

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

**MADIHA KAUKAB
Weekly Report # 135
28th August- 3rd September 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.

OUTLINE

Topics	Page No.
Summary.....	04
GCC.....	09

International Front

GCC says Israel not serious to launch talks with Palestinians
GCC, ASEAN stresses enhancement of joint cooperation

Flood- Relief Activities in Pakistan

UAE steps up flood-relief activities in Pakistan
UAE raises \$ 20m for flood victims
Abdullah orders SR1.2b for needy families
Pakistanis are grateful to King Abdullah, says FM
Qatar aid to Pakistan
Qatar to launch appeal for Pakistan flood aid
KRCS distribute aid in flood-stricken Pakistan
More Bahrain help for flood victims

Economic Front

Gulf shares end mixed
Gulf stocks volatile on oil prices
GCC to build 12 maritime projects valued over \$ 35 bn in 3 years
The first Gulf-German economic forum in Stuttgart on October
Profits of GCC firms decline 6%
Saudi, UAE home to wealthiest expats: survey
Aggregate profits of GCC banks decline 5pc in Q2
Advertising expenditure in GCC to reach \$ 10b this year

GCC equity funds fall 9% in Q2: study

SAUDI ARABIA.....18

Social Front

Saudi Arabia following up case of 'abused' Sri Lankan housemaid
Unemployed Saudi youth protest in Riyadh
Health education reforms planned in Saudi Arabia
3 hurt in Saudi mosque attack
King Abdullah to inaugurate SR700m Zamzam water project today

Economic Front

Saudi Arabia's outlook 'broadly positive': IMF
Six Saudi safest banks in Mideast
Saudi money supply growth slows
Deal signed for industrial city in Taif
Saudi Arabia to fund construction of power station in Syria

Oil and Gas

Saudi Arabia remains South Korea's top oil supplier
Aramco, Exxon to spend \$ 2.5bn for plant refit
Kuwait-Saudi venture plans gas facilities at Khafji
Saudi shares fall most in 2 months on growth risk

UAE.....23

Social Front

UAE's global health campaign for children arrives in Egypt

Economic Front

Structure of EDB is complete
UAE leads Gulf States
Abu Dhabi records 16 per cent rise in Hotel Guests in July
UAE's growth rate will reach 2.25 per cent in 2010

BAHRAIN.....25

Social Front

Bahrain ban on coverage of terror network
Bahraini businessmen to launch campaign against LMRA fees

Political Front

Bahraini Group names election candidates
Vote wisely Bahraini women urged
Probe allegations, Bahrain urged

International Front

Bahraini King asserts importance of Iraq's security, unity
Bahrain King issues royal order on forming the Supreme Judicial Council.
Bahraini Minister pledges a tough new clamp on street violence
Bahrain' voter record verification complete

KUWAIT.....28

International Front

Al-Hakim says his talks with Kuwaiti leaders deal with Iraqi affairs

Political Front

Democratic Alliance to elect new board: Kuwait
Grillings against four Kuwaiti ministers in offing
Work ongoing to push single constituency proposal in Kuwait

Defense and Security

No attacks from Kuwait against other states

Economic Front

Kuwaiti banks' profitability likely to be impacted by high impairment charges
Kuwaiti diplomat meets Australian official on economic ties
Kuwait offers Japan investment openings
Kuwait posts \$ 22.4 bn surplus
Kuwait banks to adopt IBAN system by 2011: CBK Governor

QATAR.....31

International Front

Qatar-Vietnam relations at new high, says envoy
Ahmadinejad to visit Qatar

Economic Front

Qatar Exchange looking to attract global interest with new trade platform
 Qatar inflation plummets to 10-month low
 Qatar crude trades at 4-week high

OMAN.....33

Economic Front

Oman's marble export earnings exceed RO 40m in four years

YEMEN.....34

Yemeni government, Houthis sign agreement
 Yemen denies foreign troops fighting Al Qaeda on its soil
 Al-Attiyah praises Qatar's efforts to support Yemen's security
 Friends of Yemen to meet in New York
 Qaeda says responsible for killing 8 Yemen troops
 Bin Laden's ex-guard sees Yemen escalation
 Qaeda says responsible for killing 8 Yemen troops

Economic Front

Yemen lawmakers draft bourse authority to attract investment

SUMMARY

Yemen

HE the Prime Minister and Foreign Minister Sheikh Hamad bin Jassim bin Jabor al-Thani witnessed this evening the signing of the explanatory appendix of the executive program schedule for the implementation of the 22 points which were signed between the Yemeni government and the Houthis Group on 21/ 6 / 2010, under the six points. The program and the explanatory appendix were signed for the Yemeni government by Brig. Ali bin Ali al Gaisi, member of the Shura Council and Chairman of the National Committee, while they were signed for the Houthis Group by Yousuf Abdullah Hussein al Feishi . They were also signed by HE Assistant Foreign Minister Saif bin Muqqadam Al Buainain of the State of Qatar as a Mediator.

International Front

GCC

GCC Secretary General Abdulrahman Al-Attiyah said Tuesday Israel has no serious desire to start real negotiations with the Palestinians because of the relentless Israeli statements that they would resume settlements' building on occupied Palestinian territories. The Gulf Cooperation Council (GCC) Secretariat and the Secretariat of the Association of Southeast Asian Nations (ASEAN) wrapped up a joint meeting here on Sunday with an agreement to prod economic integration.

Kuwait

The visiting head of the Iraqi Supreme Islamic Council Ammar Al-Hakim said on Monday his current visit to Kuwait is aimed at holding "serious talks" with the leaders on Iraqi political affairs.

Qatar

President Mahmoud Ahmadinejad is to make a brief visit on Sunday to Qatar, Iran's closest ally among the Gulf Arab states, the Iranian ambassador in Doha, Abdollah Sohrabi, said.

Ahmadinejad will hold talks with Qatari Emir, Sheikh Hamad Bin Khalifa Al Thani, on issues including the Palestinian question and the devastating floods in Pakistan, Sohrabi told reporters on Thursday.

Flood- Relief Activities in Pakistan

The United Arab Emirates has further enhanced its relief and rehabilitation activities to help Pakistan successfully facing the major natural calamity. In accordance with the instructions of UAE President Sheikh Khalifa bin Zayed Al Nahyan and Vice President and Prime Minister of the UAE and Ruler of Dubai H. H. Sheikh Mohammed bin Rashid Al Maktoum, the UAE intensified the release of humanitarian aid to the flood victims. A nationwide fundraising campaign in the UAE has so far raised more than \$ 20 million of aid for Pakistan flood victims.

King Abdullah, Custodian of the Two Holy Mosques, has issued an urgent order for the payment of SR1.2 billion to all families covered by social insurance in the Kingdom. The money is meant to help needy families meet their needs for Eid Al-Fitr. Dr. Yousuf Bin Ahmad Al-Othaimeen, Minister of Social Affairs, who announced the order, expressed his deep thanks and appreciation to King Abdullah for his noble gesture. Pakistan is thankful to King Abdullah, Custodian of the Two Holy Mosques, for the prompt and generous aid for the flood victims, Shah Mahmood Qureshi, the visiting Pakistani Foreign Minister.

Qatari service personnel preparing a consignment of aid materials for loading on to a Boeing C-17 aircraft at the Doha airport on Thursday night. The plane left for Pakistan yesterday. The aircraft carried a 48-member task force which includes rescuers and military medics. The operation area of the task force would be in the Swat valley, located in the north of Pakistan.

Kuwait is always on the vanguard of aid action around the world and now Kuwait Red Crescent Society (KRCS) is aiding the victims of the devastating floods which hit Pakistan.

The second shipment of Bahrain aid to flood-hit Pakistan will be dispatched today. The first shipment, including medical equipment, medicines, food, tents and other items, was delivered last Saturday. A third shipment will be sent next week as part of a total of BD2.6 million worth of aid from Bahrain to Pakistan.

Economic Front***GCC***

Dubai shares rose the most in a week and Qatar's benchmark index climbed for a sixth day as faster-than-estimated growth in US manufacturing bolstered confidence in global economic growth. Dubai Islamic Bank PJSC increased the most since June after Goldman Sachs Group Inc. raised its recommendation on the United Arab Emirates' largest Shariah-compliant lender.

Masraf Al Rayan, a Doha-based bank, advanced to the highest since May. The DFM General Index rose 0.8 percent to 1,497.78, the most since Aug. 26, at the 2 p.m. close in Dubai. The measure added less than 0.1 percent this week. The QE Index gained 0.8 percent to 7,305.96, the highest since May 13. About 53 million shares traded in Dubai Thursday, compared with a six-month daily average of 153 million. Abu Dhabi's ADX General Index gained 0.1 percent and the Kuwait SE Index advanced 0.4 percent. Bahrain's stock measure declined 0.2 percent and Oman's MSM30 Index was little changed.

Saudi Arabia's benchmark stock index rose to the highest in more than two weeks, leading gains in Gulf markets, after Chinese manufacturing quickened more than expected and as oil rebounded from a one-week low. "Markets opened with enthusiasm today because of yesterday's great performance in US markets," said Saad Al-Chalabi, institutional trader at Al Ramz Securities in Abu Dhabi. The gains were limited "because of low volumes and lack of interest."

Dubai Islamic Bank climbed 1.6 percent, the most since June 13, to AED1.89 after it was raised to "neutral" from "sell" with a price estimate of AED2.36.

Saudi Arabia

Saudi Arabia's economic outlook remains "broadly positive" and the banking system is "fundamentally sound", although vulnerabilities remain especially from the volatility of oil prices, the International Monetary Fund (IMF) said in a statement on Friday following its annual Article IV Consultation Mission to the Gulf region's largest economy. Saudi Arabia topped the GCC as a country with the list of the six safest banks in the Middle East out of ten in the region. The banks descending order in the GCC are Samba Financial Group, Saudi Arabia, Qatar National Bank, National Commercial Bank, Riyadh Bank, Al-Rajhi Bank, Saudi Arabia, Kuwait Finance House, Kuwait, Saudi British Bank (SABB), and Banque Saudi Fransi, Saudi Arabia.

Saudi Arabian M3 money supply growth, an indicator of future inflation, slowed to a more than seven-year low in July. M3 money supply growth, which includes demand deposits and currency outside banks, eased to 2.3 percent in July, compared with 3.4 per cent the previous month, the central bank said on its website on Monday.

UAE

A government panel setup to supervise the merger of country's two development finance institutions into a much-bigger entity named as the Emirates Development Bank (EDB) has completed its task of finalising the new institution's organisational structure. The UAE, which leads in Gulf Common Market (GCM) integration efforts, will continue to activate GCC economic integration, Minister of State for Financial Affairs Obaid Humaid Al Tayer said. The Ministry of Finance on Saturday released statistical data for 2009 related to the GCM that proves that the UAE is at the forefront of GCC (Gulf Cooperation Council) countries in GCM integration. Abu Dhabi saw a 16 per cent rise in the number guests staying in the emirate's 116 licensed hotels and hotel apartments last month compared to July 2009. Guest numbers rose to 137,714 with the numbers of nights stayed totalling 376,439 - a 24 per cent increase on July 2009. The average length of stay also increased by 6 per cent to stand at 2.73 nights. The UAE economy is expected to record an average growth rate of 2.25 per cent in 2010 as the country

emerges from the turmoil caused by the global financial crisis, Minister of Economy Sultan bin Saeed Al Mansouri said. Real GDP growth estimates for 2010 have ranged from a low of 0.6 per cent to a high of 3.2 per cent, with an average GDP growth estimate of 2.25 per cent for 2010, according to the minister.

