member countries through the Dubai consensus statement on HIV. While the UNAIDS in its report 'Characterising the HIV/AIDS Epidemic in the MENA' criticised countries in the region for not keeping national AIDS programmes up to the mark, the organisation appreciated efforts in acknowledging the obstacles these countries faced to stem the spread of the disease such as injecting drug users (IDUs), female sex workers (FSM) and men having sex with men (MSM).

UAE-US meeting on clean energy in Abu Dhabi

The UAE and the US will co-host an official level meeting on clean energy in Abu Dhabi today and tomorrow. This will be the preparatory meeting for the world's first Clean Energy

Ministerial to be held in Washington, DC, on July 19 and 20, which will bring together more than 20 countries to collaborate on policies and programmes aimed at accelerating the world's transition to clean energy technologies, according to an official release received here on Sunday.

Participating governments in the initiative include all the 17 countries of the Major Economies Forum (MEF) on Energy and Climate which are Australia, Brazil, Canada, China, the European Union, France, Germany, India, Indonesia, Italy, Japan, Korea, Mexico, Russia, South Africa, the UK, and the US. Belgium (as EU President), Denmark, Norway, Spain and Sweden are also participating in the initiative. The UAE, home to the Masdar Initiative and the headquarters of the International Renewable Energy Agency (IRENA) will also participate at the Ministerial as an affirmation of its ongoing commitment and leadership in advancing low-carbon and climate-friendly technologies, the release said.

Social Front

100,000 UAE workers moved to 'labour cities'

As more than 100,000 workers transfer from a camp near Mohammed bin Zayed City to new accommodation, construction companies complained yesterday that the move will cost them time and money. Abu Dhabi Municipality has told contractors to shift their workers to specially built labour cities by September 17. But the companies say the new developments, although providing more amenities, can cost them an additional Dh600 per person per month. Bassim Abu Zain, the general manager of the construction contractor Detco, said his company could not renew its trade licence unless it proved that its labourers were in a new camp near Al Mafraq, 45 minutes from the city.

77 pc of Dubai's labour force without health cover

A whopping 77 pc of people from the low income bracket in Dubai do not have any health cover, according to results of the first comprehensive Household Health Survey. In comparison, 80 per cent of people from the high income group (with an average income of Dh12,725 per month) are covered, of which only five per cent of UAE nationals do not hold a government health card while 50 per cent are covered by private health insurance. The average earning for the low income group has been estimated at Dh2,273. Majority of Arabs and Indians do not have insurance cover, according to the survey that covered 5,000 households. The survey is slated to be the cornerstone of future healthcare policies and standards in the emirate.

While an equal number of nationals and expatriates (2,500) aged 18-59 were part of the survey, some 700 individuals from labour accommodations who earn only up to Dh700 a month were also included. Officials from the Dubai Health Authority on Sunday said that based on the data collected, Dubai is planning a health funding model that will fulfil the basic healthcare needs of all income groups. "We have surveyed both blue and white collar workers based on which we are developing funding models that will cover their basic needs," said Laila Al Jassmi, CEO of Health Policy and Strategy Sector at the authority. "We are assessing what is the minimum coverage they need to go for."

Economy Front

Dubai's debt-laden firms to impede UAE's growth

Debts burdening state-linked companies in Dubai are expected to restrict economic growth in the United Arab Emirates to 2.5 percent this year, the slowest in the Gulf region. Dubai worries surfaced after the global financial crisis popped a property bubble, erupting in earnest when Dubai World, one of the Dubai government's three flagship holding firms, said in November it wanted to delay repaying \$ 26 billion of debt owed mainly by property units Nakheel and Limitless. Neighboring emirate Abu Dhabi, the seat of the seven-member UAE federation and home to the bulk of its oil wealth, lent Dubai \$ 10 billion in a two-part bailout, helping avert default in December on an Islamic bond issued by Nakheel. Dubai World reached a deal in May to restructure \$ 23.5 billion in debt with its core lenders, but its troubles have raised worries among investors about other state-linked firms. e Moody's downgraded seven companies in Abu Dhabi in March, citing a lack of explicit state support after Dubai's crisis. Dubai's economy could also be hit by international measures against Iran, a major trading partner for the emirate, over its nuclear work. On June 28 the UAE froze the accounts of dozens of Iran-linked firms named in the UN sanctions resolution. Dubai, home to some 80,000 Iranians and thousands of Iranian businesses, re-exported \$ 5.8 billion of goods to Iran last year.

