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His Majesty King Abdullah Bin Abdul Aziz Al Saud Custodian of the Two Holy Mosques



His Royal Highness Prince Sultan Bin Abdul Aziz Al Saud The Crown Prince, Prime Minister, Minister of Defense and Aviation

Before you assumed the office of Charge d' Affaires a.i. of the Royal Embassy of Saudi Arabia to India, you have been in this country for sometime. What is your view of Indo-Saudi relations in all its aspects which include politics, economy, defence, culture and

The relation between Saudi Arabia and India has grown stronger over the centuries due to the sheer feelings of respect and regard between our two People. The leadership of both countries has shown an unwavering commitment to strengthening these historic bonds of friendship.

Without dwelling too much in the past, I must tell you that the foundation of the contemporary relations was laid through the Delhi declaration which was followed by the Riyadh declaration. These two declarations articulate the similarity of assessment and approach of the two countries on regional and global issues as also their commitment to promote bilateral ties in political, cultural, security, defence and economic areas. The fact remains that it has traversed across economic and political issues. There is complete co-operation between the two countries covering areas like-trade commerce, education, culture, defence, security, science and technology.

The new areas of cooperation

usly include education, science and technology.

Has there been any delegation business, trade or cultural—coming or going into India from Saudi Arabia that is of importance, that you would like to talk about?

As you know, Saudi Arabia and India are witnessing a dynamic phase in their bilateral ties. There is increased cooperation in every sphere. In the last six months, there have exchanges at multi-levels. His Excellency, Mr Abdullah bin Ahmed Zeinal Ali Ridha, Minister of Commerce and Industry, H.E. Mr Khalid bin Muhammad Al Qusaibi, Minister of Economy and Planning, His Highness Prince Turky Bin Faisal Al Saud, HRS Prince Bandar Bin Sultan Bin Abdulaziz Al Saud visited India. Also, His Eminence Dr Abdul Rahman Abdul Aziz Al-Sudais, Imam of Haram, Makkah Al Mukarramah visited India to attend a conference.

Now taking into account all these high level visits, we can say with confidence that Saudi-India relation have reached a level of strategic partnership and indeed the roads are paved for a bright future.

I may tell you that this month, our Minister for Culture, H. E. Dr Abdul Aziz Khoja and the SASO President, H. E. Mr Nabeel bin Ameen Mulla, Governor of Saudi Standard Metrology and Quality which are being pursued vigoro- Organisation (SASO) is visiting In- sador to India. For the benefit of our And yet, most diplomats

## An unwavering commitment to strengthen historic bonds of friendship

Mr Saqr Suliman Al Qurashi is the Charge d'Affaires a.i., Royal Embassy of Saudi Arabia. A graduate Law and a masters in Diplomacy, he was in Japan prior to his assignment at Delhi. He can be termed a linguist being fluent in Arabic, English and French with workable knowledge of Japanese and now quickly learning Hindi and Urdu.

Just before the Saudi National Day, he spoke to TransCom on Indo-Saudi relations and other topics.

dia. The visit of H. E. Dr Abdul Aziz Khoja will add to the bilateral cultural relations between the two countries. The Governor of SASO will be attending 34th ISO General Assembly and 90th Meeting of ISO Council and others meetings.

On the Saudi-India trade front, the most important thing which will happen this month is the arrival of first consignment of Diammonium Phosphate (DAP), 200,000 tonnes, from Saudi Arabia to India. It is being exported to India by Saudi Arabian Mining Co (Maaden). The export of DAP is almost 50 percent of its present production. A high level delegation from Maaden is expected very soon to celebrate this occasion.

Saudi Arabia has been among the forefront Arab countries fighting terror*ism—comments please?* 

Saudi Arabia has committed itself to join forces to combat terrorism. Terrorism is an inter-national danger and this global phenomenon is still widespread in all parts of world. The Government of Saudi Arabia has always denounced all forms and steps of terrorism and has spared no effort towards the eradication of terror-ism, at both domestic and inter-national level, for the purpose of achieving world peace and security. The Kingdom is committed to the UN security resolution 1373 of 2001. We have reiterated our resolve to annihilate the deviant group of murderous terrorists. The Saudi Military and Security Forces have an outstanding experience and are highly qualified and trained to deal with all situations. Majlis-Ash-Shura (Saudi Parliament) is in the process of drafting anti-terrorism law.

It is believed that the Saudi Arabian overnment has annointed a new ambas-

readers, would you like to introduce him to our readers?

Dr Saud Al-Sati is the Saudi Ambassador-Designate to the Republic of India and he is expected to assume office shortly.

Dr Al-Sati is a very senior career diplomat, well known for his incisive understanding of the political, economic and cultural aspects of diplomatic relations, with a special appreciation of India.