Kuwait

Kuwaiti banks may continue to see increases in impaired loans due to the lag effect of the weaker economic conditions of 2009 and high exposure to troubled sectors include investment companies, real estate, construction and lending for the purchase of equities, according to Fitch Ratings. Fitch forecasts real GDP in Kuwait to increase by 4.2 per cent in 2010 and 3.3 per cent in 2011. Kuwaiti Ambassador in Japan Abdel-Rahman Al-Eteibi urged Japanese companies to seek to seize mega trade and investment opportunities in Kuwait, which plans to inject fresh investments worth KD 30 billion (USD 103 billion).

Kuwait posted a budget surplus of \$ 22.4 billion in the past fiscal year on the back of strong oil revenues, an economic report said yesterday, citing official figures. It is the third largest windfall in the Gulf state's history and its 11th consecutive year of budget surpluses, which have allowed Kuwait to accumulate 145 billion dollars in public revenues, according to AFP calculations based on official figures. In the 2007-2008 fiscal year, Kuwait posted its largest-ever budget surplus of 32.3 billion dollars, while in the previous fiscal year it posted a surplus of around 24 billion dollars.

Governor of the Central Bank of Kuwait (CBK) Sheikh Salem Abdulaziz Al-Sabah said Monday the bank would introduce the International Bank Account Number (IBAN) system in a bid to modernize the country's banking system. "The move stems from the CBK's keenness to improve the service and keep pace with the latest developments in the world's banking industry," Sheikh Salem said in statements to KUNA here.

Qatar

The Qatar Exchange, which is expected to switch over to a new trade engine UTP from September 5, will feature more order types to attract the global investing community in a big way, according to its top officials. With the introduction of time-tested UTP (Universal Trading Platform), the bourse will see a 15-minute extended session until 12.45pm. Consumer prices in Qatar fell again in July to show the biggest monthly drop in 10 months, while inflation in Kuwait in June climbed to its highest level since August 2009, data from the Gulf oil exporters showed. Inflation started to pick up again in the world's top crude exporting region this year as economies recovered.

Oman

OCIPED to participate in an international exhibition of stone, design and technology in Verona, Italy By A Staff Reporter MUSCAT Oman's marble export earnings have grown at about 20 per cent compound annual growth rate (CAGR) in the past four years to reach about RO 40.66 million in 2008.

Social Front

Saudi Arabia

Abdul Aziz Abdul Rahman Al-Jammaz, Kingdom's Ambassador to Sri Lanka and the Maldives, said here Friday the case of the abused Sri Lankan maid is being followed up and the embassy is in touch with officials at the Sri Lankan Ministry of Foreign Affairs and the Sri Lanka Bureau of Foreign Employment to get clarifications. Some 200 unemployed Saudi university graduates staged a rare protest in the capital Riyadh demanding the Gulf Arab state give them jobs, Saudi media said yesterday. Saudi Arabia, the world's biggest oil exporter, is an absolute monarchy that has no elected parliament and usually does not tolerate public displays of dissent. Unemployment hit 10.5 percent last year, according to official data, and creating jobs for a fast-growing native population of more than 18 million is one of the biggest challenges facing the country's ageing leadership.

The Saudi Commission for Health Specialties is planning to reform health education institutions. "The current performance at health institutions is less than what we desire," a source at the commission said. Three men including an imam were injured in a shooting at a Riyadh mosque on Wednesday following late night Ramadan prayers, the Sabq.org news website reported. Unknown attackers opened fire outside the Prince Sultan mosque following the taraweeh prayers observed during the fasting month. King Abdullah, Custodian of the Two Holy Mosques, is scheduled to inaugurate Friday the SR700-million King Abdullah Bin Abdul Aziz Zamzam Water Project in Makkah's Kuday District.

UAE

A worldwide health campaign launched by the UAE to offer health care services to needy children has provided treatment to 400 poor Egyptian children. The mission arrived in Egypt from Morocco on the first leg of an international humanitarian mission that will also take it to Pakistan, Indonesia, India, Eritrea and Sudan.

Bahrain

Bahrain has imposed a ban on press from publishing anything about a terror network discovered here early this month. Those violating the law could be fined or jailed for up to one year. The ban imposed by Attorney-General Dr Ali Al Buaneen is effective from August 26. A statement by the Public Prosecution said the ban was necessary to maintain the confidentiality and smoothness of investigations. Bahrain's leading businessmen are planning to launch today a major campaign against "crippling" LMRA fees. They plan to submit a petition to His Majesty King Hamad after Ramadan highlighting their condition caused by the labour fees imposed on them by the Labour Market Regulatory Authority. His Majesty King Hamad bin Isa Al Khalifa has issued royal order No. 33 for the year 2010 on forming the Supreme Judicial Council.

Political Front

Bahrain

Bahrain's Interior Minister last night pledged a tough new clamp on street violence. Shaikh Rashid bin Abdulla Al Khalifa praised security officers for tracking down those involved in terror acts. BAHRAIN'S Elections Supervising Committee has completed the verification of voters' records ahead of next month's parliamentary and municipality elections. It reported considerable turnouts in people registering their details at the five supervising centres, set up across the country last month.

Kuwait

Several MPs are reportedly planning to submit parliamentary requests that the National Assembly's legislative and legal committee give its approval to draft legislation proposing the abolition of Kuwait's current five-constituency system, with the existing constituencies to be merged into one.

The liberal National Democratic Alliance (NDA), an umbrella of several liberal political groupings, said yesterday it will hold a meeting on October 4 to elect a new executive bureau after the current one has resigned. The NDA said in a statement that all members of the executive bureau submitted their resignation more than three months ahead of time but gave no reason for the resignation. Several MPs are reportedly preparing a number of interpellation motions against different ministers to be submitted following the start of the next parliamentary term. The grilling motions concern the ministers' alleged failure to address certain issues that their respective ministries are involved in, or to provide clear answers to MPs' previous questions.

Defense and Security

Kuwait plans to buy Patriot missiles from the United States but will not allow its territory to be a launchpad for attacks, the defence minister said in statements published on Wednesday. Sheikh Jaber Mubarak al-Sabah said the planned 900-million-dollar Patriot missiles purchase is aimed at boosting the military's capability and should not be "misunderstood."

DETAILED REPORT

GCC

International Front**GCC says Israel not serious to launch talks with Palestinians**

Kuwait News Agency September-01-2010

GCC Secretary General Abdulrahman Al-Attiyah said Tuesday Israel has no serious desire to start real negotiations with the Palestinians because of the relentless Israeli statements that they would resume settlements' building on occupied Palestinian territories. Al-Attiyah, in a statement after a meeting with the Russia Ambassador to Saudi Arabia, said the Israeli acts did not contribute to reaching solutions with the Palestinians. US President Barack Obama has personally pledged positive outcome out of the direct negotiations, due to kick start in Washington on Thursday, noted Al-Attiyah. The GCC chief hoped the Washington meeting would kick start the stalled peace process to ultimately reach a comprehensive settlement for the Arab-Israeli conflict.

GCC, ASEAN stresses enhancement of joint cooperation

Kuwait News Agency August-30-2010

The Gulf Cooperation Council (GCC) Secretariat and the Secretariat of the Association of Southeast Asian Nations (ASEAN) wrapped up a joint meeting here on Sunday with an agreement to prod economic integration. The two-day meeting outlined an action plan to enhance

cooperation in the economic, commercial, investment, educational, cultural and media fields, according to a statement issued by the GCC Secretariat. The two sides took practical steps to strengthen coordination in the areas of food security and exchange of experience in line with the GCC-ASEAN Two-Year Action Plan (2010-2012), it said. The action plan was adopted by the second joint ministerial meeting, held in Singapore last May. It provides for holding regular ministerial meetings alternately in one of the countries of the two regional blocs, exchanging visits to better understand economic integration, and conducting round-table discussions to explore the possibility of reaching a Trade and Investment Framework Agreement (TIFA) and a free trade agreement. The first GCC-ASEAN ministerial meeting was held in Manama, Bahrain in May, 2009. The United Arab Emirates (UAE) is scheduled to host the third such meeting in 2011.

Flood- Relief Activities in Pakistan

UAE steps up flood-relief activities in Pakistan

Emirates News Agency-WAM August-29-2010

The United Arab Emirates has further enhanced its relief and rehabilitation activities to help Pakistan successfully facing the major natural calamity. In accordance with the instructions of UAE President Sheikh Khalifa bin Zayed Al Nahyan and Vice President and Prime Minister of the UAE and Ruler of Dubai H. H. Sheikh Mohammed bin Rashid Al Maktoum, the UAE intensified the release of humanitarian aid to the flood victims. According to a message received here on Thursday, the government and the people of UAE are all with the people of Pakistan in this difficult time in letter and spirit. The Associated Press of Pakistan (APP-Pakistan) said the Khalifa bin Zayed Charity Foundation, the UAE Red Crescent Authority (RCA) and Mohammed Bin Rashid Al Maktoum Charity and Humanitarian Establishment are carrying relief and rescue operations in various regions affected by the floods since the government of Pakistan issued its appeal for urgent assistance to face the floods crisis.

The UAE's contribution in relief and rescue operation includes: 50,000 blankets, 12,000 tents, 220,000 food packets, 6,000 mineral water bottles, food utensils, 227 tons of dates and medicines during the second stage. The Red Crescent Society has set up two makeshift camps in the Punjab region has so far distributed 534 tons of relief supplies in various parts of Pakistan. Three more relief aircrafts loaded with 120 tons of dates are expected to arrive from the UAE shortly. Two teams of UAE doctors is working in Peshawar and Jacobabad and are vaccinating 6,000 women and children in coordination with UNICEF.

All UAE television channels are appealing for donation under title, "Awnak Pakistan" (assist/help Pakistan) continuously for three days. The UAE force is assisting the Pakistani army in relief and rescue operations in the flood-hit areas. Logistically, the UAE force is also airlifting and dropping humanitarian aid donated by brotherly and friendly countries to Pakistan. The force delivered relief materials to families of victims who were evacuated to safe areas as part of UAE efforts to ease their suffering. The three Chinook helicopters have so far carried over 180 tons of humanitarian assistance along with medical professionals from the Pakistani army. Chinook Helicopters from the UAE are working around the clock in relief operation and have made a bridge between Multan and rest of the country.

UAE raises \$ 20m for flood victims

Gulf Daily News August-30-2010

A nationwide fundraising campaign in the UAE has so far raised more than \$ 20 million of aid for Pakistan flood victims, reports said yesterday. The campaign, launched by the UAE Red Crescent under the slogan "Your Help," raised more than 75m dirhams (\$ 20.4m) over its first four days and will carry on until Monday, WAM said. It said a live TV fundraising campaign was being run on several Emirati television channels. Pakistan has a close ties with the emirates, where hundreds of thousands of Pakistanis live and work, mostly labourers.

A senior US official said last week that countries worldwide have pledged a total of more than \$ 700m toward flood relief in Pakistan. But reconstruction efforts must begin immediately to prevent the flooding disaster from becoming a long-term catastrophe, aid agency Oxfam said Sunday. It said billions of dollars would be needed to start rebuilding schools, roads, bridges and hospitals immediately, adding that the aid effort was struggling to respond.

