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Saudi Arabia's King Abdullah Inaugurates 21st Century Research University

In September 2009, the world's newest state-of-the-art, graduate-level research university – the King Abdullah University of Science and Technology (KAUST) – was formally inaugurated in Thuwal, Saudi Arabia by the Custodian of the Two Holy Mosques, H.M. King Abdullah bin Abdulaziz Al-Saud.

In his keynote address, King Abdullah emphasized that this 21st century university would usher in a new age of Arab scientific inquiry. "KAUST is a continuation of what distinguished our civilization in its Golden Age. This is, first of all, what the university stands for. Throughout history, power has attached itself, after God, to science. And the Islamic nation knows too well, that it will not be powerful unless it depends on, after God, science."

Heads of state, presidents of the world's leading universities, Saudi dignitaries, prominent scientists, international business leaders and journalists from around the world were among the more than 3,000 guests who attended the stunning inauguration ceremonies. KAUST President, Professor Choon Fong Shih, commented that "KAUST is a gift from King Abdullah to Saudi Arabia and to the whole world. King Abdullah has high aspirations for KAUST – to stand among the world's great universities, bringing knowledge and science in fruitful



King Abdullah speaks at the groundbreaking ceremony for KAUST in October 2007

service to the people of Saudi Arabia and all peoples of the world."

From July 2006, when Saudi Aramco was asked to spearhead the creation of the new university, to the official groundbreaking ceremony in October 2007, and the beginning of classes in September 2009, the SR10 billion (\$2.6 billion) university was

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"The establishment of this university has been a living idea in my mind for more than 25 years, and I thank God for helping us to realize it."

H.M. King Abdullah bin Abdulaziz Al-Saud



Photos courtesy of KAUST



NUSACC President David Hamod

FROM THE PRESIDENT'S DESK

KAUST: A New "House of Wisdom" Ushers in a Knowledge-Based Society

For most Americans, Saudi Arabia is synonymous with oil. With the largest known petroleum reserves anywhere in the world, the Kingdom is certainly a heavyweight in this arena. But oil represents only one chapter in the unfolding story of today's Saudi Arabia.

"Saudi Arabia is looking ahead to a world that revolves around knowledge, not hydrocarbons."

That nation's leadership, in keeping with the vision of King Abdullah bin Abdulaziz Al-Saud, is looking ahead to a world that revolves around knowledge, not hydrocarbons. This is a key precept behind the establishment of the King Abdullah University of Science and Technology (KAUST), the first such graduate-level research institution of its kind in the world.

KAUST represents a vital step in Saudi Arabia's transition to a knowledge-based society. Saudis will gain access to some of the world's most sophisticated research and researchers, enabling the Kingdom to tap into state-of-the-art science and technology that

has the potential to have a profound impact on the nation's economic development and quality of life.

But KAUST is also so much more. In the words of H.E. Ali Ibrahim Al-Naimi, Minister of Petroleum and Chairman of the KAUST Board of Trustees, "KAUST will be not only a source of pride and honor for the Kingdom's leadership and people, but also an endowment for humanity and an inspiration for a promising future as an international center for

scientific discovery." KAUST will be a world-class university open to the most talented and outstanding scientists, researchers, and students from the Kingdom and all countries of the world.

"The most righteous of people is the one who brings the greater good to the community."

- H.M. King Abdullah of Saudi Arabia citing the Prophet Muhammad (PBUH)

For centuries, Islamic civilization produced many of the world's greatest scholars in the arts and sciences in such disciplines as medicine, mathematics, astronomy, philosophy, art, and architecture. Today, for Saudis and Muslims all over the world, KAUST is intended to serve as a new "House of Wisdom" that will provide resources and inspiration for generations of scholars to come.

Board Chairman Al-Naimi characterizes KAUST as a "new world center of science and knowledge and heir to one of the longest traditions of scientific research in human history." H.M. King Abdullah suggests that in constructing this new House of Wisdom, the university "shall be a beacon for peace, hope, and reconciliation," one that will "benefit all the peoples of the world in keeping with the teachings of the Holy Quran, which explains that God created mankind in order for us to come to know each other."

"For Saudis and Muslims all over the world, KAUST is intended to serve as a new House of Wisdom."

More than a quarter century ago, Prince Abdullah bin Abdulaziz Al-Saud dreamt of an institution of higher learning in Saudi Arabia that could utilize science and technology to benefit humanity and bring the world closer together. Today, that dream has become a reality.

David Hamod
President & CEO



H.M. King Abdullah Bin Abdulaziz Al-Saud: Custodian of the Two Holy Mosques

H.M. King Abdullah bin Abdulaziz Al-Saud, Custodian of the Two Holy Mosques, became the sixth King of Saudi Arabia on August 1, 2005, following the death of his brother, the late King Fahd. As Head of State, he is also Prime Minister of the Council of Ministers and Commander of the National Guard.

Born in 1924, in Riyadh, King Abdullah is the fifth son of King Abdulaziz Al-Saud, the founder of the Kingdom of Saudi Arabia. Educated at the Royal Court, King Abdullah spent years living in the desert among the Bedouin tribes, which instilled in him a deep respect for the history and culture of his country. In 1962, he was appointed Commander of the Saudi Arabian National Guard by the late King Faisal. In 1975, he became Second Deputy Prime Minister and was later named Crown Prince and First Deputy Prime Minister by the late King Fahd in 1982.

During the past four years of his administration, King Abdullah has initiated significant political, economic and social reforms, which have led to unprecedented changes in the Kingdom. Saudi Arabia's first municipal elections were held in 2005. Two years later, H.M. the King approved an historic reorganization of the Saudi judicial system and introduced the Bay'ah law, which provides a consistent and transparent process for selecting a successor to the throne. In February 2009, he appointed the first female Deputy Minister to the newly reorganized Council of Ministers.

Considered the Kingdom's strongest advocate for modernizing Saudi Arabia's business environment, King Abdullah has



Photos courtesy of KAUST



The 2009 inauguration of the world-class King Abdullah University for Science and Technology (KAUST), an international graduate-level research institution, symbolizes the King's vision and personal commitment to education. During the first KAUST Council of Trustees meeting, King Abdullah referred to the university as a "beacon of light to enlighten a better future for the people of this homeland, the region and everywhere, Allah willing." In the same spirit, H.M. the King laid the foundation stone in 2008 for the Princess Nourah bint Abdulrahman University for Girls. When completed in 2010, it will be one of the world's largest institutions of higher learning for women.

enacted a new foreign investment law, prompted the Kingdom's accession to the World Trade Organization (WTO), established the Saudi Arabian General Investment Authority (SAGIA), and founded the Global Competitiveness Forum (GCF) in 2007. Hundreds of international leaders attend these forums, which are held annually in Riyadh

One of King Abdullah's most ambitious plans, the 10x10 Program, seeks to establish Saudi Arabia as one of the world's ten most competitive countries by the year 2010. Instrumental to this plan, six new economic mega-cities, four of which have been launched, will encourage private-sector involvement, allow 100 percent foreign ownership, contribute over \$150 billion to the country's GDP and create an additional 1.3 million jobs for the growing Saudi population. As of 2008, the

World Economic Forum's Global Competitiveness Report indicated that the Kingdom was clearly moving in the right direction, climbing from 35th to 27th, out of 134 countries studied worldwide.

On an international level, King Abdullah is known for his leadership role in defense of Arab and Islamic issues, as well as regional and international peace and stability. He initiated the 2002 Arab Peace Initiative, and he called for an historic interfaith dialogue, which was held in Spain in 2008. That same year, he led the "Peace of Culture" forum at the United Nations General Assembly, which included former British P.M. Tony Blair, as well as H.M. King Abdullah of Jordan.

In a speech given to Saudi Arabia's Consultative (Shura) Council, he noted that "our region is passing through a critical stage, especially in light of various struggles and crises that are taking place. This necessitates greater efforts in Saudi diplomacy within both regional and international arenas."

King Abdullah is committed to the strategic, economic and historic partnership between the U.S. and Saudi Arabia, and he has tactfully nurtured that relationship in the aftermath of 9/11. At the 2008 G-20 Summit meeting, he noted, "Saudi Arabia has made many sacrifices, including maintaining costly additional productive capacity amounting to about 2 million barrels per day, seeking to promote global economic growth in a manner that serves the interests of all parties."

During his April 2009 meeting with King Abdullah in Riyadh, U.S. President Barack Obama described the King's friendship as a "great blessing." Woodrow Wilson Center scholar Robin Wright added that this friendship "is one of the pivotal relationships President Obama can develop. Saudi Arabia is important not just in terms of the Gulf and its oil prices. It sets the tone."



I N T E R V I E W

H.E. Adel Al-Jubeir

Saudi Ambassador to the United States

The IMF recently praised Saudi Arabia for the strength of its economy and its leadership role in stabilizing the world oil markets. What factors and/or changes in the government’s agenda account for this?