He has served in various capacities and is presently at the Saudi Arabian diplomatic mission in the United States of America. Dr Al-Sati will bring a new

charm to the bilateral relations between Saudi Arabia and India and take the strategic relation many notches higher.

What is your personal view of India—you have been living in this country and interacting with people from different religious, cultural and ethnic streams?

When I was posted to India, it was like a dream come true—let me tell you that Saudi Arabians love to visit India, live here and experience India in all its diversities. I was extremely delighted when I learnt that I had to serve office at New Delhi. It has given me and my family a great opportunity to see India at close quarters.

I must confide that I am from the holy city of Makkah where we have always interacted with people from different parts of the world including Indians.

I find Indians to be very amiable compassionate, gentle and humane.

Diplomats are faced with very challenging situations in life—from managing bilateral relations to

caring for individual grievances, from politics to media auestions and so on.



Saqr Suliman Al-Qurashi Charge d'Affaires,a.i.

have extremely strong passions in life. What would you say is your passion in life that you would proudly cherish all

Since my arrival I have always tried to help anybody who comes with any problem in the embassy—I like to help people to whatever extent I can. It is a part of my job. I assure through these columns that I and my colleagues in the embassy will extend our whole hearted cooperation to the Indian People.

Regarding passions in life, I have always loved to travel and will like to avail of this opportunity in India—subject to availability of time. India is a great experience and I have to travel around to discover India. I also love reading and listening to music and I have developed a great ear for Indian music, not just Bollywood music but classical Indian music too!

#### No plan to expel foreign workers

SAUDI ARABIA has again reassured its large expatriate community that it has no plans to expel any foreign workers under a new aggressive ini-tiative it launched last month to cre-ate jobs for Saudis and avert social turmoil.

This is good news for the Indian work population in Saudi Arabia which is the highest among expa-triate population in the Kingdom.

Officials said the initiative, dubbed Nitaqat (ranges) could create more than 400,000 jobs for Saudis every year, adding that the private sector's preference of less expensive expatri-ate labour has left more than one mil-lion Saudis

Besides creating a persistent unem-ployment problem among Saudis, the private sector's heavy reliance on for-eign workers has put pressure on the country's balance of payments given the massive funds transferred by for-eigners to their homes, estimated at SR98 billion (\$26 billion) in 2010. Under Nitagat programme, which was launched on June 11, private sec-tor establishments were given four classifications excellent and green with high Saudi labour percentage, and red and yellow, with low Saudi labour ratio.

Foreign workers in the first two cat-egories can stay as long as they want while the stay of expatriate workers in the two negative categories will be limited to six years in case the compa-ny fails to adjust to Saudization rules. "We are not saying foreign workers who are given six years must leave the Kingdom they will have three options," said the Saudi Labour Ministry Under Secretary for plan-ning and development. "They could either leave the Kingdom or move to another company in the excellent or the green classification—a third option is that they can stay with their company for a longer period.

# Spending to drive a Balanced Growth

SAUDI ARABIA continues its public spending drive in a bid to drive economic growth. According to the annual budget 2011, the Kingdom plans to spend SR580 billion (\$154.7 billion) in 2011, a 7.4 percent increase on the 2010 budget. The revenue expected during the year is SR540 billion leaving a likely deficit of SR40 billion. As expected, the Kingdom again focuses on education, health and infrastructure projects. The spotlight is on balanced development and more employment opportunities and job creation. Projects related to research and development (R&D) as well as science and technology projects for the e-government have been given extra attention.

year, actual revenues earned stood at SR735 billion against the budgeted revenue of SR470 billion; and actual expenditure reached SR626.5 billion against the budgeted expenditure of SR540 billion. Thus, government overspent SR86.5 billion, mainly for salary increases for soldiers and for some development and education projects. The real GDP for 2010 is forecast to grow by 3.8 percent and inflation 3.7 percent. The government was able to reduce its domestic debt burden by 25.8 percent. Domestic debt stands at SR167 billion, or 10.2 percent of GDP, down from more than 80 percent in 2003.

The GDP of the public and private non-oil sectors is expected to increase by 9.2 percent. The government and private sectors are expected to grow by 15.7 and 5.3 percent respectively.