Abdullah orders SR1.2b for needy families

Saudi Gazette September-02-2010

King Abdullah, Custodian of the Two Holy Mosques, has issued an urgent order for the payment of SR1.2 billion to all families covered by social insurance in the Kingdom. The money is meant to help needy families meet their needs for Eid Al-Fitr. Dr. Yousuf Bin Ahmad Al-Othaimeen, Minister of Social Affairs, who announced the order, expressed his deep thanks and appreciation to King Abdullah for his noble gesture. He stressed that the King is paying a great deal of attention to the social security sector because it provides the essential requirements to citizens including the disabled, the elderly, patients, divorcees, abandoned wives, orphans, prisoners' families and those whose breadwinners have died. He said the payment will be carried out in coordination with the ministries of Finance and Social Affairs. He said this urgent Eid money is being paid along with the regular monthly pension to all social security beneficiaries.

Pakistanis are grateful to King Abdullah, says FM

Saudi Gazette September-01-2010

Pakistan is thankful to King Abdullah, Custodian of the Two Holy Mosques, for the prompt and generous aid for the flood victims, Shah Mahmood Qureshi, the visiting Pakistani Foreign Minister, said here Tuesday. "The relations between Pakistan and Saudi Arabia are deep and brotherly, open and well-known. They have not lost any warmth. The heartfelt response has belied the rumors and any baseless doubts about any cooling off of relations. The Saudi aid has been swift," Qureshi said addressing media at the Conference Palace. He said the purpose of his trip was to express gratitude to King Abdullah and the people of the Kingdom for coming to the aid of Pakistan in their hour of need following the unprecedented floods in his country. "The government and the people of Pakistan are sincerely thankful for the humanitarian gesture," he said. Qureshi said he met with Prince Muqrin Bin Abdul Aziz and delivered a letter for King Abdullah from President Asif Ali Zardari. He said he had detailed discussions with the Prince,

which included rescue and relief, rehabilitation and reconstruction, the situation in Afghanistan, and relations with India.

Qatar aid to Pakistan

Gulf Times August-28-2010

Qatari service personnel preparing a consignment of aid materials for loading on to a Boeing C-17 aircraft at the Doha airport on Thursday night. The plane left for Pakistan yesterday. The aircraft carried a 48-member task force which includes rescuers and military medics. The operation area of the task force would be in the Swat valley, located in the north of Pakistan.

Qatar to launch appeal for Pakistan flood aid

Gulf Times September-02-2010

The Qatari government will be launching an appeal to help raise funds for the millions of flood victims across Pakistan, Shah Mahmood Qureshi, Pakistani Foreign Minister, yesterday said. Addressing a community gathering at the Pakistan embassy just hours before meeting high-level officials in the Qatari government, Qureshi said the meeting will be used to strengthen the traditional ties between Pakistan and Qatar. "I've been told that HH the Emir will be launching a passionate appeal to help us," he said. "Gulf countries are important for Pakistan as millions of our people live here.

KRCS distribute aid in flood-stricken Pakistan

Kuwait Times August-28-2010

Kuwait is always on the vanguard of aid action around the world and now Kuwait Red Crescent Society (KRCS) is aiding the victims of the devastating floods which hit Pakistan, said KRCS's Director of the board Barjas Al-Barjas yesterday. Al-Barjas told the press that the KRCS's teams managed to distribute relief aid to the needy in Pakistan who have been subjected to this juggernaut flood that swept their houses and lives. The KRCS's team also visited the areas which were most affected by the flood, stated Al-Barjas, providing the necessary assistance to the victims. On his part, Kuwaiti Ambassador to Pakistan, Nawaf Al-Enizi thanked the KRCS for its effort in lessening the suffering of the flood's victims, stressing that Kuwait was always amongst the first nations to provide aid for Pakistan. The Kuwaiti leadership had provided around USD 10 million to help Pakistan on this crisis.

More Bahrain help for flood victims

Gulf Daily News August-30-2010

The second shipment of Bahrain aid to flood-hit Pakistan will be dispatched today. The first shipment, including medical equipment, medicines, food, tents and other items, was delivered last Saturday. A third shipment will be sent next week as part of a total of BD2.6 million worth of aid from Bahrain to Pakistan. His Majesty King Hamad had issued instructions for the urgent dispatch of aid under the leadership of Royal Charity Organisation (RCO) board of trustees president Shaikh Nasser bin Hamad Al Khalifa. Weeks of massive flooding in Pakistan has resulted in catastrophic devastation across Pakistan, leaving nearly 1,600 people dead. More than

17 million people have been directly affected by the disaster, with around four million homeless. Around 3.5m children are also at risk of deadly water-borne diseases, according to the United Nations as Pakistanis protested the slow delivery of aid. A Bahrain delegation, led by RCO secretary-general Dr Mustafa Al Sayed, delivered the first batch of aid.

Economic Front

Gulf shares end mixed

Saudi Gazette September-03-2010

Dubai shares rose the most in a week and Qatar's benchmark index climbed for a sixth day as faster-than-estimated growth in US manufacturing bolstered confidence in global economic growth. Dubai Islamic Bank PJSC increased the most since June after Goldman Sachs Group Inc. raised its recommendation on the United Arab Emirates' largest Shariah-compliant lender.

Masraf Al Rayan, a Doha-based bank, advanced to the highest since May. The DFM General Index rose 0.8 percent to 1,497.78, the most since Aug. 26, at the 2 p.m. close in Dubai. The measure added less than 0.1 percent this week. The QE Index gained 0.8 percent to 7,305.96, the highest since May 13. About 53 million shares traded in Dubai Thursday, compared with a six-month daily average of 153 million. Abu Dhabi's ADX General Index gained 0.1 percent and the Kuwait SE Index advanced 0.4 percent. Bahrain's stock measure declined 0.2 percent and Oman's MSM30 Index was little changed.

Saudi Arabia's benchmark stock index rose to the highest in more than two weeks, leading gains in Gulf markets, after Chinese manufacturing quickened more than expected and as oil rebounded from a one-week low. "Markets opened with enthusiasm today because of yesterday's great performance in US markets," said Saad Al-Chalabi, institutional trader at Al Ramz Securities in Abu Dhabi. The gains were limited "because of low volumes and lack of interest."

Dubai Islamic Bank climbed 1.6 percent, the most since June 13, to AED1.89 after it was raised to "neutral" from "sell" with a price estimate of AED2.36.

Gulf stocks volatile on oil prices

Saudi Gazette August-28-2010

Gulf stock markets closed the week mixed as investors reacted in different ways to falling oil prices and the slump on world markets due to renewed doubts over global recovery, financial analysts said Friday. Saudi market was the main loser, reflecting worries over falling oil prices, they said. Saudi shares remained volatile, reflecting movement of oil prices, shrinking liquidity and worries of global markets, analysts said. The Saudi stock benchmark Tadawul All Share Index (TASI) shed 1.96 percent this week, closing at 6,001.24 points. At one point, TASI fell about 1 per cent below the 6,000-point psychological barrier with pressure from the petrochemical sector in what analysts described as profit taking. The analysts expected trading to remain sluggish in regional markets until the end of Ramadan. The benchmark of the Dubai exchange gained 0.36 per cent on the week, closing at 1,497 points, while the Abu Dhabi index shed 0.23 per cent, closing at 2,501 points. Kuwaiti stocks were volatile this week due to profit-taking tactics despite reports of fresh liquidity entering the market. The KSE all-share index shed 0.54 percent on weekly basis and analysts said the market found support from the banking and

investment sectors. “Optimism has apparently returned to the market after the government dropped hints it wants banks to play a role in financing a development plan.”

GCC to build 12 maritime projects valued over \$ 35 bn in 3 years

Saudi Gazette August-29-2010

Saudi International Boat Show 2010, the second edition of the only international leisure marine and tourism festival in the Kingdom, has announced that the 2010 edition will showcase a broader range of marine products and services to cater to the growing number of maritime developments in the GCC. It will be held on Dec. 8-11 at the Al Furusya Marina & Yacht Club in Jeddah. New business opportunities have emerged for international suppliers with the recent announcement of 12 major maritime projects to be implemented within the next three years in the GCC with a collective value of over \$ 35 billion, including three in Saudi Arabia in King Abdullah Economic City, Jizan Economic City and the Kingdom City, the organizer said Saturday.

The event is organized by Dubai World Trade Centre (DWTC), endorsed by the Saudi Commission for Tourism and Antiquities and venue managed by Al Ahlam Marine Tourism Group. The gathering provides an ideal marketing and networking platform for leading industry players in the boating and maritime sector.

The GCC's high disposable income likewise serves as a key catalyst for growth, it added.

A study on the salaries of senior management executives, who are key customers for yachts and luxury boats, has revealed that disposable income of managers in the GCC is the highest in the world with all Gulf countries dominating the top six rankings.

The first Gulf-German economic forum in Stuttgart on October

Bahrain News Agency August-29-2010

The Federation of the GCC Chambers of commerce and industry will organize in cooperation with the German Arab chamber of commerce and industry and ministry of economic affairs in Baden Wurttemberg, the first Gulf German economic forum in Stuttgart on October 26, 2010.

The participants of the two-day forum will review aspects of cooperation between the Gulf businessmen and their German counterparts. Secretary general of the federation of the GCC chambers of commerce and industry Abdel-Rahim Naki said the organization of the forum comes in line with the cooperation agreement signed with the German-Arab chamber of commerce and industry in June 2008 for developing cooperation between the two sides. He urged the businessmen and businesswomen of the Gulf Cooperation Council (GCC) states and other concerned parties to participate in the forum. On the fringes of the forum, a trade exhibition will be organized with the participation of a number of companies and establishments. It is worth mentioning that the German-Gulf trade jumped in 2008 to about \$ 20 billion, and the GCC member states constitute the most important trading partners of Germany in the middle east region.

Profits of GCC firms decline 6%

Arab News August-31-2010

Corporates across the GCC (Gulf Cooperation Council) recorded a drop of six percent in quarter-on-quarter earnings and a seven percent fall in year-on-year income to \$ 10.7 billion this year, according to a report released on Monday. However, the slowdown in the telecommunications, financial services and banking sectors failed to affect the overall first-half earnings of GCC corporates, which benefited from higher profits during the first quarter, according to the report by Kuwait Financial Centre (Markaz). The year-on-year earning of GCC firms witnessed an increase of 13 percent to \$ 22 billion, said the report, which based its findings on 75 percent visibility on trends in GCC corporate earnings. Saudi Arabia remained the best performer with 25 percent and 42 percent growth in corporate earnings in the second quarter and the first quarter respectively. The Kingdom's earnings received a boost from a recovery in the commodities sector, led by SABIC (Saudi Basic Industries Corp.) that reported income of \$ 2.8 billion in first six months of 2010. However, the banking sector's profits contracted 10 percent in both the second quarter and first half of the year. UAE's earnings growth fell 36 percent in the second quarter and 12 percent in first six months of the year. Almost all sectors recorded year-on-year declines during the quarter, with the banking and telecommunications sectors proving to be major laggards.

Saudi, UAE home to wealthiest expats: survey

Reuters September-02-2010

Saudi Arabia, Bahrain, UAE and Russia are home to the wealthiest expats, with Eurozone countries falling behind when it comes to paying for foreign expertise. The third annual report commissioned by HSBC Bank International found finances among expats were generally positive with two-thirds, or 66 percent, saying they have more disposable income to save and invest since moving abroad. But the survey found expats in Russia, Saudi Arabia, Bahrain, the United Arab Emirates and Singapore enjoyed the greatest wealth overall, having higher salaries, more disposable income and more luxury items like swimming pools, properties and yachts. Expats in Russia topped the list for the second consecutive years with a third, or 36 percent, reporting earnings of over \$ 250,000 a year — compared to two-thirds, or 62 percent, of expats in Spain earning below \$ 60,000.