UAE to set up fund for Islamic banks

The UAE Central Bank is said to be working on a Shariah-compliant liquidity window to help Islamic banks access their short-term funding needs. A committee set up to look into the needs of Islamic banks in the UAE has also stated that it is working on a Shariah instrument to substitute certificates of deposits, which is used by conventional banks to park their short-term surplus funds with the Central Bank. Mohammed Saleem, member of the committee and Executive Vice-President and Chief of Treasury, Dubai Islamic Bank, said currently Islamic banks buy CDs on 'zero' interest. The new liquidity window will address the contingency fund requirements of Islamic banks.

UAE banks strong enough to absorb high provisioning

UAE banks are strong enough to absorb an even higher level of provisioning, according to Peter Baltussen, CEO of Commercial Bank of Dubai. However, non-performing loans (NPLs) will continue to rise for the time being. "Local banks' NPL levels rose from about 1.5 per cent in mid-2008 to more than 4.5 per cent in Q1 2010 a significant increase. I think we haven't seen the end of it," he said in an exclusive interview. On loan growth, Baltussen said there has been some increase in the first quarter. "I expect between five and 10 per cent growth in the loan book for 2010," he said. P10-11

UAE, Nepal sign MoU

Nepal and the UAE signed a memorandum of understanding (MoU) on Wednesday to establish a Joint Committee for Cooperation to enhance bilateral relations in various fields for meeting the common objectives of the two countries. The UAE is the first country in the Gulf with whom

Nepal has signed such an MoU to establish a Joint Committee, which is aimed to add a new dimension to overall relations between Nepal and the UAE.

State Minister for Foreign Affairs, Dr Mohammed Anwar Gargash signed the MoU on behalf of the UAE Government with Deputy Prime Minister and Minister for Foreign Affairs of Nepal, Sujata Koirala. Under the MoU, they will establish a Joint Committee for Cooperation between the Government of Nepal and the Government of the UAE. Koirala arrived the UAE along with a five-member delegation on June 22 and will leave for Nepal today. The MoU will further strengthen the existing ties between the two countries to build and promote the bilateral relations in various fields for meeting the common objectives of the two friendly countries, Koirala said in a statement to Khaleej Times from Nepal embassy in the capital.

KUWAIT

International Front

Kuwait praises Pakistans resolve against terrorism

Kuwait has lauded Pakistans resolve against terrorism as well as its efforts in curbing its growth, a Kuwait embassy statement said on Tuesday. Nawaf Abdul Aziz Al Enezi, the ambassador of Kuwait, met with Federal Interior Minister Rehman Malik. "The talks were held in a cordial atmosphere wherein the matters of mutual interests came under discussion", according to statement.

Rehman Malik said that Pakistan accords high importance to its relations with Kuwait and wished to promote further. The ambassador of Kuwait praised Pakistans resolve against terrorism and said "Kuwait places high value to its friendship with Pakistan". Ambassador Enezi congratulated him on the successful holding of the SAARC Interior Ministers conference and becoming its Chairman. Interior Minister Rehman Malik also extended invitation to the Interior Minister of the State of Kuwait to visit Pakistan, said the statement.

Kuwait signs two educational MoUs with Hong Kong

Kuwait Ministry of Higher Education signed Wednesday a memorandum of understanding (MoU) with two universities in Hong Kong, Kuwait Consul General to Hong Kong Bader Al-Tuneib said. The treaties, aimed at boosting cooperation in the fields of research and scholarships, was signed by Al-Tuneib, representative of Kuwait Ministry of Higher Education Dr. Ahmad Al-Athari, and the deans of University of Hong Kong and the Hong Kong University of Science and Technology. The agreements would prove fruitful as they will help exchange expertise with time-honored universities, Al-Tuneib told KUNA over the phone.

The MoUs are directed towards boosting visits between officials of the domain in both sides which will be reflected on scientific researches, studies and student activities, he said. Kuwaiti Consulate in Hong Kong presents Kuwaitis willing to pursue their education in Hong Kong with the help needed, he added.

Sanaa appreciates Kuwaiti support for Yemen unity

Yemeni Deputy Speaker of Parliament Himyar Al-Ahmar expressed appreciation here on Monday for Kuwait's support for Yemen's economic and political development including its unity and stability. Al-Ahmar considered the support as an evidence of depth of relations and brotherhood.

His remarks came during his meeting with the Kuwaiti Ambassador to Yemen Salem Al-Zamanan at the end of his diplomatic tenure in the country. During the meeting, Al-Ahmar discussed with Kuwaiti official ways to bolster the parliamentary ties. On his part, Al-Zamanan praised the positive transitions Yemen is living, assuring him Kuwait's support for the country's unity and stability.