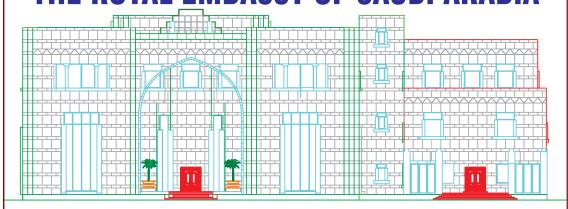
In terms of fixed prices, the GDP is expected to grow by 3.8 percent, the oil sector by 2.1 percent, and the non-oil sector by 4.4 percent. The government sector is expected to grow by 5.9

percent and the private sector by 3.7 percent, where the contribution of the private sector to the GDP reached 47.8 percent. All economic activities constituting the GDP of the non-oil sector have achieved a positive growth, where the real growth in non-oil manufacturing is estimated to be 5 percent, the communications, transport and storage 5.6 percent, the electricity, gas and water 6 percent, construction 3.7 percent, the wholesale and retail trade,

restaurants and hotels 4.4 per cent, and the finance, insurance

and real estate 1.4 percent. Commenting on the budget the chief economist at Banque Saudi Fransi said, "Saudi Arabia's 2011 budget serves the dual purpose of demonstrating the state's prowess in continuing to steer the economic recovery and, by reducing the pace of budget expansion, signals the government's determination to minimize overspending.

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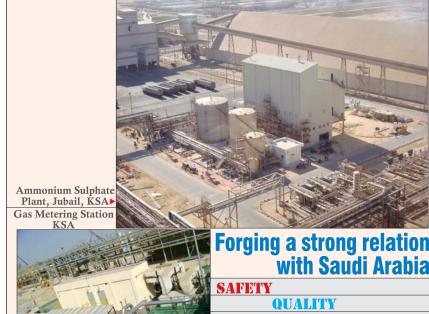
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## **EMERGING DIMENSIONS** OF INDIA SAUDI RELATIONS

Dr Sameena Hameed ASSISTANT PROFESSOR INDIA ARAB CULTURAL CENTRE JAMIA MILIA ISLAMIA

INDIA AND SAUDI ARABIA share a common bond that has historically cut across trade, economic and cultural space. The intense civilisational linkages between the Indian subcontinent and Arabian Peninsula, complimentarity of their resources as well as their burgeoning contemporary economic engagements make India and Saudi Arabia natural allies for regional prosperity, progress and stability.

The visit of King Abdullah bin Abdulaziz to India in January 2006 opened a new chapter in the Indo-Saudi bilateral relations by signing of the 'Delhi Declaration' and other bilateral agreements. Prime Minister Dr Manmohan Singh visited Saudi Arabia in March 2010 and signed the "Riyadh Declaration" which envisaged a 'strategic partnership' between the two countries.

Bilateral trade registered a three-fold increase in the last five years. India is Saudi Arabia's fourth largest trading partner. India's export to Saudi Arabia increased to \$3.90 billion in 2009-10 from \$1.80 billion in 2005-06. India's import from Saudi Arabia rose to \$17.09 billion in 2009-10 from \$1.63 billion in 2005-06. In the year 2009, Saudi Arabia entered India's top five sources of merchandise import.

India's long term business interest in the Gulf region are linked with Saudi Arabia. Apart from meeting about 25% energy need, the country hosts a large Indian expatriate community and is one of the largest contributors of remittances to India. On the other hand, India is very important for Saudi Arabia for providing large market for exports and investment opportunities, frontier technology in many fields as the Kingdom seeks to diversify its economy and develop its human resources. Besides, long term energy ties with India provide stability to oil revenues, which provide investment capital. The petroleum sector accounts for about 80% of budget revenue, 45% of GDP and 90% of export earnings in Saudi Arabia.

India's energy ties with Saudi Arabia would consolidate and improve if it positions itself as partnering the Kingdom in sustainable management of their energy resources and risks as well as embark on a Clean Energy Partnership. This can be done through integrated joint ventures in the upstream and the downstream energy operations. Recently Saudi Arabia's Al Qahtani Sons Group signed a joint venture with Indian firm Sledgehammer Oil Tools to build one of the largest manufacturing plants for oilfield and drilling equipment in the Gulf nation. For oil pricing, India needs to work with Saudi Arabia & other oil consumers and producers to establish DME-Oman as a new Asian Benchmark, which is more robust, transparent and linked to the fundamentals of Asian trade. Currently only UAE

THE SAUDI COMMISSION for Fourism and Antiquities has been allowed to excavate many of the selected and approved archeological sites. With an eye on the latest excavation technology, several leading international universities with their excavation teams have been roped in to work with the local teams comprised of King Saudi University and the State Antiquity sector to do it the international way.

In the beginning of this year, an archeological discovery was made in the Tem'a oasis, which is known as one of the largest archeological sites in the Kingdom and the whole of Arabian Peninsula, where to this day the remains of the ancient archeological wall measuring 13 kilometres surrounding the site still exists. The discovered item in this oasis is a hieroglyphic cartouche of King Ramses III representing a Pharaohic antiquity for the first time in the Arabian Peninsula. This discovery has raised a big question as to its presence in the depth of the north-west of the Arabian Peninsula.

So far the joint venture teams have unearthed antiquities in the Kingdom in various sites. Another joint mission has explored the spectacular but little known Madian Saleh, a, 2000 year old city which marks the southern limit of the powerful Nabataea civilization.



and Omani oil this uses benchmark.