Aggregate profits of GCC banks decline 5pc in Q2

Oman Daily Observer September-02-2010

The aggregate profits of the GCC sector (banks under coverage excluding DIB and Burgan bank) posted a decline of 5 per cent year on year (YoY) and 10 per cent quarter on quarter (QoQ) in 2Q10, Kuwait based Global Investment House revealed here yesterday. Poor bottom-line performance was exhibited by UAE banks that declined by 30 per cent YoY with a further dampening act coming from Saudi banks which were down by 7 per cent YoY. Being heavyweights within the GCC banking universe, profitability (2Q10 profit share of 19 per cent and 46 per cent respectively), banks indigenous to these two countries led the slide in overall profitability of the GCC aggregate, while those from the remaining countries fared much better. Banking sectors of Oman and Kuwait earned the spotlight with growth of 40 per cent YoY and 34 per cent YoY respectively. The aggregate net interest income of GCC banks grew by a meagre 1 per cent YoY, spelling out stagnancy in the top-line. The loss in momentum came about as sheer stagnancy in loans haunts the GCC banking sector while NIMs stayed under pressure. As per our universe, loans growth remained diminished, growing 3.5 per cent YoY in

2Q10 and 0.7 per cent YTD; similarly aggregate interest earning assets grew 3.4 per cent YoY and 0.6 per cent YTD. Moreover, aggregate NIMs of our GCC banking universe tapered-off by 12bps over 2Q09. Different movements in net interest income (NII) were seen from country to country with Saudi Arabia and Qatar at the opposite ends of the spectrum with a 9 per cent YoY decline and a 26 per cent YoY jump, respectively. Qatar's NII rode well due to a 46 per cent YoY jump is QNB's top-line. Shrinkage in the vicinity of 4 per cent YoY was also in the NII of Kuwaiti banks while that of UAE exhibited a healthy growth of 9 per cent YoY. Meanwhile, Omani banks remained relatively stagnant with an increase of just over 2 per cent; an outcome of opposing movement in spreads and volumes.

Total earnings growth of the GCC banking sector came under considerable pressure owing to continuation of high provisions during 2Q10. While the top-line barely moved YoY, provisions grew by 5 per cent YoY. Provisions, mostly emanating from loan defaults, shifted gears during the quarter under review, after taking a breather in 1Q10, leading to a massive 48 per cent QoQ rise in 2Q10. UAE stood out from its neighbours in the region given the fact that almost half the provisions taken in 2Q10 came from its banks followed by Saudi Arabia which contributed 23 per cent to the provisions taken. Almost all UAE banks within our universe witnessed a high growth in provisions, led by ENBD and ADCB which were most affected by exposure to Dubai World and related entities. The case in Saudi Arabia was different with a majority of banks portraying an ease-off in provisions except for SIBC, SABB and RIBL.

Within Kuwait, banks in general saw a decline in provisions YoY, as 2Q09 was a bad quarter in terms of high provisioning requirements coming from Sa'ad and Alghosaibi; provisions also came from troubled investment companies. Furthermore, NBK seems to be the only Kuwaiti bank to have attained pre-crisis provisions levels while maintaining a high coverage ratio. However, provisions of KFH and Gulf Bank stayed high; Gulf Bank's management, nevertheless stated that 2H10 will be much better in terms of provisions, hinting at a switch in provisioning regime," Global stated.

The rise in aggregate provisions took a toll on aggregate earnings, eroding as much as 25 per cent of the total GCC banking profit. The effect was more profound in the UAE banking aggregate where 41 per cent of the total income was lost to provisions; the second highest in at least the last 15 quarters. Among all countries only Oman's provisions seem to have returned to normalised pre-crisis levels while that of the remaining countries are still considerably high. The GCC banking sector is expected to show an increase in provision in the coming quarters, related mostly to those trickling in from UAE. Banks in the UAE are anticipated to tighten their belts in the wake of expected issuance of guidelines from the Central Bank related to exposure to Dubai World and related entities.

Advertising expenditure in GCC to reach \$ 10b this year

Saudi Gazette September-02-2010

Advertising expenditure in the first six months of this year increased by 23.6 percent to reach \$ 3.77 billion compared to \$ 3.05 billion for the same period last year. The Pan Arab media share, mainly satellite TV, soared 24 percent to \$ 1.57 billion, Pan Arab Research Centre (PARC) said. According to Arabian PR managing director Walid Karanouh, based on recent industry report, Saudi Arabia is one of the major advertising and PR markets in the Gulf region. The GCC media

share was \$ 1.7 billion for newspapers and \$ 1.6 billion for TV, he added, citing the report. The Pan Arab media share represents 41.64 percent of the total advertising expenditure in the GCC. This is followed by the UAE with \$ 929 million, an increase of 42 percent; Saudi Arabia \$ 550 million, a rise of 11 percent; Kuwait \$ 337 million or 11 percent rise; Qatar rose 1 percent to \$ 157 million; Oman jumped 69 percent to \$ 120 million; and Bahrain inched up 2 percent to \$ 50 million. PARC said advertising expenditure in the region, which includes Pan Arab media which is mainly satellite TV channels, reached \$ 5.05 billion from January to June compared to \$ 4.22 billion in 2009.

GCC equity funds fall 9% in Q2: study

Gulf Times September-02-2010

Equity funds in the GCC (Gulf Co-operation Council) region lost momentum during the second quarter (Q2), recording a fall of 9%, mainly due to market conditions across the Gulf region, according to a report. Of the 73 equity categories, just 13 ended Q2 in positive territory. Funds invested in Asia topped the semi annual rankings for the first half of 2010, with Equity Indonesia gaining 18.12%, followed by Equity Saudi Arabia (2.34%). Gold and precious metals performed well, posting a 9.48% return, said 'The Second Quarter 2010 GCC Fund Market Insight Report from Lipper, a Thomson Reuters company. For funds domiciled in GCC markets, telecoms proved to be the top performing sector achieving a semi-annual return of 6%. Funds invested in Saudi Arabian equities gained 2.10% during the first half, supported by a strong first quarter, which saw gains of 10.50%.

The best sector performing fund registered for sale in the GCC was the Franklin Pharma Fund-Growth with an increase of 23% in the first half of the year. However, bond funds declined 3.47% in Q2, following a positive return of 0.98% during the first quarter to give a negative return of 2.48% for the first half of 2010. This, according to Lipper, was reflective of the turmoil experienced in the euro-sovereign bond market during Q2 and the decline of the euro against the dollar. The dollar-denominated bond funds posted positive returns during the quarter with the Bond USD category up 4.85% and the Bond USD High Yield category increasing by 3.26%. Topping the currency bonds was the Japanese Bond JPY category which rose 7.34%. The Q2 of 2010 saw two new Shariah-compliant funds registered for sale in the GCC, taking the total number to 211. During the first half of 2010, these collectively fell 2.30% despite an upbeat first quarter. Of the 20 top performing Islamic funds available for sale in the GCC, 12 were invested in Saudi Arabia.

The GCC markets ended the first half 2010 on a negative note, after an upbeat first quarter that was marked by positive global returns, according to Merieme Boutayeb, research analyst at Lipper. While most assets are invested in local stock markets, there is a significant number of investment funds invested in Asia and in North Africa, according to Dunny Moonesawmy, Lipper's Head of Middle East Research.

SAUDI ARABIA

Social Front

Saudi Arabia following up case of 'abused' Sri Lankan housemaid

Saudi Gazette August-28-2010

Abdul Aziz Abdul Rahman Al-Jammaz, Kingdom's Ambassador to Sri Lanka and the Maldives, said here Friday the case of the abused Sri Lankan maid is being followed up and the embassy is in touch with officials at the Sri Lankan Ministry of Foreign Affairs and the Sri Lanka Bureau of Foreign Employment to get clarifications. A report from Colombo said doctors removed 13 nails and five needles from the Sri Lankan maid who says the couple she worked for in Saudi Arabia hammered them into her body. She told the newspaper that she went to Saudi Arabia in March but was paid only two months' salary, with her employer withholding the rest to buy an air ticket to send her home.

About 1.5 million Sri Lankans work abroad, many as maids or drivers, to earn more than they can in their own impoverished country. Nearly 400,000 work in Saudi Arabia alone.

Unemployed Saudi youth protest in Riyadh

The Peninsula August-30-2010

Some 200 unemployed Saudi university graduates staged a rare protest in the capital Riyadh demanding the Gulf Arab state give them jobs, Saudi media said yesterday. Saudi Arabia, the world's biggest oil exporter, is an absolute monarchy that has no elected parliament and usually does not tolerate public displays of dissent. Unemployment hit 10.5 percent last year, according to official data, and creating jobs for a fast-growing native population of more than 18 million is one of the biggest challenges facing the country's ageing leadership. Saudi newspapers carried pictures of graduates from state universities gathering on Saturday in front of the Education Ministry to demand jobs as Arabic language teachers.

With a population officially at 27.1 million, Saudi Arabia offers its nationals social benefits but these are below those granted by other Gulf Arab oil producers such as Kuwait and Qatar, which have much smaller native populations. Nayef Al Tamimi, a spokesman for the protesters, said they had graduated from university but were unable to find work, according to the daily newspaper Al-Hayat.

Health education reforms planned in Saudi Arabia

Saudi Gazette September-01-2010

The Saudi Commission for Health Specialties is planning to reform health education institutions. "The current performance at health institutions is less than what we desire," a source at the commission said. "Therefore, intensive efforts are needed." The commission was appointed three weeks ago to supervise 122 health institutions and 28,000 students. The source said that there is a plan to develop curriculums, open more laboratories, and import the most modern devices needed for the planned new curriculums.

3 hurt in Saudi mosque attack

Gulf Today September-03-2010

Three men including an imam were injured in a shooting at a Riyadh mosque on Wednesday following late night Ramadan prayers, the Sabq.org news website reported. Unknown attackers opened fire outside the Prince Sultan mosque following the taraweeh prayers observed during the fasting month. The attack left the imam and a muezzin caller lightly injured, and they were released after medical treatment at a clinic. A third person was transported to hospital. Three people took part in the attack and fled the scene in a Toyota Camry, witnesses told Sabq. The reasons behind the attack were not known. Contacted by AFP, a Saudi official with knowledge of the attack but unauthorised to speak about it said it appeared to be a private dispute.

King Abdullah to inaugurate SR700m Zamzam water project today

Saudi Gazette September-03-2010

King Abdullah, Custodian of the Two Holy Mosques, is scheduled to inaugurate Friday the SR700-million King Abdullah Bin Abdul Aziz Zamzam Water Project in Makkah's Kuday District. Engineer Abdullah Bin Abdul Rahman Al-Hussein, Minister of Water and Electricity, said that as per the King's directives the project aims to maintain the purity of Zamzam water using the latest international methods and distribute it in an automated fashion. He said five million liters of Zamzam water is filtered daily through two filtering lines. At the end of each filtering line, there is a sterilization unit which can store a maximum of 10 million liters of filtered Zamzam water. The filtered Zamzam water is then pumped through four water pumps to the Grand Mosque in Makkah via a transmission line having stainless steel pipes of a diameter of 200mm. Part of the filtered Zamzam water is sent for filling water containers. The 13,405-square-meter water container filling factory has a capacity to store 200,000 jerry cans.