Syrian MP praises Kuwaiti support to lift Gaza siege

The extraordinary conference of the union of member states of the Organization of Islamic Conference (OIC) will be held in Damascus on Wednesday, under the auspices of Syrian president Bashar Al-Assad, under the title 'Lifting the unjust siege on Gaza'. The Head of the Syrian-Kuwaiti parliamentary friendship committee, member of Syrian Shura Council Ali Al-Ali told KUNA that his country was preparing to host the Parliament speakers of most of the OIC member states, noting that 37 parliamentary delegations have arrived in Damascus already.

He expressed hope that the Kuwaiti National Assembly would participate in this conference, praising the distinguished and courageous role Kuwait played in support of Gaza, especially with the Kuwaiti participation in the Freedom Flotilla. He thanked Kuwait for its positive role in supporting the Palestinian cause and occupied Gaza and Golan Heights, and called on the Arab and Islamic countries to provide assistance to the peace process, Gaza and Golan Heights.

Social Front

Democracy must be accepted 'for good or bad': Al-Kharafi

Democracy must be accepted "for good or for bad," and there is a great need for taking a pause and sincerely reviewing the achievements of the legislative and executive branches of the authority in the past legislative session, said National Assembly Speaker Jassem Al-Kharafi on Thursday.

In a speech at the closing session of the parliament's second session of the 13th legislative term, Al-Kharafi said, "If we must accept democracy in good and in bad, we must also learn lessons from it. He underscored the need for taking a sincere pause "to review objectively what we have undertaken in the past term ... we must also review what needs to be done, what we have overlooked, or what we performed at a lower level ... this does not only apply to the parliament, but also to the government."

Kuwaiti court convicts politician of slandering PM

A Kuwaiti court convicted a liberal politician on Wednesday of slandering the prime minister and sentenced him to three months in prison, a legal source said. Khaled al-Fadalah, who heads the National Democratic Alliance, was found guilty of defaming Sheikh Nasser al-Mohammad al-Sabah in remarks at a public rally late last year, according to the source, who said the court also ordered him to pay a fine of 150 Kuwaiti dinars (\$ 516).

The world's fourth largest oil exporter generally allows more criticism of public officials in the press than other Gulf Arab states, but its ruler is protected from criticism by the constitution. Many writers have been fined or imprisoned for defamation. The ruling, which can be appealed, comes days after an opposition Kuwaiti blogger and journalist was released on bail as his trial continues on charges of insulting Kuwait's emir and inciting against the government.

Kuwaiti MPs threaten to sack education minister

A number of Kuwaiti MPs have expressed their rejection of any amendments to the Islamic teaching curricula in Kuwaiti schools. The parliamentarians accused education minister Dr Moudhi Al-Humoud of 'making a mistake' in instructing ministry officials to remove 'controversial' lessons from the Islamic Studies curricula. The MPs were speaking on Tuesday evening during a seminar entitled 'Our Islamic religion curricula are not open to political compromises,' which was held in MP Mohammad Hayef's house in Ferdous.

The event comes after a number of Shiite MPs said a number of questions included in ninth grade pupils' Islamic religion exam were heretical, and fomented sectarian hatred. The two questions asked students what advice they would give to a friend of theirs if he or she insulted the prophet's companions, and whether he or she performs religious rituals at a grave, or seeks assistance from a dead person. We do not accept an insult to regular citizens, how are we expected to accept insult to the companions of the Prophet Muhammad (PBUH)?" asked MP Shuaib Al-Muwaizri, stressing, "Nobody is allowed to insult our belief." At the same time, Al-Muwaizri called for the adoption of a cautious approach to this kind of issues. "We must be careful not to use vocabulary that might insult others, and to always remember that we are not talking about other people here, but about Kuwaitis," he explained.

Economy Front

Iraq seeks oil border post with Kuwait

Iraq wants to open a special border crossing with neighbouring Kuwait for international oil firms working in Iraq, the head of state-run South Oil Co. (SOC) said yesterday. The new border point will facilitate the inflow of equipment for the oil companies that secured contracts to develop Iraq's oilfields, after complaints about the capacity of the country's overwhelmed ports, SOC head Dhiya Jaafar said. "There are repeated complaints from the international oil companies, which won contracts in the bidding rounds" about the work of the Iraqi ports, he said in an interview.