For Clean Energy Partnership, enconergy sciousness needs to be streamlined in all aspect of Indian invest-

ment and Indian investors should make explicit commitment for energy conservation, using renewable sources of energy and reduction of carbon prints in their proposals.

Besides, business opportunities exist in service sectors related to construction and infrastructure. There is a demand for affordable residential housing in Saudi Arabia with a current shortage of around 700,000 units. Combining the capabilities in building low cost housing projects and green buildings, India can create a niche for itself in construction projects.

The bilateral economic and commercial relations between India and Saudi Arabia have also grown substantially in the non-oil sector. Apart from traditional food items, the automobile industry has made a foray with the spare parts of the Japanese and American cars being supplied from India. India ranks third in Saudi iron and steel export and second in the fertiliser export. Indian banks have prominence in the Saudi banking industry and a large number of Indians working in the Saudi banking sector. Indian businessmen have also set up many joint ventures in the hospitality sector.

India-Saudi economic relations can strengthen India's export to the GCC especially as it is emerging as an integrated market worth \$1 trillion and also as a gateway to the West Asian and North African regions due to the Arab Free Trade Agreement. The GCC countries plan to spend about of \$100bn on setting up modern rail networks. Saudi Arabia plans to spend about \$25bn on three mega transportation projects. India eyes some of these railway projects.

Indo-Saudi economic relations can be further entrenched if investment proposals have counter trade deals. The GDP of Saudi Arabia is about \$580 billion at Purchasing Power Parity. The growth rate has been around 4.4% in the year 2008. The per capita GDP at PPP is about \$20,300. The share of industry in the GDP is about 60%, that of services and agriculture about 36.4% and 3.2% respectively. The industrial and agricultural base is narrow and wide range of essential consumption and investment goods have to be imported. Besides, Saudi Arabia is also developing export capacity in many sectors. Counter trade deals with India promotes Saudi exports by minimising demand and price risks.

The government of Saudi Arabia has begun to establish six 'economic cities' in different regions of the country to promote economic diversification. Thus for attracting foreign investment, Saudi Arabia acceded to the WTO in December 2005. It has been consistently pursuing economic reforms. The World Bank now ranks the Kingdom eleventh among the world's easiest places to do business. Saudi Arabia is keen to attract Indian investment across sectors as well as invest in India. During the last few years, a large number of Indian trade and industry delegations have visited Saudi Arabia to explore the opportunities for long-term partnerships and cooperation, including joint ventures. Indian and Saudi companies regularly take part in trade fairs in each other's country.

Saudi Arabia has identified several sectors for cooperation including power generation, technical training specially in oil and gas, infrastructure, petrochemicals, water desalinations, tourism, health and IT. Three trade delegations representing different economic sectors from India visited the Kingdom last year. These delegations previewed projects and investment opportunities in the Kingdom and visited many giant industrial projects in the industrial city of Jubail and Yanbu and others. Such meetings facilitate the participation of Saudi and Indian companies to invest in large projects in both the countries.

Indian companies have invested \$2.07 billion in Saudi Arabia between 2000-2009 while Saudi investment in India have less than half a billion dollars. The Saudi Arabian General Investment Authority (SAGIA) issued about 190 licences to Indian companies for Joint Ventures. In addition, several Indian companies are working in Saudi Arabia in the areas of construction, IT, software development, designing, consultancy, financial services and others.

India and the Saudi Arabia need to impress upon each other the importance of minimizing price and demand volatilities and its adverse impact on their economies and employment prospects. Joint venture for strengthening producer-consumer networks can take place in the whole range of consumer and industrial goods industrial in India.

Saudi Arabia is rich in potash and since India is an importer, joint ventures in this sector would be mutually beneficial. Tariffs on petrochemical imports in India from Saudi Arabia have been the bone of contention for some time. There is a need to elevate petrochemicals from a contentious item in trade to motive force in mutual business through joint ventures.

Saudi Arabia promotes investment that will contribute to economic development and creation of new jobs, transfer of technology, innovation and modern system. The Saudi economy has been dependent on substantial foreign labour. About 5.5 million foreign workers play an important role in the Saudi economy, particularly in the oil and service sectors. Indians, the largest expatriate community in the Kingdom,

are about 2 million. They are the 'most preferred community' due to their expertise, sense of discipline and

their moderate and law abiding nature. Cooperation in the field of manpower is an important dimension of the Indo-Saudi relationship. The Joint Commission for Economic, Trade, Scientific, Technical and Cultural Cooperation (JCM) between India and Saudi Arabia was established in 1981 held its sixth session in Riyadh on April 12, 2005. India and Saudi Arabia signed five years of cooperation in the field of science and higher education in the year 2006. Indian experts were deputed to the Kingdom during 1993-98 to help Saudi scientists in the field of red palm weevil management. Saudi agricultural experts were also provided training in India in 2001 at agricultural research facilities in New Delhi, Bangalore, Kasaragod and Kayamku-