Economic Front

Saudi Arabia's outlook' broadly positive': IMF

Saudi Gazette August-28-2010

Saudi Arabia's economic outlook remains "broadly positive" and the banking system is "fundamentally sound", although vulnerabilities remain especially from the volatility of oil prices, the International Monetary Fund (IMF) said in a statement on Friday following its annual Article IV Consultation Mission to the Gulf region's largest economy. The Kingdom has good supervisory and regulatory frameworks, prudent macroeconomic and financial politics, and its fiscal stimulus was well targeted, it added. Providing jobs for a fast growing population through high and sustainable growth in non-oil industries is the main medium-term challenge, the IMF said. Following the consultation, concluded July 12, the IMF also said Saudi authorities should continue using monetary policy to carefully balance supporting economic activity and controlling inflation.

The IMF statement said the outlook for the Saudi economy remains broadly positive, but warned that the key risk is a sharp decline in oil prices. Non-oil GDP is projected to increase to 4.25 percent in 2010, with continued support from an expansionary fiscal stance and a pick-up in credit. According to the statement, IMF directors considered that Saudi monetary policy should continue to carefully balance supporting economic activity and controlling inflation. Recent data shows the inflation pressure is already building in the Saudi economy, and Saudi CPI inflation

has been on an upward trend since the beginning of the year. The Central Department of Statistics and Information released its latest inflation data which showed headline inflation accelerating to a 17-month high of 6 percent in July. This, according to research by Barclays Capital, puts Saudi inflation at the highest among the six member Gulf Cooperation Council nations and three times the 2 percent weighted average for GCC countries so far in 2010.

The IMF said Saudi inflation should remain around 5 percent in 2010. Beyond 2010, the IMF sees inflation gradually declining in line with the expected rise in global interest rates and the gradual exit from the fiscal stimulus. It also said the impact of the sovereign debt problem in Europe "has been limited so far."

Six Saudi safest banks in Mideast

Arab News September-01-2010

Saudi Arabia topped the GCC as a country with the list of the six safest banks in the Middle East out of ten in the region. The banks descending order in the GCC are Samba Financial Group, Saudi Arabia, Qatar National Bank, National Commercial Bank, Riyadh Bank, Al-Rajhi Bank, Saudi Arabia, Kuwait Finance House, Kuwait, Saudi British Bank (SABB), and Banque Saudi Fransi, Saudi Arabia. US-based Global Finance Magazine has named the top 10 "Safest Banks in Asia" in an exclusive survey to be published in the October 2010 issue. The banks were selected through a comparison of the long-term credit ratings and total assets of the largest banks. Ratings from Moody's, Standard & Poor's and Fitch were used. The full report covers the safest banks in Western Europe, Central and Eastern Europe, Asia, the Middle East, North America, Latin America and Australasia. "More than ever, customers around the world are viewing long-term creditworthiness as the key feature of the banks with which they do business," said Joseph D. Giarraputo, publisher of Global Finance. This is the 11th year Global Finance has named the world's best Internet banks. Details on all first round winners will be published in the September issue. First round winners include best corporate/institutional Internet banks and best consumer Internet banks at the country level. The regional and global winners for these categories will be announced at an awards ceremony in New York City in November and published in the December issue of Global Finance. Also announced were regional winners in sub-categories.

Saudi money supply growth slows

Saudi Gazette September-01-2010

Saudi Arabian M3 money supply growth, an indicator of future inflation, slowed to a more than seven-year low in July. M3 money supply growth, which includes demand deposits and currency outside banks, eased to 2.3 percent in July, compared with 3.4 per cent the previous month, the central bank said on its website on Monday. July bank claims on the private sector advanced an annual 4.9 per cent compared with 4.4 percent in June, according to the central bank data.

Deal signed for industrial city in Taif

Arab News September-02-2010

In a move to boost the process of industrialization and to cope with the growing demand for industrial lands across the country, Saudi Arabia has set up a new industrial city in Taif covering an area of 11 million square meters with all necessary facilities. This was announced by Tawfiq

Fawzan Alrabiah, director general of the Saudi Industrial Property Authority (Modon), here on Wednesday. Alrabiah said that Taif Industrial City would offer more lands for new business entities as the demand for plots of land may exceed 1,000 plots by the end of this year. Modon plans to provide integrated services in different industrial cities of the Kingdom with a view to ensuring sustainable investment opportunities that will also help create jobs for citizens. Alrabiah called on the businessmen to apply for obtaining industrial lands and become acquainted with the investment opportunities. To this end, the Modon chief noted that the authority was experiencing increased growth in the demand for industrial lands in all over the Kingdom.

Saudi Arabia to fund construction of power station in Syria

Kuwait News Agency September-03-2010

Saudi Arabia will finance construction of a power station in the eastern province of Deir El-Zor at a projected cost of euro 700 million, Syrian Prime Minister Mohammad Al-Otri said on Thursday. The prime minister, speaking during a tour in the province for inauguration of some ventures, said the Saudi Development Fund has recently approved the funding of the electrical station at a power of 50 megawatts and a cost of euro 700 million. Elaborating, Al-Otri said he would prepare for holding an investment conference for the eastern regions during this year. Touching on other issues, he expressed hope that Syria would have a stake in the reconstruction of neighboring Iraq.

Oil and Gas

Saudi Arabia remains South Korea's top oil supplier

Saudi Gazette August-28-2010

South Korea's crude imports in July went up 5.5 percent year on year to 68.96 million barrels (2.22 million b/d) despite a marginal rise in demand and crude throughput and a drop in exports, data released this week by state-run Korea National Oil Corp. showed. Crude imports were up 2 percent from June's 67.61 million barrels. The South Koreans paid an average \$ 75.37/barrel on a CIF basis for their crude imports in July, compared with \$ 68.71/b in July 2009 and 77.30/b in June this year. The Middle East supplied 52.82 million barrels of crude oil to South Korea, accounting for 76.6 percent of its total imports. Asia supplied 15.46 million barrels, accounting for 22.4 percent, with the rest coming from Africa. Saudi Arabia was South Korea's top crude supplier at 24.41 million barrels, followed by the United Arab Emirates (9.39 million barrels); Kuwait (5.29 million barrels); Qatar (4.83 million barrels); and Iran (4.59 million barrels). South Korea's oil demand rose marginally by 0.24 percent year on year in July to 61.32 million barrels, KNOC's data showed. Demand was down 2.16 percent from June's 62.67 million barrels.

Meanwhile, the country's four refiners processed 70.05 million barrels (2.26 million b/d) of crude oil in the month under review, up 0.77 percent from last July, but down 2.38 percent from June. The July crude throughput works out to an average run rate of around 80 percent given a combined nameplate capacity of 2.815 million b/d. Refiners' output totaled 74.54 million barrels in July, up 0.24 percent from last July, but down 3.07 percent from June's 76.9 million barrels.

However, South Korea's product exports fell 1 percent year on year to 28.09 million barrels and were down 7.12 percent from June's 30.24 million barrels, KNOC's data showed.

Refiners earned an average \$ 83.86/b for their product exports in July, compared with \$ 71.58/b in July 2009 and \$ 84.53/b in June. China was South Korea's top export destination at 5.40 million barrels, followed by Singapore at 3.23 million barrels and Japan at 3.19 million barrels. Moreover, South Korea imported 21.99 million barrels of oil products in July, up 0.19 percent year on year and up 2.50 percent from June. The country paid an average \$ 74.65/b for its product imports in July, compared with 59.94/b in July 2009 and 76.51/b in June. Fuel oil imports rose 166.30 percent year on year and 138.5 percent from June to 1.92 million barrels in July, KNOC's data showed. Imports of naphtha fell 2.09 percent year on year and 4.84 percent from June to 15.40 million barrels and imports of LPG fell 15.87 percent year on year but rose 4.57 percent from June to 4.55 million barrels.

World oil prices rose on Friday as the market awaited key growth data that was expected to reveal a sharp economic slowdown in the United States, the world's biggest consumer of energy. New York's main contract, light sweet crude for October delivery, climbed 21 cents to \$ 73.57 a barrel. Brent North Sea crude for delivery in October gained 33 cents to \$ 75.35.

Aramco, Exxon to spend \$ 2.5bn for plant refit

Emirates 24/7 August-29-2010

Saudi Aramco and Exxon Mobil plan to shut their 400,000 barrels per day (bpd) Yanbu refinery in 2013 to bring on stream a new clean fuel project, an industry source said on Saturday. Exxon and Aramco are investing \$ 2.5 billion to reduce sulphur from diesel and gasoline at the jointly owned refinery. The refinery, on the Red Sea coast, exports mainly gasoline and gas oil.

Kuwait-Saudi venture plans gas facilities at Khafji

Reuters August-31-2010

A joint venture between Saudi Arabia and Kuwait plans to build gas and natural gas liquids (NGL) collection and distribution facilities at the Khafji oilfield, the company said. Khafji, which is in the Neutral Zone between the two countries, has oil capacity of around 610,000 barrels per day. Engineering firms have until Sept. 27 to submit their bids for the project, which is estimated to cost at least \$ 50m, the Al-Khafji Joint Operations Company (KJO) said on its website. It did not provide further details about the project. "They want to collect the gas, which is being flared, and distribute it to Kuwait and Saudi," an industry source told Reuters. KJO is split between Aramco Gulf Operations, a subsidiary of state oil firm Saudi Aramco, and Kuwait Gulf Oil Co (KGOOC). The Middle East sits on 40 percent of the world's gas reserves and yet suffers from a supply shortage. The only country in the Gulf with gas to spare is Qatar. The rest of the region would burn more if it could. Most of the gas produced by both OPEC members is a by-product of oil output, so when they pump less crude, they pump less gas. Tight supply has been exacerbated by Saudi Arabia's and Kuwait's adherence to OPEC's oil output curbs since December 2008.

Saudi shares fall most in 2 months on growth risk

Saudi Gazette August-31-2010

Saudi Arabian shares retreated the most in two months, leading a decline in Gulf markets, after global equities fell on concern the global economic recovery is faltering. The stock benchmark Tadawul All Share Index declined 0.23 percent, closing at 6,018.27 points.

Oil declined for a fifth day.

Saudi Basic Industries Corp., the world's biggest petrochemical maker known as SABIC, dropped to the lowest since July 4. Its Saudi Kayan Petrochemical Co. unit fell 5.7 percent to a 10-month low and Jabal Omar Development Co., a Saudi real estate developer, slid the most in two months.

SABIC fell 2.3 percent to SR83.50. Saudi Kayan fell to SR15.80, the lowest level since Oct. 6. Jabal Omar decreased 1.6 percent to SR18.15. The developer appointed Hill International Inc. as manager of the company's project in Islam's holiest city. Samba Financial Group, the second-largest lender in Saudi Arabia, fell 1.3 percent, the most since Aug. 11, to SR58.50.

Elsewhere in the region, Kuwait SE Price Index rose 0.1 percent. Abu Dhabi's gauge and Oman's MSM 30 Index retreated 0.3 percent.

Qatar's QE Index was little changed and Bahrain's measure advanced 0.4 percent.

The Dubai Financial Market General Index lost 0.5 percent.

"A stream of negative news from international markets over the past week has pushed buyers to the sidelines," said Amro Halwani, a trader at Shuaa Capital PSC in Saudi Arabia. "Sentiment on oil is still murky. This is pushing nervous investors to dump petrochemicals."

Oil prices slipped on Monday as investor unease about a stalled economic recovery weighed on equities and energy markets and a slightly stronger dollar helped oil break a string of three days of gains.

