



OCTOBER 23, 2007

## SAUDI ARABIA

### **Saudi Arabia top recipient of FDI in the Arab world**

Saudi Arabia was the largest beneficiary of foreign direct investment (FDI) in the Arab world in 2006 according to a recent UN report. The Kingdom attracted \$18 billion, a 51 percent increase over 2005.

The report, by the UN Conference on Trade and Development (UNCTAD), was published October 16. UNCTAD is the UN General Assembly's primary organ for dealing with trade, investment and development issues.

According to the report, the increase in FDI was due to the region's strong economic growth, improved business climate and high oil prices. The Kingdom has also taken measures in recent years to attract foreign investment. An example is the Supreme Economic Council (SEC) decision to allow foreign investment in key sectors such as insurance services, wholesale and retail trade, air and train transport, and communications services.

### **King Abdullah lays the foundation stone for world-class university**

King Abdullah bin Abdulaziz laid the foundation stone for the King Abdullah University of Science and Technology (KAUST) in a ceremony at the Thuwal campus October 21.

Located along the Red Sea 50 miles north of Jeddah, KAUST aims to be a world-class graduate research university that will support scientific discovery and human advancement. It is expected to open in September 2009.

During the ceremony, King Abdullah expressed the hope that KAUST would become a center for knowledge for the benefit of all mankind. In an interview with SPA last week, the King said that he has had the establishment of such a university in his mind for 25 years.

## SAUDI-US RELATIONS

### **President Bush certifies Saudi Arabia as anti-terror ally**

President George W. Bush certified Saudi Arabia as an anti-terrorism ally in a October 19 memorandum to Secretary of State Condoleezza Rice.

"I hereby certify that Saudi Arabia is cooperating with efforts to combat international terrorism and that the proposed assistance will help facilitate that effort," Bush said in the memorandum, which was released by the White House.

In related news King Abdullah bin Abdulaziz met with Homeland Security Advisor Frances Townsend in Jeddah October 20. During the meeting, Townsend delivered a message from President Bush to King Abdullah.

## FOREIGN POLICY

### **King Abdullah meets with President Halonen of Finland**

President Tarja Halonen of Finland arrived in Jeddah October 21 for a three-day visit to the Kingdom. It is the first-ever official visit by a Finnish president to Saudi Arabia.

After a red carpet welcome at the royal palace in Jeddah October 22, President Halonen and King Abdullah bin Abdulaziz co-chaired official talks that focused on regional and international issues as well as ways to boost bilateral relations.

During the meeting, King Abdullah presented President Halonen with the King Abdulaziz Medal, which is awarded to heads of state and world leaders. She in turn presented the King with the Order of the White Rose, Finland's top medal.

In an interview prior to departing Helsinki, Halonen characterized Saudi Arabia as an "important" country and praised its active role in promoting peace in the Middle East and Africa. She highlighted the close economic and commercial relations between the two countries, and said that she believes they can enhance cooperation even further.

In 2006, the volume of trade between Saudi Arabia and Finland totaled \$1.18 billion [SR 4.39 billion]. Finland is among the highest exporters of mobile phones to Saudi Arabia, which in turn exports petrochemical products to Finland for the manufacturing of plastics. There are currently 13 joint Saudi-Finnish projects with capital of \$443 million [SR 1.6 billion] operating in the Kingdom.