Food security is another area of mutual cooperation. In Saudi Arabia food and agricultural imports account for 15% of overall imports. Further, the Kingdom is investing some SR46.1 billion in domestic agriculture projects as well as to acquire land abroad to ensure food security. These projects include the King Abdullah's Initiative for Agricultural Investment Abroad and the SR3 billion Saudi Company for Agricultural Investment and Animal Production. While, land issues tend to have political backlash, the Saudi investment in India could set up joint ventures in strategic food reserves as series of cold storages and warehouses. Saudi Arabia imports about 5 million tons of wheat.

Joint investment funds can be set up to improve productivity in the dry land areas in India. They could also invest in agricultural infra-structure, food processing industries, R&D in improving farm production. The food sector in Saudi Arabia is currently expanding at an annual rate of 18.5 percent.

Financial institutions play a vital role in promoting bilateral trade and investment. Indian financial organizations need to offer diversified services to benefit from the growing opportunities in Saudi Arabia. Financial advisory services for IPOs of Saudi Holding companies and brokerage services to stock exchanges are some of new opportunities foreign banks have ventured into. There are opportunities for the Indian banks and financial service providers for business tie up and joint venture with Islamic Funds for project and corporate finance. Successful joint ventures in the Gulf would lead to greater penetration of Saudi investment in shariah compliant products in India

Today, Indo-Saudi business relations are growing strongly reflecting inherent strength and complementarity nature of the two economies. Indian and Saudi Arabian Governments are planning to create joint investment funds to encourage private sectors to proceed with joint investments. The fund would range from 500 to 750 million US dollar and the share of the Saudi government stands at two-thirds, while the share of the Indian is third.

India-Saudi relations are on a new high. Given the age old civilisational relation, there are lots of emotions with economic rational that create compelling and comfortable grounds for the vision of Indo-Saudi Strategic Partnership.

The broadening mutual economic stakes after cumulatively acquiring critical mass create grounds for India to play a more proactive role of 'responsible stake holder' in stabilising the Gulf region.



The Kingdom of Saudi Arabia has the honour and privilege of providing integrated services for the pilgrims of Allah's Inviolable House, for those performing pilgrimage Hajj or Umrah and for all visitors of the Mosque of the Noble Prophet, peace be upon him. Such services begin from the moment the pilgrims set foot in the territory of the Kingdom till their return to their respective countries. Caring for the needs of pilgrims occupies first priority among the Kingdom's concerns.

On the Grand Celebration of the Saudi arabian national day

We extend our Heartiest Greetings And Good Wishes to

His Majesty

King Abdullah Bin Abdul Aziz The Custodian of Two Holy Mosques

His Excellency **Mr Saqr Suliman Al Qurashi** Charge d'Affaires a.i.

And the People of Saudi Arabia



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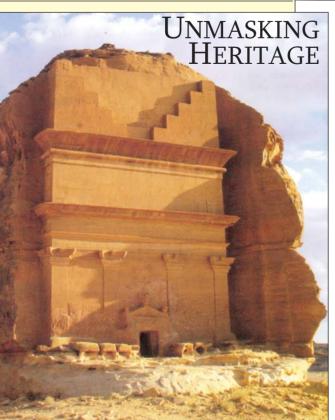




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**Admn Office** 

# Sustainable progress under King Abdullah

The reign of Custodian of Two Holy Mosques King Abdullah, since his ascent to the Saudi throne six years ago, has distinguished itself on several fronts ranging from service to Islam to political and socio-economic reforms aimed at combating corruption, providing job opportunities for Saudis, including men and women, and expanding the social welfare programme to improve the lot of the ordinary citizens. At the economic level, the thrust of his reform programmes has been to ensure that the benefits of economic development trickled down to all classes of society, especially the youth.

A major contribution of King Abdullah toward streamlining services for pilgrims coming for Haj or Umrah was the launch of the SR 42 billion Haramain Railway project, which will link the holy cities of Makkah and Madinah with Jeddah, according to a report circulated by the Saudi Railway Organisation (SRO).

The high-speed rail project will bring about dramatic improvement in transportation of pilgrims between the two holy cities. The project has been undertaken to accommodate 20 million passengers annually. The 450 km Makkah –Madinah Rail link is part of the major railway expansion project planned by the Kingdom, which includes linking Jeddah with the Riyadh-Dammam Railway and North-South Railway systems.

For the railroad authorities, it means generation of an additional revenue stream. Another feature of the transportation network is the inclusion of Rabigh, near the Red Sea coast in the Western Province, into the network. This will make it easier for pilgrims travelling by sea to take the connecting train from leddah to Makkah and onward to other destinations along the pilgrimage route.