The Kingdom of Saudi Arabia seeks to pursue balanced and sustainable economic policies that promote investment, growth and job creation. If the Kingdom’s development policies since the mid-1970s are examined, it is clear they have been practical, rational and effective in bringing about economic development.

The first and second five-year plans focused specifically on infrastructure development; the Kingdom needed airports, roads, hospitals, desalination plants, electrical plants, etc. Subsequent plans focused on developing industries and human resources. SABIC and other companies are now examples of the Kingdom’s attempts to build industries that can use its energy resources as feedstock, providing it with a natural advantage to compete in the global market place.

With regard to energy, since the Kingdom possesses the world’s largest proven oil reserves and is the largest exporter of oil, it has a responsibility to manage its energy policy in a manner that serves both producers and consumers by maintaining capacity and working to ensure stable prices. Saudi Arabia believes that high prices affect the global economy negatively by slowing down economic growth, and hurt producers in the long-run by slowing demand growth for oil. Low prices, on the other hand, hurt producing nations by reducing their income and, in the long-run, hurt consuming nations by encouraging consumption.

Saudi Arabia’s history of managing its economic affairs, including energy, clearly shows a consistent and rational approach.

In 2004, Saudi Arabia announced the 10x10 program, which will make Saudi Arabia one of the world’s 10 most competitive countries by 2010. How close is the Kingdom to this goal?

The Kingdom is very close. In fact, Saudi Arabia has been rated as the 13th most economically competitive country in the world according to the International Finance Corporation (IFC)-World Bank annual Doing Business report issued this month.

The World Bank has named Saudi Arabia a “systematic reformer” and ranked it number one in the Arab World in ease of doing business. What factors have led to this “ease”, and has this had an impact on U.S. direct investment in the Kingdom, especially regarding small-to-medium businesses?

Rational, sustainable and long-term policies. The Kingdom’s leadership is committed to developing the country and providing its citizens with a high standard of living, a social safety net, and economic opportunity. It is also committed to free trade.

Saudi Arabia recognizes the importance of global trade and the need to be competitive. As such, there is a clear focus on revitalizing every aspect of the Saudi economy – including regulation which makes the Kingdom a friendly place to invest and do business, and efforts to provide Saudi citizens with the ability to compete in the global market place. Over the past decade, new laws were introduced, the court system was restructured, taxation was eased on foreign investors, and investments

“Investments by American companies in the Kingdom are at record levels, as are Saudi investments in the United States. So is the two-way traffic of travel by our citizens.”

were made in infrastructure, among other steps. The changes were comprehensive in nature, or what the World Bank referred to as “systemic.”

Saudi Arabia and the United States have very strong and unique historic ties dating back to the 1930s. Are most Americans aware of this relationship? How has this relationship changed in the aftermath of 9/11?

I believe most Americans are aware of the importance of the bilateral relationship. But more can be done to educate them further. With regard to 9-11, it was a painful moment for us when it was discovered that most of the hijackers came from Saudi Arabia. We believe that Osama Bin Laden intention-



ally selected Saudis for this heinous crime to give the operation a Saudi face and to create doubts in the minds of Americans about the Kingdom. Would American attitudes towards the Kingdom at the time be the same if most hijackers were not Saudi? I doubt it.

After 9-11, the relationship – at the popular level – suffered, while at the official level both governments recognized Bin Laden’s objective and committed to maintaining and strengthening the bilateral relationship. We both are the main targets for Al-Qaeda and we both work closely together to defeat it. And – God willing – we will.

When we look at the relationship today, our nations have very strong ties. In 2005, the Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz and President George Bush established the Strategic Dialogue between our two nations to institutionalize the relationship. The Kingdom also initiated the “Custodian of the Two Holy Mosques Scholarship Program” to send Saudi students abroad for higher education. As a result, the number of Saudi students in the U.S. increased from a few thousand in 2005 to almost 20,000 today.

In other areas we see progress as well. Investments by American companies in the Kingdom are at record levels, as are Saudi investments in the U.S. So is the two-way traffic of travel by our citizens. For example, last year, more than 60,000 visas were issued to American citizens.

The number of Saudi military officers training in the U.S. has also increased substantially over the past few years, as have the number of joint exercises. Our countries also maintain several joint task forces to combat terrorism and terror finance.

Today, our countries face mutual challenges in the region, in the global economy and in the

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INTERVIEW

Brigadier General James Smith U.S. Ambassador to the Kingdom of Saudi Arabia

As the new ambassador to Saudi Arabia, what are the first items on your agenda?

President Obama articulated a new beginning in his Cairo speech. As his representative in the Kingdom of Saudi Arabia, my agenda is to open the door to the possibilities in that speech. The relationship between the United States and Saudi Arabia is one of the most important in the world. Given the unique and dynamic nature of world events, it is incumbent on both nations to continue building on this important relationship. Business and trade constitute a central element of this relationship, and as Ambassador, I will actively promote trade and investment between Saudi Arabia and the United States. We will facilitate travel, cultural exchanges, and other delegations to both countries. We look forward to the inauguration of the King Abdullah University of Science and Technology this month, and I firmly believe that exchanges in science and technology can be a positive, meaningful basis for building our relationship. We must continue to cooperate closely on a wide range of regional security challenges, and close cooperation aimed at confronting violent extremism must be further strengthened. Harkening back to the President's comments, my first task will be to listen, to engage with business and government leaders and to hear from people who bring new approaches to improving commerce and good relations between our countries.

What is your impression of the current U.S.-Saudi relationship? Have the historic ties between the two countries, dating back to the 1930's, helped buffer the lingering impact of 9/11?

The relationship between Saudi Arabia and the United States has never been stronger; it has also never been more multi-faceted or important. The United States values greatly the cooperation we have had with Saudi Arabia on a wide range of issues. As I said in my remarks during confirmation, my experience in Saudi Arabia as a military officer and business executive has left me with a great respect for Saudi Arabia, its culture, and the vitality of our relationship. Over the coming months and years, we should have many opportunities to build on that friendship. The historic ties between our countries have been a source of strength for the bilateral relationship, and our shared goals will propel us forward together.

In 2008, trade agreements between Saudi Arabia and the U.S. resulted in a 14% growth in bilateral trade. How active a role will the U.S. Embassy play in continuing to strengthen trade relations between the two countries?

The U.S. Embassy has and will continue to play an active role in promoting bilateral commercial ties. We want to do more business with the Kingdom. Over the next 12 months, the U.S. Commercial Service at the Embassy has planned more than 12 trade missions from Saudi Arabia to the U.S. We are also working on organizing trade missions from the U.S. to the Kingdom. I expect our trade promotion activity will see a significant increase in coming months.

I also see this as a great opportunity to promote the efforts of women entrepreneurs in Saudi Arabia. Saudi Arabia is fortunate to have such outstanding businessmen and businesswomen, making a positive contribution to the future prosperity of the Kingdom. President Obama and his administration strongly support the

"The relationship between Saudi Arabia and the United States has never been stronger; it has also never been more multi-faceted or important."

Kingdom's efforts to increase opportunities for women in business and other professions. My wife, Janet, who is a university professor, and I will do all we can to enhance the prospects for the next generation of entrepreneurs, both men and women.

The King Abdullah University of Science and Technology (KAUST) opened this September. Many American universities, research institutes and companies – Babson College, Woods Hole Oceanographic Institute, Stanford University, Boeing and Dow Chemical, to name a few, are partnering with KAUST. Will KAUST also open new doors for SMEs in Saudi Arabia?

The Inauguration of KAUST marks an important milestone for King Abdullah. The King has said that one of the aims of KAUST is to "promote the economic development and social prosperity of the people of the Kingdom and of the world." Small and medium enterprises



(SMEs) are one of the main foundations of economic growth and development. Commerce has played a central role in helping people achieve a better life throughout the Middle East. I am certain that SMEs will benefit from the new discoveries and innovation undertaken at KAUST.

In the aftermath of 9/11, when political and trade relations between the U.S. and Saudi Arabia were strained, many European and Asian companies stepped in. Can U.S. companies, in particular SMEs, regain their position, and if so, how?

Business opportunities continue to develop in Saudi Arabia – both for large and small companies - and U.S. firms continue to enjoy respectable market share in the Kingdom. However, just as in the United States, there is increasing competition from other countries. The U.S. Government offers a number of services to assist SMEs entering the Saudi market. For instance, with its network of offices across the United States, the U.S. Commercial Service of the U.S. Department of Commerce helps SMEs sell their products and services worldwide. (For more information, visit www.export.gov.)

What are the best sectors for U.S. exporters in Saudi Arabia?