“A solution that has been put forward is to set up a border point with Kuwait in Northern Rumaila related to the oil companies.” Jaafar said the proposal is being studied by Iraq’s oil, finance and interior ministries but also needs the approval of the Kuwaiti government. Relations with Kuwait remain frosty two decades after Saddam Hussein’s invasion of Iraq’s small neighbour. Rumaila oilfield, the workhorse of Iraq’s oil sector and which is now being developed by oil major BP and China’s CNPC into what could be the world’s second most productive field, lies along Iraq’s border with Kuwait. Iraq, in desperate need of cash to rebuild after years of war, economic sanctions and underinvestment, has opened its vast oil reserves and some untapped fields to global oil companies.

Kuwait, Vietnam discuss economic, investment cooperation

Kuwaiti Consul General in Vietnam Najib Al-Bader discussed on Friday ways to boost cooperation in the fields of investment, economy and commerce with president of real estate union in the city of Ho Chi Minh, Lu Huang Jo. Al-Bader told KUNA that he was briefed on investment opportunities, major investors and projects in the city of Ho Chi Minh, adding that the city is witnessing a robust economic development accompanied with an increase in direct foreign investment. The Vietnamese side expressed keenness on boosting commercial and investment ties with Kuwaiti businessmen, he said and hoped that the cooperation would prove "fruitful." Meanwhile, Lu said that Kuwaiti-Vietnamese relations were deeply-rooted and expressed his keenness in developing ties with Kuwaiti businessmen.

Kuwait on top among Arab countries in investments in Arab world

Kuwait topped Arab countries at the level of "exports of investments" to Arab states in 2009, according to a report released by The Inter-Arab Investment Guarantee Corporation and Credit Exports on Tuesday. Kuwaiti investments in eight Arab countries amounted to approximately USD 6.1 billion, some 31.9 percent of the overall inter-Arab businesses. These investments in Saudi Arabia were estimated at USD 4.3 billion and in the United Arab Emirates, USD 1.2 billion.

Abu Dhabi came second in terms of businesses in Arab countries, USD 5.1 billion, some 26.3 percent of the total inter-Arab investments, followed by Bahrain, USD 1.7 billion, some 8.7 percent. Qatar followed, with USD 1.2 billion, 6.5 percent, then Jordan, USD 1.1 billion, 5.8 percent. The report showed that 18 Arab states drew Arab investments worth USD 80.7 billion compared to USD 95 billion in 2008, attributing the drop to impact of the global financial meltdown. However, it indicated that the investment atmosphere in the Arab states remained largely regular due to the enacting of some vital legislations, increasing incentives for investors, slashing taxes and drawing up bilateral and multi-party transactions.

It also indicated at the continuation of reform efforts, namely the expansion of the e-government schemes, abidance of Arab governments by privatization strategies, increasing the investment opportunities, establishing industrial zones and towns, promotion diversification and improving accuracy of statistics.

OMAN

International Front

Oman and Belgium hold talks to boost ties

The members of Omani and Belgian delegations held a political consultation session, which is being held alternately between the capitals of the two countries, at the General Diwan of the Foreign Ministry on Wednesday.

The Omani side was led by HE Ahmed Bin Yousuf Al Harthy, Undersecretary for Diplomatic Affairs at the Foreign Ministry, while the Belgian side was led by Geert Muylle, Director-General of Bilateral Relations at the Foreign Ministry of Belgium. The two sides discussed bilateral cooperation and means of enhancing them. They also exchanged views on a number of regional and international issues of mutual concern and stressed their support to all efforts aimed at strengthening cooperation and understanding ties and the foundations of peace and stability in the world.

Oman sets up village in Darfur

A contract to set up a village named Halloof in Sudan's Southern Darfur wilayat was signed here yesterday. The village is funded by the Oman Charitable Organisation (OCO) within the framework of the Arab support for humanitarian efforts in Darfur. The contract was signed on behalf of OCO by Abdullah bin Rashid al Mdailwi, Sultanate's Ambassador to Sudan. The ceremony was attended by the Commissioner for Humanitarian Aid at the Humanitarian Affairs Ministry and dignitaries from Darfur.

The project, which costs \$ 1 million, consists of 40 houses and service utilities, including a mosque, a health centre, a school and water supply station. The Sudanese officials valued the support rendered by the Sultanate, saying that it indicates the strong brotherly relations between the two countries, and the Sultanate government's keenness on enhancing security, stability and development in Darfur, as well as its efforts to help address humanitarian needs and encourage the voluntary return of displaced persons to their villages in Darfur.