The Haramain Railway will operate trains at a speed of over 300 km per hour. The project involves construction of 450 km of highspeed electric railway lines between the three cities. The whole network will be equipped with advanced signalling and telecommunications systems to ensure safe and hasslefree transportation of pilgrims.

On the economic side, the

project will add a new revenue stream of SR500 million in the first year for the Haramain Railway. It is part of a major railway expansion program that involves laying 950 km new tracks between Riyadh and Jeddah, besides a 115 km line linking Dammam and

The addition of Rabigh to the railroad network is of strategic importance, since it is the site of King Abdullah Economic City (KAEC) located north of Jeddah, and also King Abdullah University of Science and Technology (KAUST) in Thuwal. Both projects are coming up on the Red Sea coast and would enable students and employees in the region to get on board the train if they intend

"Changes and developments in recent years, such as the annual increase in the number of pilgrims and easier access to sustain the Kingdom

performing pilgrimage.

warrant the need to chalk out smart million to SR200 million. plans for safer and comfortable pilgrimages in the coming years," said Under Secretary of the Hajj Research Institute, Basim Zafar.

On the contrary, with more and more pilgrims flocking to the holy city, they have fuelled a hotel construction boom. The pilgrim traffic reaches a peak during the Haj season with more than 2.5 million pilgrims who visit Makkah for the annual Haj pilgrimage. This has transformed the city's skyline with the addition of luxury hotels, highrise residential blocks and cranes

On the political front, Abdullah Al-Shaikh, President of the 150member Shoura Council, referred to the King's directives to raise the real estate loan from SR300,000 to SR500,000 per applicant, as well as the adoption of various measures to solve unemployment among young Saudi men and women. The formation of the National Commission to Combat Corruption and his concerted drive against price rise involving essential commodities reflected his grave concern over issues which affect the society one way or the now overlook the Grand Mosque. A other. "King Abdullah has given top forest of high-rise buildings just next priority to reforms and combating

launching a number of social welfare projects worth more than SR600 billion. They included plans to construct 500,000 new housing units in different parts of the Kingdom, allocation of SR250 billion for the housing project, setting SR3,000 as minimum wage for Saudis, a two-month salary bonus for government workers and SR2,000 monthly unem-

constituted a high-level ministerial committee to identify an early solution for the employment of a growing number of gra-

duates. The committee has been asked to present its findings within a period of two months. As part of the government's efforts to fight unemployment, a part of the financial resources of the Human Resource Development Fund will be allocated to provide assistance to the unemployed youth for a year. In the meantime, the General Organisation for Social Insurance will set up a cooperative insurance programme for the unemployed.

As part of his effort to tackle the housing problem for Saudis, King Abdullah recently decided to raise the capital of the Real Estate Development Fund through an additional amount of SR40 billion with a view to provide more housing loans to Saudis. He also raised the capital of the Saudi Credit Bank from SRIO billion to SR30 billion by allocating SR20 billion to provide soft loans. The number of family members benefitting from social insurance has been increased from eight to 15, for which an outlay of SR1 billion has been set aaside. Further, the Custodian of the Two Holy Mosques allocated SR3.5 Virtue and Prevention of Vice. is considered to be the largest billion to help the poor repair their houses and pay electric and water bills. At another level, an allocation of SR1.2 billion has been made to conduct vocational training courses

> In the field of social welfare, the King issued a decree increasing annual allocation for charitable organisations by 50 percent to reach SR450 million. Cooperative societies will also receive SR100 million annually, while two

SABIC INDIA on the occasion of the National Day Of the Kingdom of Saudi Arabia ployment allowance. The monarch also

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**FELICITATIONS** 

**FROM** 

SABIC INDIA

5th Floor, The Capital Court

projects of the National Charitable Fund will get SR100 million. He set aside SR476 million to support poor students and urged authorities to allocate a percentage of seats in universities for poor students. He extended the tenure of the King Abdullah Foreign Scholarship Programme for another five years and said Saudis studying abroad on their accounts would be included in the programme on the basis of certain conditions. The King ordered payment of 15 percent of basic salary as inflation allowance to government employees.

Among the other measures in this regard, the staff of the General Auditing Bureau, Control and Investigation Board, Bureau of Investigation and Prosecution and the Royal Court will be increased by adding 300 employees to each of the organisation. The move was aimed at strengthening monitoring agencies. He allocated SR10 million to support literary clubs and ordered payment of SR10 million each to all excellent sports clubs, SR5 million each to all first class clubs and SR2 million to all registered sports clubs. Specialised professional associations in the Kingdom will also receive a grant of SR10million each.