Saudi Arabia offers opportunities for U.S. exporters in a wide range of sectors. Some of the most dynamic sectors include Oil and Gas Equipment and Services, Petrochemical, Security Equipment, Power Generation, Telecommunications and Information Technology, Medical Equipment, Architecture and Construction, Railroad Equipment and Services, Franchising, Automobiles & Parts & Services, Aviation (Civil and Defense), Pollution Control and Environmental Services, Mining, and Water Resources and Equipment. This list

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Ambassador Al-Jubeir – from page 4

fight against terrorism, and their relationship has grown stronger as a consequence of their close cooperation.

Saudi Arabia has been a member of the World Trade Organization since 2005. Has this had an impact on its international standing?

Absolutely. We have seen foreign investment in the Kingdom increase substantially and we have seen markets open up for Saudi companies and products.

The Kingdom is building four economic cities across the country and launching KAUST in September. What opportunities does this open up to foreign investors?

The economic cities provide opportunities for infrastructure development and investment in industries and services.

KAUST will herald, God willing, a new era in higher education and scientific research in the

Kingdom and in the world. The university is a scientific institution that is independent and international in outlook. It will have faculty, staff and students from around the globe. It has signed agreements with a number of distinguished international universities and research centers to collaborate on research projects and exchange knowledge. It will use science to improve life.

What are the best sectors for U.S. firms interested in Saudi Arabia?

The Kingdom believes in free trade and encourages investment by foreigners. It has the largest economy in the region, and is a member of the G-20. And it is one of the world's top places to invest. There are opportunities in virtually every area – construction, power generation, energy, petrochemicals, manufacturing, finance, insurance, and services, to name a few.

What are your priorities as the Saudi Ambassador to the United States?

“The Kingdom ... is one of the world's top places to invest. There are opportunities in virtually every area – construction, power generation, energy, petrochemicals, manufacturing, finance, insurance, and services, to name a few.”

To work on further enhancing the strong and historic ties between our two nations in all areas, without exception, and to look after the welfare of our citizens, whether they are students, medical patients, businessmen or tourists.

Ambassador Smith – from previous page

is not exhaustive, however. There are many export opportunities in other sectors, too.

Saudi Arabia is building four mega-economic cities across the Kingdom. What opportunities do these cities offer for foreign investment?

The Saudi leadership envisions the economic cities as engines for industrial growth, real estate development, sea port and dry port development, and educational advancement in the Kingdom. According to the Saudi Arabian General Investment Authority, these new cities will contribute \$150 billion to the country's GDP by the year 2020. In developing the cities, the government will play the role of regulator, facilitator and promoter with the private sector providing the capital, the land owners and the developers. The cities have the potential to offer diverse opportunities for foreign investors in sectors ranging from alternative energy to information technology and manufacturing.

Is there a feeling of confidence and growing entrepreneurship in the Saudi private sector?

During my last visit to Saudi Arabia in the summer of 2008, I was impressed with the growth of a new class of Saudi entrepreneurs. They are creative, aggressive, and motivated to succeed. This speaks well for Saudi Arabia's

ability to diversify its economy. Over the last decade, Saudi Arabia has made considerable progress toward expanding its economy in order to achieve sustainable growth, and the future looks bright. It has taken concrete steps to create an enabling business environment. According to the World Bank, in 2009, Saudi Arabia ranked among the top 25 worldwide in terms of the ease of doing business. The culture of entrepreneurship is on the upswing in the Kingdom.

“As the only Arab member of the G-20, Saudi Arabia has played an important role in supporting international efforts to stem the global financial crisis.”

The IMF recently praised Saudi Arabia for the strength of its economy, and The World Bank ranked the Kingdom number one in the Arab World for the ease of doing business. What factors have led to this success in the midst of a global economic crisis?

No country has been immune from the effects of the international financial crisis,

though Saudi Arabia has been affected less than many other countries. I think Saudi Arabia deserves great credit for the financial discipline shown over the past decade; the reforms that the Kingdom's economic leaders have implemented certainly contribute to its many successes. As the only Arab member of the G-20, Saudi Arabia has played an important role in supporting international efforts to stem the global financial crisis.

How will Saudi Arabia's regional and global role change in the coming decade, and what impact will this change have on U.S.-Saudi relations?

It would be unwise for me to begin my tenure by predicting the future...that's a fool's exercise. But it is obvious that Saudi Arabia will play a key leadership role in a myriad of regional issues. Most of the key global challenges facing the world and the United States will require consultation with the Saudi leadership. We have active dialogues on a wide range of key regional security challenges; indeed, on so many issues, we share common objectives. I accepted this assignment because of the importance the Administration places on the relationship between the United States and Saudi Arabia; I will do everything in my power to build on the very positive success of the last few years and to make the relationship even stronger.

KAUST opens – from page 1

completed in less than 1,000 days. Its endowment of over \$10 billion is one of the largest in the world.

The 9,000-acre campus encompasses a marine sanctuary and research facility around a protected two-acre coral reef ecosystem. There are two acres of classrooms, 24 acres of laboratory space, and a self-contained community with three residential districts, designed to preserve the environment and conserve resources. The university's rooftop solar power plant has one acre of solar thermal panels for hot water production and four acres of photovoltaic arrays that will produce four megawatts of energy annually. Alternative transportation methods, such as 100 electric

King Abdullah University of Science and Technology



Founding President of KAUST. The university has an inaugural faculty of 71 professors, which will expand to 225 at full maturity. 817 male and female students, from 61 countries and 116 undergraduate institutions, were chosen from over 7,187 applications. 374 of these new students began classes in September, the rest will begin in 2010. They can pursue M.S. and Ph.D. degrees in nine fields of study, within three academic divisions: Chemical and Life Sciences and Engineering; Mathematical and Computer Sciences and Engineering; and Physical Sciences and Engineering. Nine out of 20 projected strategic research centers are currently up and running.

KAUST's Innovative Industrial Collaboration Program (KICP) fosters partnerships with local, regional and global businesses interested in strengthening, and benefiting, from the link between academic research and economic growth. Abdul Latif Jameel Co, Ltd (Jeddah), GE Global Research Center, SABIC, Boeing, IBM, Dow, and Schlumberger were among the first to come on board.

"Boeing is defined by its technological edge," explained Boeing Saudi Arabia President Ahmed Jazzar, in a recent interview with Saudi Gazette. "We believe that working with KAUST's professors and students on innovative technology research will help Boeing assimilate new ideas and processes into our products and programs." He added that partnerships of this nature will strengthen Saudi R&D and enhance the scientific community's ability to meet emerging needs within the Kingdom more effectively.

Peter Hoffman, director of Global Research and Development Strategy at Boeing Research and Technology, the company's state-of-the-art R&D unit, emphasized that "Boeing is actively looking to partner with the best researchers around the world to find and develop the best technological solutions for our customers, and we look forward to working with the people at KAUST."

Underscoring KAUST's commitment to collaborative research and global outreach, academic research partnerships have been formed with such international institutions as Woods Hole Oceanographic Institution (WHOI), Institute Francais du Petrol, National University of Singapore, The Hong Kong University of Science and Technology, Technische Universitaet Muenchen, University

"Boeing is actively looking to partner with the best researchers around the world to find and develop the best technological solutions for our customers, and we look forward to working with the people at KAUST."

Pete Hoffman, director of Global Research and Development Strategy Boeing Research and Technology

vehicles and charging stations reduce the community's carbon footprint. During the September 23rd inauguration, KAUST was awarded the prestigious Leadership in Energy and Environmental Design (LEED) Platinum Certification by the U.S. Green Building Council. It is the first LEED certified project in Saudi Arabia and the largest LEED Platinum project in the world.

Professor Choon Fong Shih, former President and vice-chancellor of the National University of Singapore (NUS), is the

Professor Choon Fong Shih

President of KAUST

Professor Choon Fong Shih has been appointed Founding President and Professor of Electrical Engineering at KAUST. He assumed his duties as president, effective December 1, 2008.



Photo courtesy of KAUST



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Prince Sultan Receives Award During KAUST Ceremony

H.R.H. Prince Sultan bin Abdulaziz Al-Saud is the Crown Prince and Deputy Prime Minister of Saudi Arabia. He has served as Minister of Defense and Aviation for more than 45 years and, in that capacity, he has overseen significant growth in Saudi Arabia's military.

During the groundbreaking ceremony of KAUST, H.M. King Abdullah and H.R.H. Prince Sultan received an honorary award from H.E. Ali Ibrahim Al-Naimi, Minister of Petroleum and KAUST's Chairman of the Board.

Prince Sultan serves as Chairman of the Board of Saudi Arabian Airlines, which has received numerous awards under his leadership. (See related story on page 45.) In 2014, the airline will be receiving a dozen new Boeing B787-9 Dreamliners equipped with GE engines.

A former Governor of Riyadh, Prince Sultan served early in his career as Minister of Communications and Minister of Agriculture. He is well known today as founder and patron of the Prince Sultan Bin Abdulaziz International Prize for Water, which recognizes outstanding scientific achievement related to surface water, ground water, non-traditional water resources, and water conservation.

of California at San Diego, Stanford University, Babson College, King Fahd University of Petroleum and Minerals, King Abdullah City for Science and Technology (KACST), and the Indian Institute of Technology.