Oman to take part in OIC meeting

Shaikh Ahmed bin Mohammed al Isa'ee, Chairman of Majlis Ash'shura, will take part in the extraordinary meeting for chairmen of parliament members of the Organisation of Islamic Conference (OIC) scheduled to begin in Damascus tomorrow under the theme "Lifting the Siege on Gaza". Al Isa'ee said that the conference is being held at a time when the Palestinian people are exposed to Israeli occupation and repression. The meeting places before the Islamic parliamentarians their responsibilities in supporting the Palestinian people's resistance and their struggle to gain freedom from siege and occupation, said al Isa'ee. He also noted that the meeting is an opportunity to urge all parliaments in the world to take clear stand towards the Israeli violations, assault and aggression against the Palestinian people.

Bahrain king commends ties with Oman

King Hamad bin Isa al Khalifa of Bahrain received at Al Safriya Palace here yesterday Ahmed bin Abdulnabi Macki, Minister of National Economy and Deputy Chairman of the Financial Affairs and Energy Resources Council. Macki conveyed the greetings of His Majesty Sultan Qaboos and his wishes of good health and happiness to King Hamad, along with his wishes of further progress and prosperity to the brotherly people of Bahrain. King Hamad asked Macki to convey his greetings to His Majesty the Sultan. He hailed the two countries' solid ties and co-operation in the interest of their peoples. King Hamad also commended the key role played by officials in both countries to boost economic, investment and trade ties and achieve the common aspirations of the GCC nation.

Social Front

Oman Police draws plans to contain drug abuse

In a new move to contain increasing incidence of drug abuse in the country, the Royal Oman Police (ROP) is drawing up plans to deploy more anti-narcotics personnel across the country. The new staff will be assigned in all governorates and regions, Major General Salim bin Musallam bin Ali Qahtan, Assistant Inspector-general of Police and Customs, said as the sultanate joined the international community in observing 'World Anti-Drugs Day' on Saturday. Earlier this month, Oman admitted that drug addiction has become a serious problem in the country. Official statistics indicate that 19 people, Omanis as well as expatriates, died due to abuse of drugs and psychotropic substances in 2009. The number of reported cases during the year was 1,048, compared to 929 in 2008, an increase of 119.

Economy Front

Oman sees stress on rial if CPI rises

Oman's central bank may continue pursuing an accommodative monetary policy for an extended period and expects a pressure on the currency if inflation differential to the US widened further, it said yesterday. The Arab Gulf oil producer needs to keep its monetary policy closely aligned with the US due to its peg to the dollar to avoid excessive pressures on its rial currency. The sultanate's central bank now faces a challenge over how to support economic recovery while at the same time keep rising inflationary pressures at bay, it said in its annual report. "Keeping in view the adverse international developments and fragile nature of global recovery, managing recovery in Oman has emerged as the major policy challenge in 2010," the bank said. "The Central Bank of Oman may continue its accommodative monetary policy for an extended period," it said. Oman has run an easier monetary policy since the last quarter of 2008 to help the oil-reliant economy face the global financial crisis.

Oman's consumers call for halal law

With international supermarket chains cropping up in the country during the last five years, Omani families have become suspicious of meat being sold in local markets and are urging the

government to enforce laws that require retailers to label their products as halal or non-halal. According to official statistics, Oman imports about 80 per cent of its meat and poultry products, either fresh from nearby countries such as India and Pakistan, or frozen meat from New Zealand and Australia.

Muslims are allowed to eat only meat or poultry slaughtered by a fellow Muslim with a knife using a single cut on the throat while reciting the name of God while doing it, according to Islamic law. "We have beef or lamb from abroad sold here that we suspect the animals are not prepared according to the Islamic custom. The government must force retailers to put stickers to indicate which meat adheres to Islamic sharia to distinguish them from the rest," Mahfoudh al Kharousy, 46, a computer engineer at the defence ministry, said. Other consumers would like to see a total ban enforced on non-halal meat and poultry.

Train project an additional boost to Oman's infrastructure set-up

The Sultanate began plans for the building of national railways to boost the country's infrastructure. The Tender Board recently opened bids for the project and 32 international companies from Britain, Russia, France, Germany, Malaysia, the United States and China bid for the pre-qualification stage. Salim bin Mohammed al Affani, General Manager of Urban Planning at the Supreme Committee for Town Planning, said that the railway project will be carried out in a bid to meet the requirements of comprehensive development and sustainable growth. The project will also cap the efforts of GCC leaders towards full integration among member states, which are bound to be linked via a regional railway grid.