On the economic front, the Ministry of Finance and National Economy has granted Emaar Economic City a SR5 billion loan to speed up the development of the second phase of King Abdullah Economic City (KAEC). Emaar Economic City, affiliated to Dubai developer Emaar Properties, is spearheading the development of KAEC, a project aimed at diversifying the Kingdom's oilbased economy. "The loan will serve to accelerate the development and construction of the second phase of King Abdullah Economic City after the completion of phase one, which was concluded at the end of last year. The project is aimed at building a new high-tech city on the Red Sea coast with business, industrial, leisure and residential estates as well as a giant port. Spanning a total area of 168 million square metres, KAEC has six zones-the Sea Port, Central Business District, Industrial Zone, Educational Zone, Resort District and Residential Communities.

These measures underline King Abdullah's comprehensive programme of action to place socioeconomic development on a strong footing in the interest of balanced growth. Together with service to Islam, they reflect an enlightened vision of achieving economic progress in a sustainable manner.



to the Grand Mosque is emerging, built by Saudi developer Jabal Omar and costing more than \$5.5 billion, where Hilton and others will open 26 new hotels and add 13,000 more

Another noteworthy contribution of Custodian of the Two Holy Mosques King Abdullah is seen in his decision to strengthen Qur'an Renovation of mosques all over the to improve various facilities, directly or indirectly, in the service of Islam. These measures form part of the package worth SR300 million to support the Islamic Dawa offices, besides an allocation of SR200 million to support Qur'an memorisation organizations. He also disbursed SR16 billion to expand health facilities and construct new hospitals, while raising the loan limits to private hospitals from SR50

corruption," Al-Shaikh pointed out.

Another major contribution of Saudi monarch is related to his privatisation of the Kingdom's educational and technological advancement and women's empowerment. He recently inaugurated the new campus of Princess Nora bint Abdulrahman University PNU in Riyadh, which was built at a cost of memorisation centres and set up the SR 20 billion. "The new campus, Commission for the Promotion of covering eight million square metres women-only university in the Kingdom also marks the same trend world," said Huda Al-Ameel, the newly appointed PNU president. She said the huge campus was completed in a record time of less than three years on the instructions of King Abdullah. "We are grateful to King Abdullah for this vital project, which will surely encourage the PNU staff and students to exploit this state-of-the art facility to excel in education," she observed.

King Abdullah issued a series of decrees at the start of this year by

### Our Heartiest Greetings on the Saudi National Day to

His Majesty King Abdullah Bin Abdul Aziz The Custodian of Two Holy Mosques

His Royal Highness
Prince Sultan Bin Abdul Aziz
The Crown Prince

H.E. Saqr Suliman Al Qurashi Charge d'Affaires a.i.

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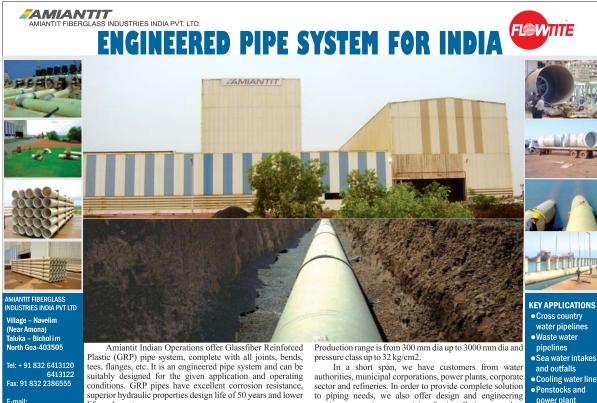
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# AUDIARA



R YOUSEF M. ALYOUSEF of the King Abdulaziz City for Science and Technology focused on the fore-sighted long-term plan of the King Abdullah Initiative for Solar Water Desalination, saying that it was unveiled to operate the Kingdom's entire desalinated water plants with the use of solar energy. It is no doubt a high-profile initiative launched early last year in cooperation with IBM Global, and in partnerships with several government ministries and agencies, to develop advanced technology in the field of solar energy for water desalination through the joint Center of Excellence for Nanotechnology to pro-

and nano-membranes. A breakthrough is in the offing in the development of new solar energy technology which is expected to reduce production cost of desalinated water to 0.30 halala per cubic meter, noted Alyousef pointing to

duce high con-centration solar cells



# **Tapping alternative Energy Sources**

#### An initiative for Solar Water Desalination

the Kingdom's 30 years' experience in the field of solar energy. The price of desalinated water will eventually go down further since the fuel for solar energy generation is unlimited and the operating cost of energy plants will be gradually reduced in the long-term, he said suggesting that these plants initially could be built in remote areas.

Water and Electricity Minister, Mr. Abdullah Al-Hussayen noted that King Abdullah's initiative was undertaken as part of the govern-ment effort to develop practical and innovative solutions to increase the production of desalinated water on the one hand and to decrease the production costs on the other. He hoped that the initiative would succeed in developing more advanced new technology which in turn would significantly cut the production cost of water.