UAE

Social Front

UAE's global health campaign for children arrives in Egypt

Khaleej Times August-29-2010

A worldwide health campaign launched by the UAE to offer health care services to needy children has provided treatment to 400 poor Egyptian children. The mission arrived in Egypt from Morocco on the first leg of an international humanitarian mission that will also take it to Pakistan, Indonesia, India, Eritrea and Sudan. The global drive, which is being implemented under the patronage of Shaikha Fatima bint Mubarak, Supreme Chairperson of the Family Development Foundation and Chairperson of General Women's Union, was launched by Shaikh Hamdan bin Zayed Al Nahyan, Ruler's Representative in the Western Region and President of the UAE Red Crescent Authority (RCA), during the Arab Giving forum and third conference of social responsibility held last May in Abu Dhabi. Prof. Morsi Ameen MD, Head of Cardiac Surgery at Suez Canal University Hospital, praised the initiative saying that it is for the first time that such a massive campaign is being implemented worldwide to give free treatment and surgery for one million poor children. Specialist doctors and pediatric surgeons check-ups the children.

Economic Front

Structure of EDB is complete

Khaleej Times August-28-2010

A government panel setup to supervise the merger of country's two development finance institutions into a much-bigger entity named as the Emirates Development Bank (EDB) has completed its task of finalising the new institution's organisational structure. The bank being launched will lend money to the UAE nationals for building houses, setting up industries and venturing into small and medium enterprises. The new bank was created through the merger of the Emirates Industrial Bank (EIB) and the Abu Dhabi-based the Real Estate Bank in June last year. The draft law has fixed the paid up capital of the new venture at Dh10 billion, to be raised in phases. At present, the paid up capital is Dh2.3 billion, which will be increased to Dh3 billion as Dh700 million funding will be allocated in the federal budget 2011-13, said Younis Haji Al Khouri, director-general of the Ministry of Finance, while speaking to reporters in Abu Dhabi.

UAE leads Gulf States

Khaleej Times August-29-2010

The UAE, which leads in Gulf Common Market (GCM) integration efforts, will continue to activate GCC economic integration, Minister of State for Financial Affairs Obaid Humaid Al Tayer said. The Ministry of Finance on Saturday released statistical data for 2009 related to the GCM that proves that the UAE is at the forefront of GCC (Gulf Cooperation Council) countries in GCM integration. "We will continue our efforts for greater integration of business and financial activities in the GCC, which supports investment in the region, as well as to promote the benefits of increased efficiency of production to make optimum use of available resources," Al Tayer said in a statement. The GCM project, came into effect at the beginning of 2008, aims to achieve economic integration among GCC member states through implementing a series of resolutions. The statistical report showed an increase in number of GCC nationals residing in UAE to 7,650 in 2009 from 5,608 in 2008. Governmental loans granted to GCC nationals to establish industrial projects rose to Dh20 million in 2009 as compared to Dh5.5 million in 2008. GCC nationals who own property in the UAE rose to 22,706 in 2009. 1,884 licenses for professional and commercial activities were granted to GCC nationals. Seven commercial GCC banks were operating in the UAE in 2009, the same number as in 2008 when it increased by three banks from 2007. 3,080 GCC nationals were working in UAE's private sector in 2009 compared to 2,117 in 2008 while 605 were working in federal governmental entities and 1,932 in local governmental bodies. 207 GCC nationals were employed in UAE's semi-government sector in 2009. Joint stock companies listed on UAE exchanges that can be traded by GCC nationals rose to 85 out of a total of 153 and GCC investors actively trading were 27,6805 in 2009, an increase of 1,222 compared to 2008.

Abu Dhabi records 16 per cent rise in Hotel Guests in July

Emirates News Agency-WAM August-29-2010

Abu Dhabi saw a 16 per cent rise in the number guests staying in the emirate's 116 licensed hotels and hotel apartments last month compared to July 2009. Guest numbers rose to 137,714 with the numbers of nights stayed totalling 376,439 - a 24 per cent increase on July 2009. The average length of stay also increased by 6 per cent to stand at 2.73 nights. The figures, just released by Abu Dhabi Tourism Authority (ADTA), make July the ninth consecutive month of

double-digit guests growth for the emirate with, for the first time, international market growth of 29 per cent outstripping domestic growth, which turned in a 4 per cent increase.

The UAE still accounted for the largest number of guests in July with some 63,027 staying in the emirate's hotels while the UK came in as the largest international market with some 7,101 guests - a 27 per cent rise on July 2009. Saudi Arabia also turned in substantial growth of 47 per cent with some 4,682 guests from the Kingdom staying in Abu Dhabi's accommodation during the month while guests from France increased 36 per cent to 2,070.

UAE's growth rate will reach 2.25 per cent in 2010

Khaleej Times August-31-2010

The UAE economy is expected to record an average growth rate of 2.25 per cent in 2010 as the country emerges from the turmoil caused by the global financial crisis, Minister of Economy Sultan bin Saeed Al Mansouri said. Real GDP growth estimates for 2010 have ranged from a low of 0.6 per cent to a high of 3.2 per cent, with an average GDP growth estimate of 2.25 per cent for 2010, according to the minister. "It is clear skies after the overcast conditions that followed the global economic crisis. Green shoots are visible all over and the outlook is essentially positive," the minister said at a Dubai Chamber event on late Sunday. This positive sentiment is reflected on the scale of economic activity in the UAE and vice versa, he said. During the last five months of 2010, the value of our non-oil exports reached Dh31 billion while re-exports contributed a further Dh62 billion. The minister said the price of oil is an important determinant of GDP in the UAE. The price of oil has hovered around the 70-80 dollar range during the past few weeks. Although the demand for oil has somewhat increased due to the recovery in the global economy, this relatively high price of oil was also supported by the increase in the demand for oil in the Middle East which is expected to grow by 4.5 per cent in 2010 alone.

BAHRAIN

Social Front

Bahrain ban on coverage of terror network

Khaleej Times August-28-2010

Bahrain has imposed a ban on press from publishing anything about a terror network discovered here early this month. Those violating the law could be fined or jailed for up to one year. The ban imposed by Attorney-General Dr Ali Al Buaneen is effective from August 26. A statement by the Public Prosecution said the ban was necessary to maintain the confidentiality and smoothness of investigations. The ban was imposed the same day when one of the suspected members of the terror network was referred to the Public Prosecution for interrogation by the National Security Agency. The attorney said that official statements issued on the subject would not come under the ban, warning that violators will be prosecuted under article 246 of the penal code. Nine suspects are being interrogated over network's clandestine plot to undermine national security and threaten country's stability.

Bahraini businessmen to launch campaign against LMRA fees

Gulf Daily News August-28-2010

Bahrain's leading businessmen are planning to launch today a major campaign against "crippling" LMRA fees. They plan to submit a petition to His Majesty King Hamad after Ramadan highlighting their condition caused by the labour fees imposed on them by the Labour Market Regulatory Authority. The businessmen will today start collecting signatures, calling for an end to the BD10 levy for hiring expatriate workers. They will also collect people's complaints and grievances against the LMRA. A symposium will be held today at the Bahrain Medical Society auditorium in Juffair to shed light on the businessmen's plight and draw the authorities' attention to the threat to their livelihood, mainly due to the labour fees.

A report by the Bahrain Investors Centre revealed hundreds of establishments and companies in Bahrain had declared bankruptcy and liquidated their businesses. In a statement issued yesterday, the businessmen said religious scholars and economists will address the symposium about Bahrainis' struggle to earn a living amid harsh economic conditions caused by the financial crisis, recession and the establishment of the LMRA. The business owners have lashed out at the LMRA for alleged "harassment, blackmail and ill-treatment".

Political Front

Bahraini Group names election candidates

Gulf Daily News August-29-2010

AL Wefaq yesterday announced 18 candidates for parliament and another 18 for municipality seats. Leader Ali Salman will not stand for re-election in Sitra, leaving one of the country's biggest constituencies potentially up for grabs. He said that some MPs and municipal councillors had decided not to stand again.

Vote wisely Bahraini women urged

Gulf Daily News August-29-2010

WOMEN in Bahrain must not allow themselves to be pressured into voting for election candidates chosen by their families, an expert warned yesterday. They often end up picking the wrong person because they are unduly influenced by social, tribal and sectarian pressures, said Kuwait University International Law Professor Dr Badriya Al Awadhi. Dr Al Awadhi was speaking ahead of a lecture at the Gulf Hotel Conference Centre yesterday on GCC women's right to participate in political life. The event was spearheaded by the Bahrain Political Development Institute as part of preparations for the upcoming parliamentary and municipal council elections due to take place in October. Dr Al Awadhi stressed that the lack of legal and political awareness among female voters led them to vote unwisely.

Probe allegations, Bahrain urged

Gulf Today September-03-2010

Bahrain should investigate allegations of torture made by four Shiite activists who were detained by security forces in mid-August, Human Rights Watch (HRW) has said in a statement. "Bahraini authorities should immediately investigate allegations of torture and guarantee the physical and psychological well-being of the four men," Joe Stork, the deputy Middle East

director at HRW, said in the late-Wednesday statement. Abduljalil Al Singace, a leading figure in the mainly-Shiite opposition association Haq, told Bahrain's attorney general in late August that he had been tortured by security forces while in detention over the previous 15 days, HRW said.

Bahrain King issues royal order on forming the Supreme Judicial Council.

Bahrain News Agency August-30-2010

His Majesty King Hamad bin Isa Al Khalifa has issued royal order No. 33 for the year 2010 on forming the Supreme Judicial Council. His Majesty is the president of the Council. The term of membership is three-year ,renewable. The council can be run by the head of Court of Cassation in the absence of the presidency of His Majesty.

Bahraini Minister pledges a tough new clamp on street violence

Gulf Daily News August-31-2010

Bahrain's Interior Minister last night pledged a tough new clamp on street violence. Shaikh Rashid bin Abdulla Al Khalifa praised security officers for tracking down those involved in terror acts. He also hailed citizens for their co-operation and their strong sense of responsibility. He named 10 suspects involved in recent acts of sabotage, some of whom have been arrested, and urged citizens and residents to co-ordinate with the nearest police station or call 17713271 to provide any information that may help track down suspects on the run or avert illegal acts. The minister highlighted dangers posed by acts of sabotage such as the recent arson attacks on a scrapyard and power transformers, including health risks particularly to the elderly and children. Ministry's efforts led to the arrest of two suspects accused of trying to kill Al Watan managing editor Muhannad Abu Zeitoun.

Bahrain' voter record verification complete

Gulf Daily News September-02-2010

BAHRAIN'S Elections Supervising Committee has completed the verification of voters' records ahead of next month's parliamentary and municipality elections. It reported considerable turnouts in people registering their details at the five supervising centres, set up across the country last month. The official election website recorded 135,000 visitors to the site. A total of 238 challenges to election nominees were submitted to the supervising committee, of which 209 were accepted. Some of the challenges were submitted by foreign investors who were ineligible to vote. Disposition of appeals is due on Saturday, after which the final lists of nominees will be disclosed according to law.

International Front

Bahraini King asserts importance of Iraq's security, unity

Kuwait News Agency September-01-2010

King Hamad bin Issa Al-Khalifa said Tuesday Bahrain was keen on security, stability, independence, sovereignty and unity of Iraq, expressing hope the Iraqi people would overcome

differences "in this difficult historic phase." King Hamad, in a meeting with Head of the Supreme Islamic Council in Iraq Ammar Al-Hakim, hoped the Iraqi people preserve national unity. King Hamad, quoted by Bahrain News Agency (BNA), commended Al-Hakim's role to safeguarding unity and stability of Iraq. Al-Hakim, in a statement to Bahrain TV following the meeting, said his talks with King Hamad were "fruitful and important." He said they discussed the political developments and circumstances in Iraq.