BAHRAIN

International Front

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Social Front

Bahrain 'facing labour productivity challenge'

The high percentage of cheap foreign labour in the Bahrain economy has seen it develop the lowest productivity labour force in the entire GCC. "While other GCC countries have been

improving labour productivity, Bahrain has stagnated," said Gulf Air human resources adviser Dione Williams. "International Labour Organisation research shows that we have the lowest labour productivity in the region and this is largely down to the structure of the workforce and the fact that we have a higher percentage of low-paid foreign workers than other countries," she said at a conference on Managing the Challenges of Low Productivity at the Sheraton Hotel.

The event was organised by Etqan Conferences and Consultancy Management. "We have a higher percentage of low-paid workers than elsewhere in the region and to improve productivity we need a higher cost employment structure," she said. "We need to identify key things like the lack of performance management and look at the structural issues if we are to move ahead and improve productivity. We need a higher wage economy," she said. "The problem of low productivity in the kingdom has to be addressed both in the public and private sectors," said conference chairman and Tamkeen board member Ahmed Al Banna.

Bahraini Premier vows to protect rights

HIS Royal Highness Prime Minister Prince Khalifa bin Salman Al Khalifa yesterday pledged Bahrain's commitment to protecting its human rights achievements. He also reiterated the kingdom's resolve to protect rights to ensure a decent living for citizens. "International praise for Bahrain's achievements is not an end in itself, but a well-deserved recognition of its adherence to international human rights conventions," HRH Premier said as he received National Human Rights Organisation (NHRO) board, led by Salman Kamaluddeen. "Protecting citizens' dignity and meeting their needs are the main concerns of the government which spares no effort to embody His Majesty King Hamad's directives to protect their rights, the cornerstones of any reform project to upgrade standard of living." He also expressed the government's resolve to continue to consolidate rights and basic liberties in partnership with civil society organisations within a comprehensive national framework.

Jobs link launched to help Bahrainis

Bahraini job-seekers were given a boost yesterday with the launch of a new website designed to get them into work. Hundreds of jobs are already being advertised at Jobs4Bahrainis.com, which is a joint venture by leading regional recruitment company Gulf Connexions and publishing and marketing organisation Al Hilal Group. The site is specifically targeting Bahrainis, who can also upload their own CV for free. It is described as the first private sector initiative designed to link Bahraini job-seekers with companies on the lookout for local talent, offering opportunities for everyone from school-leavers to qualified professionals. The plan is to get colleges, universities, training centres and recruitment professionals involved in the site, increasing the prospects for Bahraini job-seekers.

A helping hand by King Hamad to Bahraini people

His Majesty King Hamad stretched out a helping hand to the people yesterday, pledging to ensure a decent standard of living for all. He said he was there to hear their needs, to help them and to enable them to best serve their country and community. The King was speaking as he received a delegation of Al Qadam villagers at Al Safriya Palace, who submitted a series of

requests to improve life in their community. "Bahraini citizens are the main objective and top priority of all development policy," said the King, praising Al Qadam villagers' contribution to the country's progress and prosperity. He paid tribute to all Bahrainis, citing their drive to learn, dedication in their work and constructive contribution to developing the nation. The King stressed the importance of focusing on meeting people's needs and ensuring them quality services. He also emphasised his keenness to co-opt citizens and ensure their active participation in making crucial decisions, through the National Assembly and municipal councils.

Bahrain to step up investments in education

Bahrain is to step up investments in education as it aims to become a beacon of world-standard learning. "Quality education is a crucial pillar of the development momentum in His Majesty King Hamad's prosperous era," His Royal Highness Prime Minister Prince Khalifa bin Salman Al Khalifa said yesterday.

He was speaking after he attended the first graduation ceremony at the Royal College of Surgeons in Ireland-Medical University of Bahrain (RCSI-MUB). "The government is sparing no effort to develop society and promote knowledge-based modern life," said HRH the Premier. He pointed out the importance of investing in education, since it was an investment in the future and called for backing from the private sector. It is vital to nurture proficient people who are academically well-equipped to spur scientific and technological developments, said HRH the Premier.

Economy Front

Bahraini court supports bank takeover

Bahrain's central bank has won court backing for its decision to take control of a bank involved in a massive cross-border fraud dispute. Awal Bank was put under administration along with The International Banking Corp., another Bahrain-based bank, last year after it defaulted on loans amid a multibillion dollar fraud dispute between two Saudi families. The Central Bank of Bahrain said a local court ruled in its favor Tuesday following an appeal brought by the bank's former chairman Maan Al-Sanea. Authorities say they intervened to safeguard the strength of the small island nation's banking sector.

