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FOREIGN POLICY

King Abdullah signs landmark agreements with China

King Abdullah bin Abdulaziz concluded his official visit to China January 24, the first visit by a Saudi king to that nation since the two countries established formal diplomatic relations in 1990. As Crown Prince, Abdullah visited China in 1998. The King will also visit India, Pakistan and Malaysia.

King Abdullah and Chinese President Hu Jintao signed five agreements, including a landmark pact for expanding cooperation in oil, natural gas and minerals as well as accords covering cooperation in economic, trade, technical areas and taxation. Saudi Arabia also agreed to provide a loan to improve the infrastructure of the Chinese city of Aksu in the oil-rich Xinjiang region. Both Saudi Arabia and China said they expected the agreements to bring a new era of closer economic ties between the two nations.

The two leaders also discussed major regional and international issues, including Iraq, Iran, the Israeli-Palestinian conflict and the fight against terrorism.

Chinese Foreign Ministry spokesman Kong Quan noted that trade between China and Saudi Arabia has grown rapidly in recent years, reaching \$14.5 billion in the first 11 months of 2005. China imported 20.1 million tons of crude oil from Saudi Arabia from January to November 2005. The Kingdom has also offered Chinese companies investment opportunities worth \$624 in vital sectors such as petrochemicals, gas, desalination, power generation and railways.

King Abdullah calls for a peaceful resolution to India-Pakistan conflict

In an interview with India's NDTV channel January 22, King Abdullah said that he hopes India and Pakistan resolve their differences peacefully. Everything can be achieved through dialogue, he said.

He also said he believes India can play a role in the Organization of the Islamic Conference, possibly as an observer, like Russia. He also suggested that Pakistan put forth India's application for observer status.

On oil, King Abdullah said that Saudi Arabia has the capability to meet the petroleum needs of India and other countries. He said that the Kingdom prefers lower oil prices they are in the interest of developing countries.

In the interview, King Abdullah also said that Saudi Arabia's friendly relations with China and India would not affect its good relations with the United States, which has been a friend of the Kingdom for over 60 years. In addition, he stressed Saudi Arabia's staunch opposition to terrorism.

King Abdullah urges Cheney to give diplomacy with Iran more time

King Abdullah bin Abdulaziz urged Vice President Dick Cheney to give diplomacy more time before pushing for Iran's referral to the UN Security Council over its nuclear program. King Abdullah and Cheney met January 17 for a wide-ranging discussion at the King's ranch near Riyadh.

Both King Abdullah and Cheney agreed on the need for Syria to cooperate with the UN probe into the assassination of former Lebanese Prime Minister Rafiq Al-Hariri, according to a Saudi official. King Abdullah also underscored the need for the US to help the Palestinian Authority and to support efforts to achieve an independent Palestinian state. The king expressed satisfaction with US facilitation of the Jan. 25 Palestinian legislative elections.

REFORM

Kingdom announces wide-ranging plan for higher education reform

Plans are underway for a 25-year, strategic, wide-ranging reform of Saudi Arabia's higher education system, the Ministry of Higher Education announced January 23. The Ministry has asked the Research Institute of the King Fahd University of Petroleum and Minerals to perform a detailed study of the reform plan. After the completion of the study, which is expected to take two years, recommendations will be compiled and a 25-year plan drawn up.

ECONOMY

Agreement signed for Saudi-US joint venture

The Riyadh-based Al-Zamil Group and the Texas-based Huntsman Corporation signed a joint venture agreement worth an estimated SR 500 million [\$133 million] January 23 to build an ethylenamines manufacturing facility in Jubail Industrial City. The Arabian Amines Company is expected to begin operation by 2008.

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