KUWAIT

International Front

Al-Hakim says his talks with Kuwaiti leaders deal with Iraqi affairs

Kuwait News Agency August-31-2010

The visiting head of the Iraqi Supreme Islamic Council Ammar Al-Hakim said on Monday his current visit to Kuwait is aimed at holding "serious talks" with the leaders on Iraqi political affairs. Speaking at a news conference, held at the headquarters of the Kuwaiti Journalists Association, Al-Hakim said he would hold talks, during the visit, with His Highness the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, HH the Crown Prince Sheikh Nawaf Al-Ahmad Al-Jaber al-Sabah, HH the Prime Minister Sheikh Nasser Al-Mohammad Al-Ahmad Al-Sabah and the Speaker of the National Assembly, Jassem Al-Kharafi. The Kuwaiti people are very concerned at the conditions in Iraq and they have been closely following up on the events and affairs there, and this signal that the two countries enjoy historic ties bounding the two brotherly peoples, Al-Hakim said. Al-Hakim said he sensed, during the meetings with the Kuwaiti leaders, their concern at the events in Iraq and their keenness on maintaining the unity and stability of Iraq. The Iraqi leader said he visited a number of Iraqis receiving treatment at Kuwait hospitals of injuries sustained as a result of recent bombing attacks in Basra, praising the special care given to the injured and the care of HH the Amir for them.

Political Front

Democratic Alliance to elect new board: Kuwait

Kuwait Times August-31-2010

The liberal National Democratic Alliance (NDA), an umbrella of several liberal political groupings, said yesterday it will hold a meeting on October 4 to elect a new executive bureau after the current one has resigned. The NDA said in a statement that all members of the executive bureau submitted their resignation more than three months ahead of time but gave no reason for the resignation. The election of the new board was scheduled for December but it appears that the sudden and surprising resignation of Secretary General of the Alliance Khaled Al-Fadhlah about two days ago has prompted the board to step down. Fadhlah has been embroiled in a spat with Prime Minister Sheikh Nasser Mohammad Al-Ahmad Al-Sabah that cost him to spend several days behind bars. He was sentenced in jail by the criminal court on charges of slandering the prime minister. The court of appeals suspended the jail term 10 days later. The NDA has

about three MPs in the National Assembly besides a number of supporters. The NDA remains the largest and most important liberal group in the country. In another development opposition MP Ali Al-Deqbasi yesterday asked Finance Minister Mustafa Al-Shamali to provide him with all circulars issued by the ministry in the past two year and calling for cutting spend.

Grillings against four Kuwaiti ministers in offing

Kuwait Times September-01-2010

Several MPs are reportedly preparing a number of interpellation motions against different ministers to be submitted following the start of the next parliamentary term. The grilling motions concern the ministers' alleged failure to address certain issues that their respective ministries are involved in, or to provide clear answers to MPs' previous questions. According to reports citing parliamentary insiders, the ministers targeted for possible grillings are finance minister Mustafa Al-Shamali, minister of education and higher education Dr. Moudhi Al-Humoud, health minister Dr. Helal Al-Sayer, and the minister of oil and of information Sheikh Ahmad Al-Abdullah Al-Sabah. Al-Shamali is facing heavy criticism on several issues, headed by the controversy surrounding the financial aid to be given to insolvent Kuwaitis and the limited help provided by the insolvency fund established by the government to assist them in repaying their unpaid debts.

Work ongoing to push single constituency proposal in Kuwait

Kuwait Times September-02-2010

Several MPs are reportedly planning to submit parliamentary requests that the National Assembly's legislative and legal committee give its approval to draft legislation proposing the abolition of Kuwait's current five-constituency system, with the existing constituencies to be merged into one. Advocates of the proposed system insist that it would be fairer, helping to eliminate several negative factors found in previous elections, including an imbalance in voter distribution across constituencies, as well as alleged vote-buying and tribal partisanship. The supporters assert that eliminating these contentious practices would help to improve the nature of the democratic system overall. The Popular Action Bloc (PAB), which put forward the proposal, is currently actively seeking political backing from other MPs for the adoption of the one-constituency system in order to achieve a level of support that would ensure the legislation being passed when it put to a parliamentary vote. Meanwhile, several independent MPs have also spoken out in favor of the concept, expressing the opinion that the current voter distribution system across constituencies is unfair.

Defense and Security

No attacks from Kuwait against other states

Agence France-Presse September-02-2010

Kuwait plans to buy Patriot missiles from the United States but will not allow its territory to be a launchpad for attacks, the defence minister said in statements published on Wednesday. Sheikh Jaber Mubarak al-Sabah said the planned 900-million-dollar Patriot missiles purchase is aimed at boosting the military's capability and should not be "misunderstood." "We do not purchase arms to launch attacks on others and we do not accept attacks to be launched from our territories

against other," countries, the minister said. The United States has several military bases in Kuwait, including Camp Arifjan, one of the biggest US military facilities in the region. There are between 15,000 and 20,000 US troops stationed in Kuwait. Oil-rich Kuwait is a staunch ally of the United States, which has not ruled out military action against Iran over its controversial nuclear programme. The United States and its ally Israel, as well as other Western countries, believe that Iran seeks to build a nuclear arsenal.

Economic Front

Kuwaiti banks' profitability likely to be impacted by high impairment charges

Arab News August-28-2010

Kuwaiti banks may continue to see increases in impaired loans due to the lag effect of the weaker economic conditions of 2009 and high exposure to troubled sectors include investment companies, real estate, construction and lending for the purchase of equities, according to Fitch Ratings. Fitch forecasts real GDP in Kuwait to increase by 4.2 per cent in 2010 and 3.3 per cent in 2011. Fitch Ratings in its new report titled "Kuwaiti Banks: Annual Review and Outlook" stated that most Kuwaiti banks' profitability would remain pressured by high impairment charges this year, as banks build up loan loss reserves due to the sharp deterioration in asset quality seen in 2009. However Fitch in its report ruled out a significant weakening in asset quality is not expected for the remainder of 2010. Kuwaiti banks' exposure to these more volatile sectors is high, at over half of banking system loans, and this exposes banks to high market-induced credit risk.

Kuwaiti diplomat meets Australian official on economic ties

Kuwait News Agency August-28-2010

Acting Kuwaiti Charge D'affaires in Australia Anas Al-Shaheen met an Australian trade official on ways and means of reinforcing and promoting economic and trade relations between Kuwait and Australia. The meeting, which took place at the Kuwaiti Embassy in Australia, also discussed Kuwaiti investments in Australia where there are many investment openings in tourism, hotels and resorts, the embassy said in a release. During the meeting, Al-Shaheen boasted that Kuwait enjoys a pioneering and distinctive investment experiment, saying that investments constitute a key pillar of Kuwait's national economy, it said. For his part, the Australian official hoped that Australia and Kuwait could reinforce their economic and investment cooperation at both public and public levels, the embassy said in its release.

Kuwait offers Japan investment openings

Kuwait News Agency August-28-2010

Kuwaiti Ambassador in Japan Abdel-Rahman Al-Eteibi urged Japanese companies to seek to seize mega trade and investment opportunities in Kuwait, which plans to inject fresh investments worth KD 30 billion (USD 103 billion). Speaking at an international conference on energy, environment, communication and finance challenges, held in Tokyo on Friday, the Kuwaiti ambassador said major Japanese companies have unprecedented openings to join planned investment projects in Kuwait as part of the country's 2010-2014 development plan. He noted

that such mammoth Kuwaiti investments would not only include the oil sector, but would cover environment, nuclear energy, development of water resources, infrastructure, information systems, education and tourism as well. Al-Eteibi hoped that Kuwaiti-Japanese cooperation could be an example for international cooperation in tackling common world challenges, particularly in the domains of peaceful nuclear use, environment, information and communication systems and financing.

Kuwait posts \$ 22.4 bn surplus

Kuwait Times August-30-2010

Kuwait posted a budget surplus of \$ 22.4 billion in the past fiscal year on the back of strong oil revenues, an economic report said yesterday, citing official figures. It is the third largest windfall in the Gulf state's history and its 11th consecutive year of budget surpluses, which have allowed Kuwait to accumulate 145 billion dollars in public revenues, according to AFP calculations based on official figures. In the 2007-2008 fiscal year, Kuwait posted its largest-ever budget surplus of 32.3 billion dollars, while in the previous fiscal year it posted a surplus of around 24 billion dollars. The oil-rich emirate posted actual revenues of 61.5 billion dollars in the fiscal year that ended on March 31, up 119 percent on budget projections of 28.1 billion dollars, Al-Shall Economic Consultants said, citing finance ministry figures. However, the figure is down on the record 2008-2009 income of 72.3 billion dollars due to a drop in oil prices and lower output because of OPEC quotas.

Kuwait banks to adopt IBAN system by 2011: CBK Governor

Kuwait News Agency August-31-2010

Governor of the Central Bank of Kuwait (CBK) Sheikh Salem Abdulaziz Al-Sabah said Monday the bank would introduce the International Bank Account Number (IBAN) system in a bid to modernize the country's banking system. "The move stems from the CBK's keenness to improve the service and keep pace with the latest developments in the world's banking industry," Sheikh Salem said in statements to KUNA here. The CBK has set up a taskforce to study the standardization of banking accounts at local banks. It has also put together a plan to implement the project in stages in coordination with the local banks," Sheikh Salem revealed. "Under the IBAN, each account has a code consisting of 30 digits and letters some of which stand for the client's nationality, bank and the account number.

QATAR

International Front

Qatar-Vietnam relations at new high, says envoy

The Peninsula August-28-2010

Bilateral trade relations between Qatar and Vietnam have significantly improved over the last three years, Vietnamese Ambassador Phung The Long said yesterday. The Vietnamese envoy reported this before some 60 countrymen working as professionals and skilled workers in the oil and gas and construction industries during yesterday's 65th National Day celebration at the embassy in West Bay area. The Long said bilateral trade turnover in 2009 at \$ 135m was nearly

double than in 2008, four times higher in 2007 and another \$ 80m this year was a 10 percent increase in the first eight months. Such significant friendly and cooperative trade relations was achieved as a result of official visits made by the Qatari Prime Minister to their country in 2008 and 2009 and the visit of Vietnam's Vice President to Qatar last year and this year. "The visits brought bilateral relations to a new height marked by the signing of series of agreements, which created framework and motivation for multi-faceted cooperation for the sake of the people of the two countries," The Long said.

Ahmadinejad to visit Qatar

Gulf Today September-03-2010

President Mahmoud Ahmadinejad is to make a brief visit on Sunday to Qatar, Iran's closest ally among the Gulf Arab states, the Iranian ambassador in Doha, Abdollah Sohrabi, said. Ahmadinejad will hold talks with Qatari Emir, Sheikh Hamad Bin Khalifa Al Thani, on issues including the Palestinian question and the devastating floods in Pakistan, Sohrabi told reporters on Thursday. "The visit will last for a few hours," he added. Qatar has maintained friendly relations with Iran. In May when the United States was pushing for a new round of UN sanctions against Iran, Qatar backed Turkish and Brazilian efforts to broker a deal that would avoid further punitive measures.

Economic Front

Qatar Exchange looking to attract global interest with new trade platform

Gulf Times August-29-2010

The Qatar Exchange, which is expected to switch over to a new trade engine UTP from September 5, will feature more order types to attract the global investing community in a big way, according to its top officials. With the introduction of time-tested UTP (Universal Trading Platform), the bourse will see a 15-minute extended session until 12.45pm. Hussein Muhammad al-Abdulla, sales and marketing director of QE, confirmed that the bourse has obtained the approval from the Qatar Financial Market Authority to introduce UTP, a multifaceted trading platform currently used by NYSE Euronext across Europe and the US. "There will be more order types, which will appeal to international investors. The more the orders, the more is the liquidity, which is also better for the local investors," COO Oliver Gueris, told an introductory seminar on the implementation of UTP last week. Orders in the market are instructions from a customer to a broker to buy or sell. These orders also bring in revenue for the bourse and the fees would vary depending upon the order types.