Iran to sign gas export deal with Bahrain soon

Iran will soon sign a deal on exporting gas to Bahrain and Bahrain will invest in the giant South Pars natural gas field, Iran's foreign minister said in comments published yesterday.

"According to agreements, Bahrain will invest in South Pars phases and Iran will take part in Bahrain's refining and petrochemical industries, and finally Iran's gas will be exported to Bahrain," oil ministry website Shana quoted foreign minister Manouchehr Mottaki as saying. South Pars is on the Iranian side of the world's largest known gas reservoir not associated with oil production.

Bahrain, Ivory Coast trade boost

Investment opportunities in Ivory Coast will today come under the spotlight in a meeting at the Ritz- Carlton Bahrain Hotel and Spa, under the patronage of Industry and Commerce Minister Dr Hassan Fakhro. It is being organised by The United Nations Industrial Development Organisation (Unido) in tandem with GCC Chambers of Commerce Union's general secretariat. Housing Minister Shaikh Ibrahim bin Khalifa Al Khalifa as well as Bahraini, Gulf, Arab and international figures in addition to an Ivory Coast delegation led by the Commerce Minister are expected to attend the event.

Bahrain free zones among world's best

The Bahrain Logistics Zone (BLZ), Bahrain International Airport (BIA) and Bahrain International Investment Park (BIIP) have been ranked among the world's top 25 'Free Zones of the Future' from 700 worldwide, a report by Foreign Direct Investment Magazine (fDi), part of the Financial Times Business Group, said on Friday. They ranked 9th, 13th and 24th, respectively. The findings reflect the Kingdom's continued investment in its logistics credentials. It also represents a growing acknowledgment of Bahrain as the gateway to the trillion dollar Gulf market, according to the nation's Economic Development Board (EDB).

Kamal Ahmed, chief operating officer of the EDB and acting chairman and CEO of the Bahrain Airport Company, said: "The fDi Magazine rankings reflect our commitment in Bahrain to creating the optimum business environment for international companies to do business in and from. Bahrain does not impose the restrictions of ring-fencing within 'Free Zones'. Products manufactured in the Kingdom and sold into GCC and other Arab markets are free of import duties, providing a five percent margin against Free Zone locations throughout the GCC.

QATAR

International Front

Qatar, Pakistan sign military cooperation deal

The State of Qatar and the Islamic Republic of Pakistan yesterday signed a joint cooperation agreement on military affairs. The agreement was signed for Qatar by the Qatari Armed Forces Chief of Staff Maj Gen Hamad bin Ali Al Attiyah and for Pakistan by Chairman of the Joint Chiefs of Staff Committee Gen Tariq Majeed. The signing ceremony was attended by Pakistani Ambassador to Qatar Muhammad Asghar Afridi and a number of high ranking armed forces officers.

Approximately 650,000 personnel are on active duty in the Pakistan military which is the world's sixth largest armed force as of 2010. Combined with the 302,000 strong Paramilitary forces and 528,000 in reserve, the Military of Pakistan has a total size of over 1,000,000 personnel. The Military draws its manpower from a large pool of volunteers.

Darfur displaced seek observer status in talks in Qatar

About 100 representatives of Darfur's internally displaced people, alongside some refugee leaders, attended a meeting at the Ritz-Carlton yesterday as part of the peace talks between Darfur rebels and the Sudanese government sponsored by the Qatar government. The meeting aims to set up a small committee representing civil society groups from Darfur who will have observer status at the forthcoming peace negotiations.

Members of the delegation, upon their arrival on Monday, held a meeting with the United Nations/African Union Chief Mediator, Djibril Bassolé, and senior Qatari officials. Talks between Khartoum and the Darfur rebel factions have reached a deadlock. Efforts are being made to bring them to the negotiating table again. An important faction called Sudan Liberation Movement led by Abdul Wahed Al Noor has refused to join the talks here.

Qatar Deputy Emir meets Iraqi vice president

HH the Deputy Emir and Heir Apparent Sheikh Tamim bin Hamad al-Thani with visiting Iraqi Vice President Tariq al-Hashemi in Doha yesterday. The Deputy Emir received al-Hashemi and his accompanying delegation at the Emiri Diwan. Talks dealt with bilateral relations and ways to expand them. Several issues of common interest were also reviewed.