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SAREN, the Saudi Arabian Advanced Research and Education Network, will enable other institutions in the country and region to link with KAUST’s six cutting-edge laboratories. Shaheen, one of the most powerful computers in the world, was developed by IBM for the KAUST/IBM Center for Deep Computing Research. The Visualization lab houses CORNEA, the world’s brightest and fully-immersive six-sided virtual reality facility, developed by the University of California, San Diego.

“Only two years ago, the KAUST campus was sand, brush and sea – nothing else,” commented H.E. Minister Ali Ibrahim Al-Naimi at the final meeting of the KAUST International Advisory Board. “Today, KAUST is the site of some of the world’s best-equipped scientific and engineering research and educational facilities. Through KAUST, we are bringing Saudi Arabia to the world and the world to Saudi Arabia. It’s an exchange that is long overdue and will no doubt change the way all of us live.”



KAUST’s Breakwater Beacon is illuminated at the Inauguration Ceremony

Photo courtesy of KAUST



KAUST’s Industrial Collaboration Program Facilitates Economic Growth and Job Creation

Saudi Basic Industries Corporation (SABIC), IBM, Boeing and Dow Chemical Company have signed agreements to become founding members of the King Abdullah University of Science and Technology (KAUST) Economic Development Program (KICP). The program is designed to maximize industrial collaboration both within Saudi Arabia and internationally, by creating a single academic and industrial community that will stimulate innovation, economic growth and job creation.

“Companies and universities need to be innovative if they want to remain globally competitive”, explained KAUST Interim President of Economic Development Ahmad Al-Khowaiter. “KICP membership provides our collaborators with recruiting and outreach support, offers both employment and funding prospects to students, as well as challenging and meaningful research collaborations for our faculty.”

Dow plans to build a multi-million dollar joint research framework with KAUST. Andrew Liveris, chairman and chief executive officer of The Dow Chemical Company, said that “Dow is excited about expanding the potential of its R&D presence in the Middle East through this exciting new

partnership with KAUST. The university’s goal of fostering economic development through the advancement of technology is completely aligned with Dow’s focus on delivering science-based solutions for everyday needs.”

“While this is just the beginning of our relationship, we are very excited to be a strategic partner as KAUST looks to become a world-class educational institution determined to make a significant impact on the economic development of the Kingdom of Saudi Arabia,” adds Liveris.

In addition to the KICP, the university is establishing a Technology Transfer Office and a Research Park to support the creation of new businesses. Dr. Charles Kingdon, director of the Research Park and Industrial Collaboration explains that KAUST and KICP will offer companies access to an entrepreneurship program, as well as a regional seed and venture fund network.

There are three membership categories within the program – Founder, Supporter and Small Business, each of which requires a three-year commitment. Benefits vary based upon the category. The Small Business membership, in particular, gives SME’s and KAUST-driven start-ups access to the university’s global network of faculty and



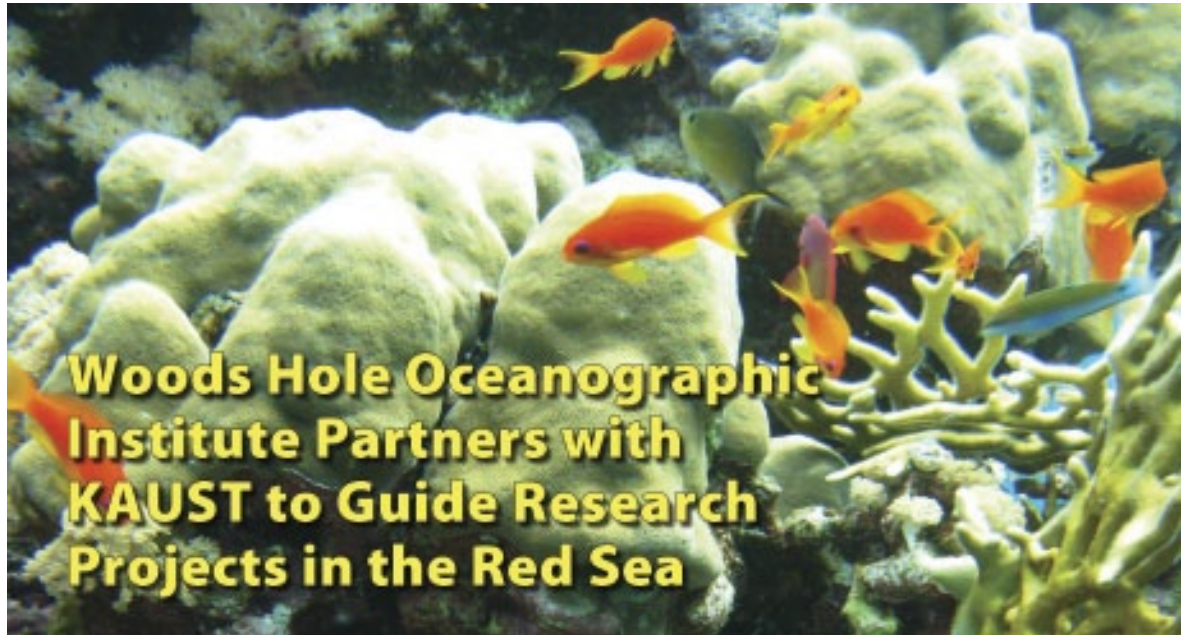
resources, and offers mentoring from the Innovation Center.

“In today’s business climate, it is important to innovate and to work in a different way, by interconnecting existing data and information, and by forging smarter ways of communication,” explained Takreem El-Tohamy, General Manager of IBM Middle East and North Africa. “This agreement, which is an excellent bridge between academia and the business community, is an important step for innovative collaboration within the Kingdom, and with our researchers globally.”



KAUST's campus in Thuwal includes 19 million square meters of protected marine sanctuary. The university's partnership with the Woods Hole Oceanographic Institute (WHOI) focuses on three major areas of collaborative research: a three-year fisheries and aquaculture project that will

produce an integrated bioeconomic model of the Red Sea coast of Saudi Arabia; a coastal hydrography and circulation project that will provide the first comprehensive description of the physical oceanography in the Red Sea; and studies of the coral reef ecology. Woods Hole was also involved in the establishment of the KAUST Marine and Ocean Research Center, as well as the Red Sea Science Center,



which is now directed by former WHOI President Jim Luyten.

"The partnership with KAUST is by far WHOI's largest international collaboration, extending over a period of five years initially and involving dozens of WHOI scientists, postdocs and students. Within a year, it should also include a cooperative graduate education program, and we expect the relationship to

remain strong for decades," explained Larry Madin, executive vice president and Director of Research at WHOI.

WHOI was the first U.S. research center to sign a Memorandum of Understanding (MOU) with KAUST in 2007. Based in Falmouth, Massachusetts, it is a private, independent organization dedicated to marine research, engineering and higher education.

KAUST-IBM Joint Venture Creates Fastest Supercomputer in Middle East

"Shaheen," the high-performance computing (HPC) system developed as a result of a joint research venture between KAUST and IBM, ranks fourteenth among the world's most powerful supercomputers. It is the fastest and most powerful system in the Middle East.

Named after the Arabic word for the Peregrine falcon, which can reach speeds of up to 213 miles an hour, Shaheen is a 16-rack Blue Gene/P System, which performs at a peak processing power of 185 Teraflops per second, or 185 trillion floating point operations. Designed to be one of the most energy efficient supercomputers in the world, Shaheen is located in the KAUST/IBM Center for Deep Computing Research.

The project was launched at IBM's T.J. Watson Research Laboratory in Yorktown Heights, New York, and then moved to the Thuwal campus in the summer of 2009. It is

the largest project IBM has ever undertaken with an academic institution anywhere in the world. KAUST and IBM have negotiated terms for joint ownership of intellectual property for commercial use.

"Shaheen is the cornerstone of the knowledge-based economy that Saudi Arabia is seeking to develop," explained Majid Al-Ghaslan, KAUST's interim Chief Information Officer. "The deep computing capabilities Shaheen can deliver will unite the best of business and scientific computing techniques and will enable us to find the value buried in growing volumes of data and apply that information to solve real-world problems."



Photo courtesy of KAUST

KAUST President, Professor Choon Fong Shih, describes the Shaheen supercomputer as a "tangible and outstanding example of our commitment to advancing science." He added that it will serve as a powerful catalyst for Saudi Arabia's human and economic potential.

A man in a white thobe and ghutra stands on a sand dune, looking out over a vast desert landscape under a clear blue sky. The man is seen from behind, with his hands raised to his eyes as if shielding them from the sun or looking into the distance. The desert floor is covered in ripples of sand, and the horizon is flat and distant.

IN CELEBRATION OF A SECURE FUTURE.

On Saudi National Day, we're proud to join in celebrating the security of Saudi Arabia and to share in its vision of strength and peace for the future.

