

SAUDI ARABIA IN FOCUS

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ENERGY

OIL MINISTER REAFFIRMS STABILITY OF ENERGY SUPPLY

Oil Minister Ali Al-Naimi, addressing the Center for Strategic and International Studies (CSIS) in Washington DC on May 17, reaffirmed the Kingdom's commitment to maintaining a stable and secure energy supply. Commenting on the current state of the global oil market, he declared: "I want to emphasize that the problem is not a lack of resources. Rather, the current impediments include, for example: the proliferation of product specifications, a myriad of regulations, infrastructure bottlenecks, and a lack of accurate and timely data needed to improve market transparency."

At its May 23 meeting, the Cabinet endorsed the Kingdom's commitment to stability in oil supplies and prices, and to increasing oil production as required by supply and demand and in the interest of producers as well as consumers; but added that international efforts should accompany the Kingdom's efforts.

ECONOMY

SAUDI TRADE MISSION'S U.S. TOUR ENDS POSITIVELY

The 50-member Saudi trade mission that has been touring the United States to promote U.S. investment in the Kingdom ended its five-city tour - to New York, Atlanta, Houston, Chicago and San Francisco - on a positive note, with further trade exchanges planned to discuss the \$623 billion in investment opportunities through 2020 in the oil and gas industries as well as the sectors of electricity generation, water desalination, and telecommunications. The United States is the Kingdom's largest trading partner. Bilateral trade in 2004 was \$26 billion, and there are currently over 360 joint U.S.-Saudi projects in the Kingdom.

Meanwhile, Governor of the Saudi Arabian Monetary Agency (SAMA) Hamad Al-Sayari has declared that the Kingdom's economic growth in 2005 is expected to exceed last year's increase of 5.3 percent; and Governor of the Saudi Arabian General Investment Authority (SAGIA) Amr Al-Dabbagh reported the issuance, during the first three months of 2005, of 189 licenses for investment projects, both foreign and domestic, worth \$6.4 billion.

TRANSPORT

BOT BIDDING OPEN FOR 'LANDBRIDGE' RAIL FREIGHT PROJECT

Saudi Railways Organization (SRO) announced on May 18 that the freight component of the project for expansion of the Kingdom's rail system, known as the 'Landbridge', is now open for bidding on the basis of BOT (build-operate-transfer). The rail expansion involves some 725 miles of new track, from Dammam on the Red Sea through Makkah to Riyadh, and from Jubail Industrial City in the Eastern Province to the Arabian Gulf port of Dammam. Tenders will in due course be offered for the passenger service concession, but the freight concessionaire will retain responsibility for track construction and maintenance. SRO will transfer to the concessionaire all existing assets, including Riyadh Dry Port, the Dammam-Riyadh track, and all land needed for the project.

JEDDAH AIRPORT TO ACCOMMODATE LARGEST AIRCRAFT

Head of the Presidency of Civil Aviation Abdullah Ruhaimy reported to a meeting of the Shura Council on May 22 that after its U.S. \$1.5 billion expansion, King Abdulaziz International Airport in Jeddah will be able to accommodate the world's largest aircraft, including A-380s. The new Airbus, a full-length twin-decked aircraft which carries 555 passengers, will be in service in 2006.

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