Qatar, Swiss ties reviewed

Swiss Confederation President Doris Leuthard met in Bern yesterday with Qatar's non-resident Ambassador to Switzerland Mohamed Jaham al-Kuwari who conveyed to her greetings of HH the Emir Sheikh Hamad bin Khalifa al-Thani and HH the Heir Apparent Sheikh Tamim bin Hamad al-Thani. Talks during the meeting dealt with bilateral relations and means of enhancing them in cultural, political and economic fields. Ambassador al-Kuwari gave a presentation during the meeting on Qatar's foreign policy and the role it plays at the regional and international level in contributing to bringing peace and stability.

Social Front

Qatar' govt workers may get legal recourse

In a major move, the government might soon allow its employees to take legal recourse to redress their grievances regarding promotions, salary increments or any disciplinary action taken against them, such as suspension or dismissal from job. Aggrieved government employees may be allowed to approach the "trial chamber of the administrative court" with requests to redress their job-related woes. The idea is to ensure a discrimination-free environment and transparency in government offices. Aggrieved employees might also be permitted direct access to the Minister of Labour to air their above-said grievances. This is the first time the government, which is the largest employer of nationals, is mulling streamlining the process of promotion, suspension or dismissal from job of its employees. Once the streamlining process is over, employees in the government sector would benefit from what will be a welcome and revolutionary step.

No layoffs in health centres, says Qatari official

No employee of any primary health care centre (PHC) in Qatar would be sacked as part of a major overhaul currently under way in this sector, a senior official has said. The staff can also expect a salary hike as part of the restructuring. A decision to separate the PHCs from the Hamad Medical Corporation (HMC) taken some time ago came into force last week, Dr Mariam Abdul Malik, director of the Primary Health Centres told a seminar here. The PHCs that had been run by the HMC have now become an independent entity under the direct supervision of the Supreme Council of Health (SCH). The transformation took a considerably long time due to the structural and administrative procedures involved, said the official. The name Primary Health Care Corporation was suggested for the new entity, but it has yet to be finalised, she added.

Qatar' SCH lifts temporary ban on Rotarix children's vaccine

Qatar has lifted the temporary ban on children's vaccine Rotarix in line with recommendations from the National Vaccination Committee. The ban was imposed a few months ago following reports that the drug had been contaminated with DNA from a swine virus called porcine circovirus 1, or PVC1. The Supreme Council of Health (SCH) said yesterday that the ban had been lifted after laboratory tests approved by the US Food and Drugs Administration confirmed that the vaccine was safe for use. The European Medicines Agency has also said that the vaccine did not pose any health risks, said a SCH statement yesterday.

The drug, manufactured by UK pharmaceutical giant GlaxoSmithKline, is typically given to infants aged 24-weeks or younger to protect against rotavirus, which can cause diarrhoea and fever. The vaccine had been suspended by both US and European drug regulators, who have asked Glaxo to investigate how the viral strain contaminated the vaccine. The Pharmacy and Drugs Control Department at SCH has already been asked to take the necessary steps to release the vaccine for distribution to private and public health care facilities in the country, said the statement.

Economy Front

Qatar's World Trade Centre Tower to be built in West Bay

A new 50-storied commercial and recreational tower will be built in West Bay within two years. Announcing this yesterday, Sheikh Nasser bin Ali al-Thani, chairman of the Qatar General Insurance & Reinsurance Company (QGIRCO) said the project, named World Trade Centre Tower, would be ready by the summer of 2012. Sheikh Nasser's group is the tower's promoter. The project is estimated to cost QR520mn. He said the complex would also have a four-level basement parking facility for over 1,100 cars. The total built-up area will be 141,760sq m. Sheikh Nasser said office space was still in great demand in Qatar as the country's economy continued to boom and several international companies were showing interest in commencing operations here. "The project we are executing will meet the requirements of the customers in a big way," he said.

Egypt seeks more Qatar investments and trade

Egypt is eyeing more investments from Qatar, especially in its real estate and tourism sectors as part of its plans to enhance bilateral trade. Other areas such as joint economic co-operation were also deliberated at the recently held luncheon meeting hosted by the Qatari Businessmen Association (QBA) for an Egyptian delegation led by Cairo deputy governor Hassan Mukhtar.

The meeting, held at the office of QBA second vice-chairman Sheikh Khalid bin Thani al-Thani, was represented by QBA officials, Hussein Ibrahim Alfardan, first deputy chairman and other board members, Sheikh Hamad bin Faisal al-Thani and Abdullah bin Nasser. Alfardan emphasised the importance of developing new agreements that would facilitate business between the two business communities in the light of double taxation avoidance treaty; agreement on trade and exchange; pact on establishing the mutual Egyptian-Qatari Businessmen Council and agreement on support and protection of investments.