 **BOEING**

Ministry of Finance: Investing in the Kingdom's Future

In the first two decades after the establishment of the modern state of Saudi Arabia, only three ministries existed: finance, interior and foreign affairs. Financial matters were managed by the Public Finance Directorate which, in its third incarnation, became the Finance Ministry. In the 1940s, the growing oil industry led to the creation of a new economic administration, and the Ministry of Finance was born.

Today, Saudi Arabia's Ministry of Finance oversees the largest economy in the Middle East. In 2008, the Kingdom's Gross Domestic Product (GDP) was \$467.5 billion and Real Gross Domestic Product increased by 4.5 percent. During a time of global economic uncertainty, the International Monetary Fund (IMF) has praised Saudi Arabia for the strength of its economy.

"The Kingdom has followed a balanced economic course based on economic reform and modernization and the strengthening of the private sector's role. Our financial institutions are continuing their loans to projects more quickly than before, and the percentage

of loans for projects by the General Investment Fund was raised from 30 to 40 percent," says Saudi Arabia's Minister of Finance H.E. Abdulaziz Al-Assaf. "These policies undoubtedly helped reduce the impact of the global crisis on the Saudi economy," he adds.

Minister of Finance Al-Assaf, has overseen Saudi Arabia's prudent financial and monetary policies and their implementation by government agencies since 1996. Under his guidance, the Ministry of Finance prepares the Kingdom's general budget, oversees revenue-gathering procedures, implements foreign aid decisions, and establishes measures to encourage foreign investment.

In light of H.M. King Abdullah's commitment to sustainable prosperity and economic diversification, Minister Al-Assaf emphasizes the importance of "working towards the objective of providing sustainable resources for development." Numerous measures, such as reducing the debt stock, allocating additional funds to the reserve account, and contributing to the Public Investment Fund (PIF) support that objective.



H.E. Ibrahim bin Abdulaziz Al-Assaf, Saudi Arabia's Finance Minister

© REUTERS/Muhammad Hamed

As the Kingdom embarks on its development of six visionary economic cities, the Ministry of Finance has initiated numerous changes to encourage foreign investment. Some examples of these reforms include reducing taxes, promoting bilateral trade agreements, and providing capital for viable projects that serve Saudi Arabia's national interests.

"We do not discriminate as to whether the projects are local or foreign, just whether they are viable or not. If the project is viable, we have the capacity to support it, and if more equity is needed, we can also inject that," Minister Al-Assaf noted.



H.E. Abdullah Zainal Alireza, Saudi Arabia's Minister of Commerce and Industry

"Business ties create people-to-people connections and pave the way for broader exchanges," said H.E. Abdullah Alireza, Saudi Arabia's Minister of Commerce and Industry, to a gathering of business leaders in Seattle, Washington last May. Emphasizing the history and value of Saudi-U.S. commercial ties, Minister Alireza stressed that the "U.S.-Saudi relationship is too important for any of us to take for granted."

Ministry of Commerce and Industry: Saudi Arabia Means Business

Shortly before taking office as Minister in March 2008, Mr. Alireza told the Saudi-U.S. Relations Information Service (SUSRIS) that the Kingdom is "experiencing a transition from public to private sector growth, and its strategy for achieving balanced development through privatization is founded upon building an effective public-private partnership." The nation's objectives, he said, are "straightforward and designed to enhance human resource development, to diversify government revenue sources away from an overwhelming dependence on the oil sector, to promote privatization of government owned entities, to use the private sector to enhance the bureaucratic efficiency and effectively controlling the public sector."

These priorities dovetail nicely with three central goals being pursued by the Ministry of Commerce and Industry (MOCI): to help

develop and expand domestic and foreign trade; to adopt initiatives that facilitate the growth of the private sector in the Kingdom; to help monitor and regulate Saudi Arabia's private sector with a view to providing the best services possible to the business community.

"The U.S.-Saudi relationship is too important for any of us to take for granted."

H.E. Abdullah Alireza concludes, "Saudi Arabia has embarked on a sweeping program of economic policy reforms to forge an ever expanding commercial prosperity . . . In order to pursue these ambitious economic initiatives, Saudi Arabia remains committed to building an ever more dynamic free market economy."

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INTERVIEW

H.E. Amr Al-Dabbagh

Governor and Chairman of the Board of the Saudi Arabian General Investment Authority (SAGIA)

SAGIA is implementing the very ambitious 10x10 goal announced by Saudi Arabia in 2004: to make Saudi Arabia one of the world's ten most competitive countries by 2010. How close is the Kingdom to achieving this goal and what are the greatest challenges?

We are presently ranked 13th in the latest World Bank/IMF Ease of Doing Business Report. Since launching the 10x10 initiative we have climbed in the rankings consistently. In 2005 we were ranked 67, in 2006, it jumped to 38, in 2007 to 23, in 2008 to 16, and in 2009 to 13th place. Numerically speaking we are therefore within 3 places of achieving our goal, which in technical terms means continued and coordinated action toward improving ourselves against each and every competitiveness criterion used by the WEF and the IFC, over 200 in all. We have a dedicated body, the National Competitiveness Center, which was launched in 2005 to monitor, assess and support the enhancement of competitiveness in the Kingdom.

Regionally we are ranked number one; we are the easiest place to register property, get credit, and start a business in all of MENA. We also have the 7th friendliest tax environment in the world, and are ranked 4th in the world for fiscal freedom. In terms of core determinants of competitiveness, we are therefore performing very well.

The greatest challenge is that we are not the only country in the world with similar objectives. It is a moving target we are aiming at.

The four planned Economic Cities, which have been referred to as your brainchild, are characterized as the most attractive future investment platform for foreign companies in Saudi Arabia. What role can foreign investors play in these cities, and what is SAGIA doing to attract investors now that four of these cities have been launched?

In principle we don't distinguish between local and foreign investors or local and foreign capital, though our strategy does recognize the unique value propositions foreign companies can bring to the Economic Cities. Beyond investments of capital we are looking for knowledge, skills and technology transfer,

and seek investors with long term visions to participate in the development process. For example we invite investors to share with us what the ideal regulatory system for their particular industry would look like, and we are presently working with global leaders in certain fields to ensure the regulatory system put in place is the most business friendly in the world. These cities are designed to be the most competitive investment destinations on the market, and in order to achieve this we have to collaborate with investors to understand exactly what competitive means to them. Whether we are talking about education, or healthcare, or pharmaceuticals, or

well, and that we have a quarter of the world's energy reserves, we are not having much difficulty in persuading investors that a healthy regulatory environment is in place to support a healthy, growing and stable economy.

What are the best sectors for U.S. exporters and investors?

We are focusing all our efforts on attracting investment into those sectors for which we have competitive advantage: energy, transportation and Knowledge Based Industries (ICT, healthcare, life sciences and education). Our strategy is very focused on identifying and leveraging our core competencies and creating

the appropriate business environment and regulatory frameworks around the various industries associated to these core competencies, in order to maximize the potential for growth, innovation and ultimately success.

Saudi Arabia joined the World Trade Organization (WTO) in 2005. How has this benefited the Kingdom? What signal did this send foreign investors?

The Kingdom's accession to the WTO has significantly improved Saudi Arabia's business environment in three major ways. First, to join the WTO we had to

enact a wide range of new laws to improve the business environment. Over 42 new laws and regulations have been introduced. Second, accession to the WTO has meant that we are adopting the major principles needed to improve competitiveness, like putting ceilings on tariffs, opening further key services and sectors to foreign participation and improving intellectual property rights protection among other things, all of which are changes that will lead us toward a more open and transparent rules-based trade regime and therefore greater competitiveness. Foreign companies are receiving national treatment, they can retain 100% ownership of their operations -- no Saudi sponsor is required -- and tariffs have been lowered to facilitate trade. And finally, compliance with WTO standards has increased the variety of opportunities available to investors by reducing the negative list of sectors in which foreigners cannot invest. For example, privatization and liberalization



H.E. Amr Al-Dabbagh is Governor and Chairman of the Board of the Saudi Arabian General Investment Authority (SAGIA)

Photo courtesy of SAGIA

petrochemicals, or IT, we need to understand from investors what it takes to ensure they are working out of the most user friendly business environment in the world. Our approach is therefore fundamentally collaborative, and the role of the foreign investor is crucial.

What economic and regulatory reforms have been implemented that now make it easier for foreign companies to invest in the Kingdom?

A better answer to that question is to look at an independent set of data. We are the 13th most competitive nation in the world according to the World Bank/IMF Ease of Doing Business Report, which is publically available to anyone who wishes to read it. There are only twelve better places in the world to do business, twelve. Keeping in mind that we have competitive advantages in certain sectors, such as energy, transportation and Knowledge Based Industries, and that the Kingdom has been weathering the current economic crisis

of the financial services sector was required with WTO accession.

