



OCTOBER 2, 2007

## FOREIGN POLICY

### **Foreign minister stresses urgency of resolving Arab-Israeli conflict**

In his statement to the 62nd UN General Assembly September 28, Foreign Minister Prince Saud Al-Faisal warned that the Middle East region faces escalating conflicts in Palestine, Iraq, Lebanon, Sudan and Somalia.

Addressing the region's crises must begin with resolving the Arab-Israeli conflict, Prince Saud said. The Arab Peace Initiative remains a unique opportunity to do so. He urged the international community to change its approach to the conflict and called on Israel to ease the daily suffering of the Palestinian people and end settlement activity as well as construction of its wall.

Commenting on President Bush's call for an international peace conference on Palestine, the Saudi foreign minister stated that the success of the conference depends on addressing final status issues – including Jerusalem, borders, and refugees – in a clear, direct way with timeframes.

On Iraq, Prince Saud stressed Saudi Arabia's support for Iraqi unity and noted that it remains the responsibility of the Iraqi government to achieve a comprehensive national reconciliation, he said.

Saudi Arabia remains concerned about the ongoing political crises and external interference in Lebanon, he said, and emphasized the importance of holding presidential elections.

On other issues, Prince Saud noted Saudi Arabia's recent efforts to resolve crises in Somalia and Sudan. He reiterated Saudi Arabia's support for a Middle East free of weapons of mass destruction and drew attention to the Kingdom's ongoing foreign aid to countries in need. He also stressed its commitment to fighting terrorism and extremism, and strongly rejected linking Islam to terrorism.

In a September 27 press briefing in New York, Prince Saud said that Saudi Arabia plans to send an ambassador to Iraq after determining the location for the embassy and ensuring the safety of its diplomats, hopefully soon.

## SAUDI ARABIA

### **Grand Mufti warns Saudi youth against traveling abroad for jihad**

Grand Mufti of Saudi Arabia Sheikh Abdulaziz Al-Ashaikh warned Saudi youths against traveling abroad with the intention of engaging in jihad in an October 1 speech. In the past, the Grand Mufti has also condemned suicide bombings as well as criminal acts perpetrated by militants, and described Al-Qaeda as enemies of Islam, the nation and its economy.

### **Annual SAMA report confirms Kingdom's financial stability**

The Saudi economy has shown substantial growth for the fourth year in a row, according to the Saudi Arabian Monetary Agency (SAMA) annual report for FY 2006-2007, which was released September 25.

The Kingdom had a real economic growth rate of 4.3 percent. The private sector grew by 6.4 percent, the highest in 25 years, while the public sector grew 6.1 percent, the highest in nine years. The national budget surplus reached \$77.6 billion, despite record public expenditures of \$105.1 billion; and the balance of payments for 2006 also showed a surplus of \$99.3 billion.

SAMA Governor Hamad Al-Sayyari attributed that growth to the increased role of the private sector, direct domestic and foreign investments, and the global oil market. He also cited the Kingdom's policies of openness, flexibility and free flow of capital as factors. Challenges include job creation and balancing education policies with the requirements of the labor market, he said.

### **World Bank ranks Saudi Arabia 23<sup>rd</sup> overall for ease of doing business**

The World Bank Group has ranked Saudi Arabia 23<sup>rd</sup> among 178 economies for ease of doing business in its "Doing Business 2008" report, which was released recently. Last year, the Kingdom ranked 38<sup>th</sup> in the annual report.

In a statement, Finance Minister Ibrahim Al-Assaf welcomed the report and noted that Saudi Arabia was ranked as the top performer worldwide in improving business start-up procedures and third for the ease of registering property. The improved rankings are the result of successful reforms instituted by the Kingdom to improve its business environment and make it conducive for foreign and domestic investment, he said.

## **FOREIGN AID**

### **Saudi aid handed over Pakistan and Lebanon**

The Saudi Popular Campaign for the Relief of the Lebanese People distributed food aid to the needy in Sidon, southern Lebanon September 27 for the holy month of Ramadan. On October 1, 300 tons of Saudi relief aid arrived in Pakistan to provide assistance for the flood-stricken Baluchistan and Singh provinces.