Qatar inflation plummets to 10-month low

Gulf Daily News August-30-2010

Consumer prices in Qatar fell again in July to show the biggest monthly drop in 10 months, while inflation in Kuwait in June climbed to its highest level since August 2009, data from the Gulf oil exporters showed. Inflation started to pick up again in the world's top crude exporting region this year as economies recovered. Saudi Arabia experienced the steepest price increase while Qatar and the UAE were under less pressure. Consumer prices in Qatar, the world's largest

liquefied natural gas exporter, fell 0.5 per cent month-on-month in July, mainly on a drop in housing costs, putting the annual deflation at 2.9pc. "In the case of Qatar, I suspect decline in rents has something to do with their methodology," said Giyas Gokkent, head of research at the National Bank of Abu Dhabi.

Qatar crude trades at 4-week high

Gulf Times September-03-2010

Qatar Marine crude is trading at the highest level in four weeks versus its official selling price as Japanese refiners replenish supplies of kerosene for heating and Saudi Arabia cuts shipments of similar grades. Qatar Marine for loading in October jumped on August 23 to a premium of 5¢ a barrel relative to the benchmark producer prices, compared with a discount of 8¢ the previous week, according to data compiled by Bloomberg. The kerosene-rich blend has traded at an average of 9¢ below its official selling price during the past year. Qatar was the fourth-largest supplier of crude to Japan in July, according to data from the Ministry of Economy, Trade and Industry. Japan bought 2.1mn kiloliters from the Middle East nation in July, about 12% of its imports. Qatar Marine's kerosene yield is about 14% by volume after basic processing, according to data from Energy Intelligence Group. Arab Light, the Middle Eastern nation's biggest export grade, produces about 9.6%.

Japanese refiners are buying Qatar Marine now to ensure supplies reach the nation before the coldest months. The profit from cracking, or reprocessing, the blend was \$ 1.73 a barrel on Wednesday, according to data compiled by EnSys Energy and Bloomberg. The average over the past six months is \$ 1.65.

OMAN

Economic Front

Oman's marble export earnings exceed RO 40m in four years

Oman Daily Observer August-29-2010

OCIPED to participate in an international exhibition of stone, design and technology in Verona, Italy By A Staff Reporter MUSCAT Oman's marble export earnings have grown at about 20 per cent compound annual growth rate (CAGR) in the past four years to reach about RO 40.66 million in 2008. This is expected to increase further in the near future following continued efforts to boost Oman's exports of marble products. As a part of the continuous efforts, the Omani Centre for Investment Promotion and Export Development (OCIPED) is all set to participate at the International Exhibition of Stone, Design and Technology from September 29-October 2 at Verona, Italy, said Faris Nasser al Farsi (pictured), Acting Director-General, Export Development, OCIPED. OCIPED will have a 15 square metres of exhibition booth under the banner Oman pavilion. So far four Omani marble and stone companies have confirmed participation in this exhibition. This is part of the initiative of the Directorate-General of Export Development of OCIPED to reach out to new markets, identify new business opportunity and partnership.

OCIPED has obtained a Market Report on Natural Stone and Stone products prepared by the Centre for the promotion of imports from the developing countries (CBI), Netherlands during 2009 and have distributed the same among Omani marble and stone exporters. Al Farsi believes exporters will get an excellent exposure in understanding new technologies in marble mining, cutting, and packing by attending this exhibition. Since the Verona Fair is the largest marble and stone exhibition, Omani exporters will have an opportunity to meet with importers, distributors, building contractors from all over the world and understand their needs. Al Farsi hopes Omani Pavilion will attract a good number of visitors resulting in export opportunity for Oman.

YEMEN

Yemeni government, Houthis sign agreement

Qatar News Agency August-30-2010

HE the Prime Minister and Foreign Minister Sheikh Hamad bin Jassim bin Jabor al-Thani witnessed this evening the signing of the explanatory appendix of the executive program schedule for the implementation of the 22 points which were signed between the Yemeni government and the Houthis Group on 21/ 6 / 2010, under the six points. The program and the explanatory appendix were signed for the Yemeni government by Brig. Ali bin Ali al Gaisi, member of the Shura Council and Chairman of the National Committee, while they were signed for the Houthis Group by Yousuf Abdullah Hussein al Feishi . They were also signed by HE Assistant Foreign Minister Saif bin Muqqadam Al Buainain of the State of Qatar as a Mediator.

Yemen denies foreign troops fighting Al Qaeda on its soil

The Peninsula August-30-2010

Yemen denied yesterday that foreign forces are involved in its battle against Al Qaeda, as Sanaa's security forces went on high alert after nine soldiers were killed by suspected jihadists. "We are surprised at groundless allegations in several media reports lately on the presence of British soldiers and on the arrival of US forces to aid in fighting terror in Yemen," the defence ministry's 26sep.net news website quoted a Yemeni official as saying. The official said that Yemen's cooperation with the "United States or other countries" in fighting terrorism is "restricted to the exchange of information which facilitates its hunt (for) terrorist elements and handing them over to justice."

Suspected Al Qaeda militants have attacked Yemeni soldiers several times in recent weeks. In the latest, nine soldiers and a civilian were killed in the town of Jaar in the southern Abyan province on Saturday. A security official said the soldiers were breaking the Ramadan fast at sunset when four armed militants attacked them with rocket-propelled grenades. The militants chanted "Allahu Akbar" (God is greater) and said they had come "from the town of Loder to avenge the death of our brothers there," the official said, quoting a soldier who survived.

Al-Attiah praises Qatar's efforts to support Yemen's security

Yemen News Agency August-30-2010

Secretary-General of the Gulf Cooperation Council (GCC) Abdulrahman Al-Attiyah praised on Sunday efforts made by Qatar to support security, stability and unity of Yemen. He commended the positive results of the Qatari mediation between the Yemeni government and al-Houthi group, which led to signing an executive timetable for the implementation of twenty-two points signed by the Yemeni government and Houthis on June 6, 2010 under the government's six conditions. Al-Attiyah noted in this regard to the efforts made by the Emir of Qatar Sheikh Hamad bin Khalifa Al-Thani to support security, stability and unity of Yemen in terms of giving priority to the language of dialogue to resolve problems and disputes , especially that the Qatari view links between the political solution and the reconstruction and development support. He said that the Doha meeting results reflect the effectiveness of the Qatari role and the Gulf keenness to support security, stability of Yemen from one hand , and on the other hand prove undoubtedly the success achieved and continues to achieve by the Qatari diplomacy in this regard.

Friends of Yemen to meet in New York

Kuwait News Agency September-02-2010

Yemen, UK and Saudi Arabia announced Wednesday that Friends of Yemen Foreign Ministers meeting will be held in New York on 24 September. In a joint statement jointly released the three governments reaffirmed their commitment to the Friends of Yemen process, and outlined the priorities for the New York meeting. Key among these will be how to ensure continued economic development in Yemen, particularly through a recently agreed IMF programme, and how to support the National Dialogue process in the run up to elections in 2011, the statement added. Following the announcement, Alistair Burt, British Foreign Office Minister for the Middle East said: The UK is committed to working closely with Yemen and its neighbors, and I am delighted that the Yemeni, Saudi Arabian and UK Governments have been able to announce jointly this Ministerial meeting of the Friends of Yemen. This is a new step forward in the coordinated international support for Yemen's efforts to promote development and counter terrorism.

Qaeda says responsible for killing 8 Yemen troops

Reuters August-29-2010

Al Qaeda's regional wing claimed responsibility for an attack on a checkpoint in southern Yemen on Saturday in which eight soldiers were killed, a security official said. State media has blamed fighting in the south, in which dozens have been killed in the past three months, on Al Qaeda's resurgent regional wing and armed separatist militants. The attack on the checkpoint occurred in Zinjibar, capital of the flashpoint Abyan province. Al Qaeda's wing previously focused on high-profile strikes on foreign targets but has started to aim at the state in response to enhanced U.S.-Yemeni cooperation in a crackdown against the group that has included air strikes and raids. In the capital Sanaa, authorities arrested three Al Qaeda members who were preparing attacks, an official said. Security measures were stepped up at key installations during a crackdown on militants, the Interior Ministry said. The US embassy said on its website this week that it was suspending non-essential travel outside Sanaa for its staff because of 'continuing threats from Al Qaeda in the Arabian Peninsula (AQAP) and its affiliates'.

Bin Laden's ex-guard sees Yemen escalation

Gulf Today August-28-2010

A former bodyguard of Osama Bin Laden has warned of an escalation in fighting between Al Qaeda and Yemeni authorities and predicted the government would need outside intervention to stay in power. Nasser Ahmed Al Bahri told the Associated Press late Wednesday that recent attacks by Al Qaeda in southern Yemen were an indication of its increasing strength. US officials have said that the Central Intelligence Agency (CIA) now sees Al Qaeda's branch in Yemen as a greater threat to the United States than its parent organisation hiding out in Pakistan. "I expect that the confrontations will escalate and will reach an open war between the government and Al Qaeda fighters," he said, adding that U.S. forces may have to intervene to keep the network from triumphing. The US is already spending tens of millions of dollars to help the Yemeni government fight Al Qaeda and on Wednesday US officials said the CIA's deadly Predator drones may be added to the fight. Militants in Saudi Arabia and Yemen united early in 2009 to form Al Qaeda in the Arabian Peninsula and the group has already distinguished itself with a number of high profile attacks, including a foiled attempt to blow up an airliner in Detroit in December last year.

Qaeda says responsible for killing 8 Yemen troops

Reuters August-29-2010

Al Qaeda's regional wing claimed responsibility for an attack on a checkpoint in southern Yemen on Saturday in which eight soldiers were killed, a security official said. State media has blamed fighting in the south, in which dozens have been killed in the past three months, on Al Qaeda's resurgent regional wing and armed separatist militants. The attack on the checkpoint occurred in Zinjibar, capital of the flashpoint Abyan province. Al Qaeda's wing previously focused on high-profile strikes on foreign targets but has started to aim at the state in response to enhanced U.S.-Yemeni cooperation in a crackdown against the group that has included air strikes and raids. In the capital Sanaa, authorities arrested three Al Qaeda members who were preparing attacks, an official said. Security measures were stepped up at key installations during a crackdown on militants, the Interior Ministry said.

Economic Front**Yemen lawmakers draft bourse authority to attract investment**

Saudi Gazette September-03-2010

Lawmakers drafted a bill to start a securities exchange authority in Yemen, hoping to speed up the opening of a bourse and encourage investment despite its sinking economy and severe security risks. For us to move out of the challenges we face, we need a lot of investment in the development of Yemen, whether it's domestic or foreign...a strong stock market would help that," Jalal Yaqoub, a spokesman for the minister of finance, said. There is little chance seen of significant investment in Yemen in the near future, apart from its oil industry. The government hopes that establishing a bourse authority will create a better economic environment, but it will likely be considered a small achievement in the face of Yemen's instability, poor infrastructure, and corruption. Impoverished Yemen faces an increasingly violent struggle with southern

secessionists just as it is endeavoring to cement a truce with northern rebels after a six-year war that has displaced 350,000 people.