I think accession to the WTO is one part of a signal that Saudi Arabia is open for business. The other part is our rankings. We are the 13th most open for business country in the world, and the most open for business in the region.

You are a strong advocate of the corporate role in social responsibility. Can you talk about The Centennial Fund and its role in nurturing young Saudi entrepreneurs?

The Centennial Fund is a Saudi Arabian charity established in July 2004 to help young Saudi men & women achieve financial independence through successful entrepreneurship. The goals are to help create jobs for young Saudi men & women; help diversify the economy through the creation of small businesses; reduce the failure rate of small startups; and nurture creative entrepreneurs and entrepreneurship, all which eventually reduce unemployment and serve to develop the local economy. Saudi Arabia is the first Arab country to have created such a program and we estimate that approximately 70,000 young men & women around the world have benefited from our efforts.

SAGIA's role in the Centennial Fund is twofold: to facilitate the licensing process through our "One-Step Shop" Investor Service Centers, and two, what makes the CF so unique, is the offering of mentoring services to the

young entrepreneurs. We provide the licensing support and mentoring, and the mentoring extends up to three years from the start of the project, and represents up to 70% of the project's ability to succeed. Data suggests that the mentor's role is vital to the success of the project, even more so than the actual value of the loan itself.

The theme of the 2009 Global Competitiveness Forum, held in Riyadh was "responsible competitiveness." As the Kingdom strives to become one of the world's most competitive economies, what is it doing to be "responsible" as well?

Because we believe responsible leadership in business is central to achieving national competitiveness, we launched the Responsible Competitiveness Initiative (RCI) at the 2009 GCF, which will help the Kingdom achieve the national 10x10 goal by encouraging and rewarding Responsible companies, sectors, cities, and regions, and at the national level. As the movement of CSR is already gaining momentum in Saudi Arabia, the RCI will build on it to provide a framework, a process, and learning opportunities.

To achieve sustainable social development that encourages the national competitiveness agenda in Saudi Arabia, the RCI focuses on helping individual companies integrate responsible business practices into their core business

operations and to improve their performance in a number of key environmental, social and governance (ESG) areas, through a process of company-by-company analysis, benchmarking, and shared learning.

It helps build a critical mass of business-level activities that cumulatively build a responsible competitive climate. The Index is a core part of the process of building medium-term growth potential through social and environmental performance.

The core of the SARCI is an annual assessment of leading businesses in Saudi Arabia. The assessment looks into the strength of a company's strategy, management, engagement processes and performance systems. Participating business will have a confidential briefing on its performance against sectoral, national and global benchmarks. The process of engaging in the index offers learning opportunities for senior managers using the benchmarking tools. The framework has been developed to take account of competitive pressures and opportunities in the Kingdom.

For 2010 we carried the responsibility theme forward another step and have branded the 2010 GCF with the theme "Sustainable Competitiveness." In the words of at least one well known scholar on the subject, smart companies are using environmental strategies to innovate, create value and build competitive advantage.

GUEST COMMENTARY

"The Vision of a Leader, the Mission of a Nation"

By Dr. Fawaz Al-Alamy

I was there at the 11th hour, on the 11th day of the 11th month in 2005, when after ten long years of serious and tireless negotiations with 148 countries, the World Trade Organization (WTO) approved the accession protocol documentation of Saudi Arabia. The Kingdom's accession was ratified one month later in Hong Kong, placing Saudi Arabia as the 149th member of the WTO.

The Kingdom is blessed with the world's largest proven oil reserves and is the largest producer and exporter of energy. Saudi Arabia honors this responsibility and strives to maintain international oil price stability and sustainability. The Kingdom plays an important role in international financial and trade institutions, including the IMF, the World Bank, and now the World Trade Organization.

Our economy is highly integrated globally and our trade regime is impressively accessibly

and liberal. Self-imposed economic reform and restructuring strategies are well underway. All of the new regimes are implemented in a manner that is transparent and predictable – and respects due process. These legal reforms have significantly increased confidence in our market economy and free trade regime.

Saudi Arabia's accession to the WTO was a memorable day in the history of our country. The accession represents an important step toward realizing the vision of H.M. King Abdullah and the mission of our nation to achieve modernity while preserving valuable traditions.

Dr. Fawaz Al-Alamy was Saudi Arabia's Chief Technical Negotiator for WTO accession. These remarks are excerpted with permission of the Oxford Business Group.





Thriving on Competition, SAGIA Leads the Way

Saudi Arabia is well on its way to positioning itself among the world's top ten most competitive nations. Consistent efforts made in recent years to create a pro-business environment, a knowledge-based society, and to develop world-class "Economic Cities" have resulted in improved rankings by the World Economic Forum (WEF), the World Bank's International Finance Corporation (IFC), and the United Nations Conference on Trade and Development (UNCTAD).

SAGIA has licensed more than 2,000 projects worth approximately \$15 billion since it was founded in 2000.

The engine behind this successful transformation is the Saudi Arabian General Investment Authority (SAGIA). Established in 2000 as part of the new foreign investment law in Saudi Arabia, SAGIA operates under the auspices of the Supreme Economic Council. Responsible for attracting investment to, and within, Saudi Arabia, and for facilitating the exchange of best practices between the public and private sectors, SAGIA also acts as a mediator between the global business community and the Saudi government. SAGIA has

licensed more than 2,000 projects worth approximately \$15 billion since it was founded.

In 2004, SAGIA's initial goals evolved with the announcement of H.R.H. King Abdullah's ambitious 10x10 Program – designed to transform Saudi Arabia into one of the world's top ten most competitive nations by 2010. According to SAGIA's Governor and Chairman of the Board, H.E. Amr Al-Dabbagh, the 10x10 Program "is really our guiding initiative. We seek to leverage the Kingdom's resources and geographic location to become the energy capital of the world, and the regional hub and launch-pad between the East and West."

Under Governor Dabbagh's guidance, SAGIA has implemented a three-pronged approach to achieving this 10x10 goal: attracting investment in the sectors in which Saudi Arabia has a competitive advantage – energy, transportation and knowledge-based industries; benchmarking the country's progress against 300 indicators used by the World Bank, the International Finance Commission and the World Economic Forum; and building an integrated system of world-class economic cities, each of which will provide the ultimate in competitive investment and living environments.

In 2006, to help boost competitiveness, SAGIA founded the National Competitiveness Center (NCC), which acts as an independent body to monitor, assess and support the development of competitiveness in Saudi



Arabia. Confirming its leadership role in fostering a dialogue among international leaders, SAGIA also established the Global Competitiveness Forum that same year.

Today, under SAGIA's stewardship, four of the six planned economic cities are being developed by the private sector with government infrastructural support. Projections are that the cities will contribute more than \$150 billion to Saudi Arabia's annual GDP, create approximately one million jobs, and provide a wealth of Greenfield opportunities to local, regional and foreign investors.

Confirming the remarkable success of SAGIA's mission, Saudi Arabia's ranking continues to climb up the annual competitiveness tables. Current World Economic Forum (WEF) rankings place Saudi Arabia in 27th position out of 134 countries, putting it ahead of other Gulf countries and such fast-growing emerging markets as China and India. In less than three years, Saudi Arabia rose from 67th to 16th in the World Bank's annual "Doing Business" report, and the Kingdom is currently ranked number one in the Arab world.

Saudi Arabia is now ranked #13 in the ease of doing business index produced by the World Bank.

The Face of the Future – Economic Cities Transform the Kingdom

At a cost of over \$60 billion, the Saudi Arabian General Investment Authority (SAGIA) has begun construction on four of six planned economic cities. After studying 60 of the world's most successful free economic zones, the integrated economic city concept was designed with "living, work, and play" in mind. These are not zones, but cities. Built on specially selected Greenfield sites, driven by public-private partnerships, and strategically located to utilize regional strengths, the cities are developed based on smart design principles. SAGIA is also using Leadership in Energy and Environmental Design (LEED) to promote energy efficiency and sustainable development in all of the cities.

JAZAN ECONOMIC CITY (JEC)

Investment size: \$27 billion
Jobs: 500,000
Population: 250,000
Zones: Industrial Park, Seaport, Agriculture repackaging and distribution, Fisheries, Business and Cultural Center, Health and Education
Focus: Heavy industries, Agro Industries
Developer: Saudi BinLaden Group (SBG) and MMC International Holdings

Announced in November 2006, Jazan Economic City (JEC) is 725 km south of Jeddah and covers 100 million square meters. Its location at the mouth of the Red Sea will allow JEC to service markets in Europe, Asia and East Asia, as well as receive raw materials from neighboring countries in need of processing and manufacturing facilities.