In line with the development of innovative technology, Saudi Arabia has bright potential as the country is in a position to manufacture plastics photovoltaic (PV) cells used in solar energy plants in large quantity. The Kingdom is one of the world's major producers of plastics and plastic products. Plastics PV is cheaper and lighter com-pared to its more expensive, cumbersome sili-

con cousin, according to a UK so-

lar panel expert. "Plastics are much cheaper to process than silicon. In principle the devices we've been making might be very, very cheap and cover large areas;' said Mr David Lidzey from the UK's University of Sheffield. Unlike rigid silicon panels, plastic (or organic) PV is far more flexible, making it easier

Saudi Arabia is the world's largest producer of desalinated water accounting for more than 18 percent of the total desalinated water produced throughout the world. Between 50 and 70 percent of the Kingdom's potable water is desalinated in the existing 27 plants, a process that requires a lot of energy estimated at 1.5 million barrels of oil a day. Oil is burnt in two-thirds of Saudi desalinated plants, according to Mr. Abdul Razzak, a high official of the Saline Water Conversion Corporation (SWCC). The rest of the SWCC plants are gas burnt.

In the wake of huge spending on energy stem-ming from fossil fuels, King Abdullah Initiative will bring a relief to the country's pursuit of alternative energy sources. The Initiative will be implemented in three phases over the nine-year time span with the first solar-powered water desalination plant to be set up in Khafji city with a production capacity of 30,000 cubic metres per day. It is expected to go on operation in 2013.

According to official data, the sun emits about 6,000 watt hours of energy per square meter per day proving that the potential for solar energy in the Kingdom is huge. "Within 3 to 5 years, solar energy will witness massive development in the Kingdom," said Eng. Othman Dobaikhi, of the newly established firm, Energy Gloe (EGe).

EGe was established early last year with a noble vision of instilling into the minds of people hopes about the survival of flora and fauna with the use of clean energy. "We concentrate more on community services than to make business," he said. EGe has been mainly engaged in procurement, design and installa-tion of solar energy projects. In addition, the company has been providing feasibility studies for solar energy plants, training of their users, technical consultation about solar and wind energy systems, maintenance and after sale services. Saudi Arabia has huge potential for the development of solar energy since it sits at the centre of the so-called Sun Belt.

Solar energy development has been gaining ground in the Kingdom. Foreign companies are in-

creasingly showing interest in transferring the technology. For in-stance, Japan's Showa Shell has signed a letter of intent with Saudi Aramco to study the feasibility of generating power from the sun using proprietary Showa Shell technology in a pilot project in the Kingdom. The project launched in 2009 was involved in the transfer of cutting- edge technology and the exchange of expertise. With the supply of more than

120,000 CIS (Copper Indium Se-

lenide) photovoltaic modules by

Showa Shell Sekiyu K.K., the US-

based Belectric and the Sun & Life, a subsidiary of Acwa Holding, are building the largest solar power plant in Saudi Arabia. The 10 Megawatts Photovoltaic Carport System is situated in the recently built North Park offices of Saudi Aramco at Dhahran and will cover all of the 4,500 parking spaces. Belectric, world market leader in Engineering, Procurement and Construction (EPC) of solar power plants, will execute the North Park Project in coopera-tion with Sun & Life. Belectric was awarded the project by the Al Yamama, the project principal, building Saudi Aramco's Northpark complex including offices and the car park. Belectric and Sun & Life intend to enhance their cooperation to a full scale joint venture in EPC contracting of solar power plants, and manufacturing of Balance of System components

In a latest development, a

in Saudi Arabia.

contract has been signed to set up a polysilicon plant in Jubail to manufacture solar-energy cell material. Polysilicon Technology Co. (PST) entered into an engineering, procurement and construc-tion contract to cover Phase 1 of the plant with Hyundai Engineering Co. and KCC Engineering and Construction Corp. PST is a joint venture between Mutajadedah Energy Co. (MEC) of Saudi Arabia and KCC Corp. of South Korea. KCC brings its global experience with construction and polysilicon production to the partnership. The lump-sum, turn-key agreement is valued at SR1.43 billion (\$380 million). Polysilicon is the main raw material used in the solar industry which is then converted into ingot, wafers and then into solar cells that are put into panels in order to generate electricity from the sun. The initial plant will produce 3,350 metric tons of solar grade polysilicon annually with future plans for expansion.

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His Majesty King Abdullah Bin Abdul Aziz Custodian of Two Holy Mosques

His Royal Highness Prince Salman Bin Abdul Aziz The Crown Prince

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## Our heartiest congratulations to the Kingdom of Saudi Arabia

## On Its National Day

We are happy to join the People of Saudi Arabia in rejoicing on the Saudi National Day and extend our warm wishes and greetings to them.

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