



DECEMBER 22, 2009

SAUDI ARABIA

Cabinet approves FY 2010 budget

The Cabinet approved the state budget for fiscal year 2010 on December 21. In a statement December 21, King Abdullah said that the \$144 billion budget reflects an increase of 14% over FY 2009 takes into account the requirements of today's national economy. The FY 2010 budget considers global economic circumstances that have led to a drop in world oil demand and prices. The budget includes \$70 billion to support economic development, job creation, and social services; \$36.53 billion for education and training, including the construction of 1,200 schools; \$12.3 billion for health and social development; \$5.9 billion for municipal services; 12.27 billion for water, industry, agriculture and utilities; and \$6.4 billion for transport and telecommunications.

The Central Department of Statistics and Information reported Monday that the Kingdom's 2009 Gross Domestic Product (GDP) is estimated to be \$369.2 billion, reflecting a contraction of about 22% compared to 2008. Non-oil GDP is estimated to grow by 5.5%. This growth is mainly attributed to the government stimulus program. The private sector is estimated to have grown by 2.85%. All components of GDP recorded positive growth in 2009, except the oil sector. In particular, the industrial sector grew by 2.2%; construction by 3.9%; electricity, gas and water by 3.35%; transport and communication by 6%; wholesale, retail, restaurants and hotels by 2%; and finance, insurance and real estate by 1.8%. Inflation is estimated at 4.4%, while the non-oil GDP deflator showed an increase of 2.4%. The trade balance is estimated to record a surplus of \$104.1 billion in 2009, a decline of 50.9% compared to 2008, as a result of the decline in oil exports.

FOREIGN RELATIONS

Minister of Petroleum speaks at climate change conference

Minister of Petroleum and Mineral Resources Ali Al-Naimi led the Saudi delegation to the 15th Conference of the Parties to the United Nations Framework Convention on Climate Change, which began in Copenhagen, Denmark on December 16. Minister Al-Naimi called for any climate change agreement to fairly distribute the burden among the world's nations. Al-Naimi cautioned countries not to adopt measures that discriminate against specific commodities, pointing out that energy is key to global economic development. Advising against the

adoption of protectionist trade policies against fossil fuel products, Al-Naimi stressed the importance of promoting carbon capture and storage (CCS) technology and laws that force emissions cuts.

KACST partners with NASA Lunar Science Institute

The King Abdulaziz City for Science and Technology (KACST) and the NASA Lunar Science Institute have signed a joint statement in lunar and asteroid science research. The Saudi Lunar and Near-Earth Object Science Center will be recognized as an affiliate partner with the NASA Lunar Science Institute at the Ames Research Center in Moffett Field, California. Greg Schmidt, Institute Deputy Director at Ames, commented, "Our international partnerships are critical for meeting these objectives, and we are very excited by the important science, training and education that our new Saudi colleagues bring to the NASA Lunar Science Institute." U.S. Ambassador to the Kingdom James B. Smith characterized the partnership as "an important advance in our growing program of bilateral science and technology cooperation," adding, "It will help realize President Obama's goal, expressed in his June 4 speech to the Muslim world, of increasing our cooperation on science and technology, which we believe closely corresponds to King Abdullah's vision."

Ambassador hosts Amish representatives

Saudi Ambassador to the U.S. Adel A. Al-Jubeir hosted a lunch at the Embassy in Washington on December 10 for members of the Weavertown Amish community of Pennsylvania. Last September, residents of Weavertown invited 12 Saudi professors from the Imam Mohammed bin Saud University in Riyadh into their homes for dinner and an interfaith discussion. The exchanges are part of the Interfaith Dialogue Program sponsored by Temple University in Philadelphia.

FOREIGN AID

Kingdom, UNRWA sign agreements to provide support for Palestinians

Saudi Arabia and the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) signed on December 19 three agreements providing \$3,874,841 for humanitarian projects to alleviate the suffering of the Palestinian people in Gaza and the West Bank. The agreements include \$374,841 for the purchase of medicine; \$1.5 million for medical supplies and relief assistance; and \$2 million for food. The Saudi Campaign for Relief has already implemented as many as 64 humanitarian programs, at a cost of \$258,663,670, in the West Bank and \$44,053,577 in Gaza.