JEC offers downstream opportunities with industries as diverse as pharmaceuticals, food processing and high-value agritech producers. When completed, JEC's aluminum complex targets production of 1.4 million tons of alumina and 660,000–700,000 tons of aluminum annually. Total investment in the

continued on page 16

I N T E R V I E W

Dr. Fahad Al Sultan

Secretary General of the Council of Saudi Chambers of Commerce & Industry

There are twenty Chambers of Commerce and Industry in Saudi Arabia. The Riyadh Chamber is the largest with more than 32,000 members, followed by Jeddah with approximately 24,000 members and the Eastern Province Chamber with 15,000 members.

H.E. Mohammad bin Abdulqadir Al Fadhil is Chairman of the Council of Saudi Chambers of Commerce and Industry, and day-to-day operations are overseen by H.E. Dr. Fahad Al Sultan, who serves as Secretary General. Dr. Al Sultan shared his views, below, in a recent interview with U.S.-Arab Tradeline.



H.E. Dr. Fahad Al Sultan

How would you characterize current U.S.-Saudi trade relations?

The economic aspect has been a keystone in Saudi-American relations. Oil has been the central part in this aspect. Saudi Arabia's huge oil reserves and productive capacity has given it strategic importance that has been and will be of value to international relations in general, and to Saudi-American relations in particular.

The United States is the first trade partner of the Kingdom in exports and imports. There are more than 260 joint ventures between the two countries. The signing of trade and investment cooperation agreements between the Kingdom and the United States Council, is an important step expected to expand the economic relations between the two countries to new horizons. The hope is that it will encourage further development in the economic, trade and investment fields, reflected in increased bilateral trade in goods and services, an increase in mutual investment, as well as increased contact between the private sectors in both countries.

The Saudi-U.S. Business Council, established in 1992, is a foundation for enhancing economic ties and strengthening cooperation between Saudi businessmen and their American counterparts.

The King Abdullah Economic City is the flagship of the four "mega-cities" currently being developed in Rabigh, Hail, Madinah and Jazan. The cities will offer foreign investors 100% ownership, as well a more open regulatory regime. Will these cities have a significant impact on attracting U.S. foreign investment to the Kingdom?

By virtue of their design and infrastructure, they will be attractive havens ready to receive foreign investment, to re-attract migrant Saudi investments, and they will also be a

good mechanism for attracting international companies with advanced technologies.

We are confident that the incentives offered in these mega-cities will encourage a lot of American investments to come and work in these cities, particularly when we know that these cities will have a world-class infrastructure.

Are any trade missions planned to the U.S. in 2009? If so, which cities are targeted?

Every year we plan to send delegations of businessmen to the United States to establish contacts between private sectors in both countries. In this context, a delegation is planning to travel from the Council of Saudi Chambers to the United States in the last quarter of 2009. The visit would be specifically to the state of Minnesota, where the two parties will discuss various topics, including cooperation in the fields of information technology and health. We will also discuss issues of importing machinery and equipment, and mechanisms to activate and intensify cooperation in education and training.

How effective are these missions in stimulating new U.S.-Saudi business and trade relationships especially with SMEs?

Such missions have an important role in overcoming obstacles by the development of economic relations between the two countries. The missions have a role in promoting communication between Saudi and U.S. private sector, and allow an exchange of views on issues of mutual interest. They also meet with government bodies in both countries, if assistance is required to overcome some obstacles. It is also important in this regard that outreach among the private sector in both countries provides opportunity to exchange experiences in various fields, including small and medium-sized enterprises.

We in the Kingdom are interested in the American experience in small and medium-sized enterprises (SME), particularly SME incubators, because it is a pioneering experiment. Consequently, in 2010, a series of workshops will be held in collaboration with SMEs in the U.S. in order for their Saudi counterparts to learn about the American experience. Through these workshops, we hope to introduce Saudi SMEs to new ways in which they can market their products and services, thus making themselves more attractive to potential joint venture, or partnership opportunities with leading Saudi businesses.

What are the current and emerging best opportunities for investment in the Kingdom?

There are many reasons why companies should invest in Saudi Arabia – its strategic location in the region, a large and diverse market, strong economy with decreasing inflation rate, political and economic stability, availability of low-cost raw materials, modern infrastructure, a large population with buying power, no income tax and an open economy that encourages foreign investment.

Consequently, there are many promising investment opportunities in the Kingdom, especially in regards to the following sectors – petrochemicals, power generation, desalination, telecommunications and information technology, hostelry and tourism, education, and the production of natural gas, to name a few.

In addition, many of the ongoing mega-projects, such as the economic cities, offer joint venture opportunities for domestic and foreign investors. This is also true in many sectors – railway expansion, banking, insurance, and real estate to name a few. There are many opportunities just waiting to be explored.



*Economic Cities –
from page 14*

complex, as well as in the associated plants required to supply adequate power, is estimated at \$4 billion. It is expected to create 12,000 new jobs.

JEC attracted over \$26 billion worth of investment contracts in two years, well ahead of the target envisioned in 2006. According to Feizal Ali, Chief Executive Officer of MMC International, “This was a significant milestone in the development of the city . . . and is a testimony to the attractiveness of the city for industrial investments.”



Jazan Economic City

in Hail will bring new impetus to the local economy and create thousands of jobs both during construction and in the long term as it becomes a logistical hub for many different industries.” The completion date is targeted for 2025.

Designed as a future hub for knowledge-based industries, KEC will provide an referred to as such in all info, “establish an alternative central business district for Al-Madinah” – perhaps we can just leave it as . . . a state-of-the-art business and residential district, as well as a cultural destination for visitors to the Holy City of Madinah. A network of transportation facilities will connect the city to the Holy Mosque in Madinah, as well as to other major cities and economic centers in Saudi Arabia.

Strategic alliances have been established with local and foreign companies. Cisco, the worldwide leader in networking, is designing the technology infrastructure for the 4.8 million square-meter “Smart City” project. Microsoft will build the Microsoft Academy and Library, and Taibah University has signed

on to build a state-of-the art Research and Development Facility.

Training is a key component in KEC. With this in mind, communication and IT facilities, colleges, laboratories, and technical training workshops for 24,000 students are being developed.

PRINCE ABDULAZIZ BIN MOUSAED ECONOMIC CITY (PABMEC)

Investment Size: \$8 billion

Jobs: 55,000

Population: 300,000

Zones: Logistics and Transportation Center, Dry Port, International Airport, Petrochemical Industries Center, Business Center, Knowledge Center, Agriculture industries, Mining Center

Focus: logistics, agribusiness, minerals and construction material

Developer: Al Mal Investment Company

Prince Abdulaziz Bin Mousaed Economic City



Located in the north-central region of Hail, PABMEC is spread out over 156 million square meters, and it incorporates a cluster-based development focused on transportation, logistics and supply chain centers. Designed to be the largest, state-of-the-art transportation and logistics hub in the Middle East, PABMEC’s dry port and operations centers will be capable of handling over 1.5 million tons of cargo a year. Both its international airport and new railway station have a capacity for over two to three million passengers annually.

Hail’s strategic location, moderate climate and well-established agricultural sector make it one of the Kingdom’s most attractive regions in terms of economic growth potential and investment opportunities. “This is an exciting time for the region,” said Hail Governor Prince Saud bin AbdulMohsen. “The economic city

KNOWLEDGE ECONOMIC CITY (KEC)

Investment Size: \$7 billion

Jobs: 20,000

Population Size: 150,000

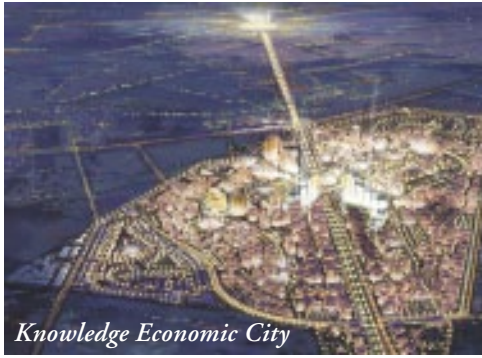
Zones: Taiba Complex for Technology and Knowledge-based Income, Technological and Administrative Colleges, Theme Park “Seera Land,” Islamic Civilization Studies Centre, Complex for Medical Studies, Biological Sciences and Health Services, Residential areas, King Abdul Aziz Mosque

Focus: Knowledge-based industries, Tourism and services

Developer: Savola



Knowledge Economic City



Knowledge Economic City



Knowledge Economic City



King Abdullah Economic City

KING ABDULLAH ECONOMIC CITY (KAEC)

Investment Size: \$27 billion

Jobs: 1,000,000

Population Size: 2,000,000

Zones: Seaport, Industrial Zone, Central Business District, Water-front resort area, Education and residential zones

Focus: Ports, logistics, light industry and services

Developer: Emaar the Economic City (EEC)

apartments and 25,000 villas. Bay La Sun Village, KAEC's first residential area, has attracted overwhelming investor response.

Cisco, the worldwide leader in networking, has been hired to design KAEC's network infrastructure. According to Fahd Al-Rasheed, Chief Executive Officer of Emaar.E.C., "As the world's first 'Smart City,' KAEC's superior information and communications technology platform will give it a crucial competitive



*Rabigh International Stadium
King Abdullah Economic City*

advantage and deliver modern lifestyles. The design of this network will complement our efforts to ensure next generation connectivity services throughout KAEC."

The flagship of the economic cities, KAEC is the single largest private sector project in the Gulf region. Located between the two Holy Cities of Makkah and Madinah, and near Jeddah's commercial hub, KAEC is designed to become a world-class metropolis that is comparable in size to Washington, D.C.

KAEC's port includes a special Hajj Terminal, as well as a container capacity exceeding 10 million TEU. With a projected size of 40 million square meters, the Industrial Zone can house up to 2,700 industrial tenants. KAEC's Central Business and Financial District will be among the largest in the region, and its residential and resort areas offer more than 120 luxury hotels, as well as 250,000



Fahd Abdul Mohsen Al-Rasheed and 20 Chiefs-of-Staff from the U.S. House of Representatives view a model of King Abdullah Economic City.

Founded in 1849, Pfizer is the world's largest research-based pharmaceutical company taking new approaches to better health. We discover and develop innovative medicines to treat and help prevent disease for both people and animals. Through consistent, high-quality manufacturing and distribution operations, our medicines reach patients in 180 nations.

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Working together for a healthier world™

Emaar.E.C. Promotes Smooth Sailing for Flagship Economic City

The King Abdullah Economic City (KAEC), considered the flagship of Saudi Arabia's six planned economic cities, is the single largest private sector development in the Arabian Gulf region. Master planning and development of this 168 million square meter project has been entrusted to Emaar, The Economic City (Emaar.E.C.), a real estate development and management company listed on Saudi Arabia's Tadawul stock market.



Emaar.E.C. was established in September 2006, and Fahd Abdul Mohsen Al-Rasheed, Chief Executive Officer, has overseen the mega-project from day one. In a

speech at the 2009 Global Competitiveness Forum in Riyadh, Al-Rasheed explained that the carefully planned, long-term development of KAEC shields it from current global economic challenges.

"The global economic crisis is in fact a golden opportunity for the Kingdom to develop major projects by benefiting from the lower prices of construction materials and easier access to a strong workforce," noted Al-Rasheed. "This has already lowered the cost of construction of the KAEC Seaport by more than 30 percent."

According to Al-Rasheed, work on the first phase of integrated city living in KAEC is progressing around the clock with more than 13,500 professionals and skilled workers.

Economic projections indicate that Saudi Arabia will need more than six million residential housing units in coming years, and

"Our role in welcoming delegations from around the world illustrates how KAEC is emerging as a dynamic financial hub."

Fahd Abdul Mohsen Al-Rasheed
CEO of Emaar.E.C.

Emaar.E.C. is committed to developing areas within KAEC that can help fulfill those needs.

Showcasing KAEC's diverse investment opportunities at the Riyadh Forum, Al-Rasheed



Fahd Abdul Mohsen Al-Rasheed and the 20 Chiefs-of-Staff from the U.S. House of Representatives.

emphasized that "the real estate and construction sector has played a key role in attracting foreign investment to the Kingdom... and KAEC has been driving investments in several high growth sectors, thus adding value to the economy."

In September 2009, Al-Rasheed welcomed official delegations from three nations, as well as a U.S. Congressional staff delegation to KAEC. CEO Al-Rasheed told 20 Chiefs-of-Staff from the U.S. House of Representatives and the U.S. Senate, "Our role in welcoming delegations from around the world illustrates how KAEC is emerging as a dynamic financial hub."



Emaar.E.C. CEO Fahd Al-Rasheed talks with David Hamod, President and CEO of NUSACC



المنطقة الاقتصادية
King Abdullah Economic City



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Aramco Services Company is seeking U.S. manufacturers and distributors to join its network of qualified suppliers to support the growth of its parent company, Saudi Aramco. As the world's leading oil producing and exporting company, Saudi Aramco is pursuing an aggressive capital expansion program that requires a full range of materials. High-priority commodities include drilling and electrical tools, chemicals, instrumentation, machinery and static equipment.

Based in Houston, Texas, Aramco Services is a wholly-owned subsidiary of Saudi Aramco. To become a qualified supplier, companies should contact Aramco Services to register their commodities and manufacturing plants.

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Saudi Economy, U.S. – Saudi Trade Relations Remain Strong In 2009

Saudi Arabia's economy is the largest in the Middle East, with per capita GDP topping \$18,531. The Kingdom's economy has weathered the global financial crisis in 2009 and is expected to remain strong in 2010, reflecting a history of prudent macroeconomic policies, a strengthened financial sector, and ongoing structural reforms that enhance the economy's resilience. In 2009, Saudi Arabia was ranked the 13th most competitive nation in the world by the World Bank.

The United States is Saudi Arabia's largest trading partner, a symbiotic relationship that both countries have nurtured for the past fifty years. Bilateral trade between the two nations was approximately \$67 billion in 2008, making Saudi Arabia the 14th largest trading partner of the United States. Exports to the U.S. in 2008 were approximately \$55 billion, while imports from the U.S. reached almost \$13 billion. Saudi Arabia is the world's 17th largest exporter and the 27th largest importer of products and services.

The Kingdom's current budget of \$126.7 billion is the largest in its history. Saudi Arabia has registered a large budgetary surplus for the sixth consecutive year, as well as an increase in imports. Both trends signal a confident domestic economy coupled with strong consumer and investment demands.

During the past three decades, Saudi Arabia's GDP has increased from \$20 billion in 1970 to \$467.5 billion in 2008. Per capita GDP rose to \$18,531 in 2008, its highest level in 27 years. In 2008, the private sector grew by eight percent and contributed approximately 46 percent to the Kingdom's GDP. A total of 2,500 new projects worth \$32 billion were

approved by the government last year.

Although inflation reached 9.2 percent in 2008, it fell to 4.2 percent by July 2009. The Saudi government initiated measures in January 2008 to fight inflation by increasing subsidies, reducing bottlenecks in the economy, and providing for a modest civil service pay raise.

"In Saudi Arabia, the non-oil economy continues to grow, boosted by one of the largest stimulus packages of any G-20 nation, and by the government's aggressive monetary and financial sector actions," notes U.S. Secretary of the Treasury Timothy Geithner. Speaking before the Jeddah Chamber of Commerce and Industry in July 2009, Geithner praised the "long tradition of cooperation between the United States and the Kingdom," as well as the "strength and stability of the Saudi economy."

As the world's largest oil exporter with the largest proven oil reserves, as well as the largest spare production capacity, the Kingdom has utilized its oil revenues to expand and diversify the Saudi economy in order to reduce its dependence on oil. This has resulted in impressive gains in the non-oil sector. In 2008, non-oil GDP grew by 4.5 percent to \$223 billion. Saudi Arabia's non-oil exports increased to \$2.7 billion in 2008, a slight increase from the year before. Petrochemicals, plastics, ordinary metals and their products, and re-exported commodities were among the most significant commodities exported.

According to a report issued by the International Monetary Fund (IMF), the Saudi economy grew by an average of 4.3 percent between 2003-2007, stimulated by a rapid expansion in the non-oil private sector, in

particular financial services and construction. The non-oil private sector itself averaged 5.4 percent growth from 2003-2007, leading to additional job creation.

U.S. exports to Saudi Arabia registered a 36 percent growth from 2006 to 2007; nonetheless, they represent a decreased share of the market due to a global shifting of trade-flow patterns eastward. Principal U.S. exports to Saudi Arabia in 2008 included transportation equipment, non-electric machinery, computers and electronics, chemicals, electrical equipment and appliances, food products, fabricated metal products, primary metal manufacturing and agricultural products.

Texas is the top state exporter to the Kingdom, due in large part to its expertise in oil-related machinery and services. In 2008, its exports totaled approximately \$2 billion worth of products and services. New York, Michigan, Ohio and California are the other four top U.S. state exporters.

The United States continues to be the largest foreign investor in Saudi Arabia, accounting for approximately 27 percent of the Foreign Direct Investment (FDI), an increase of 53 percent over 2004. Leading sectors for FDI inflow include mining, extraction of oil and gas, refining petroleum products, chemicals and chemical products, finance services and insurance, electricity and water supply, and real estate.

Encouraged by the launch of four futuristic economic cities and the Kingdom's current international rankings as tops in the Arab world in ease of doing business, according to the World Bank, U.S. FDI in Saudi Arabia is expected to increase in the next decade.

Small Businesses in Saudi Among Most Optimistic of 12 Key Emerging Markets

A new HSBC survey, "Emerging Markets Small Business Confidence Monitor," indicates that Saudi Arabia's small business sector is among the most optimistic of 12 key emerging markets.

According to the survey, 39 percent of Saudi businesses with a turnover of less than \$30 million (SR 112.5m) expect to increase capital expenditures; while only 19 percent believe investment in their companies will

decrease. In addition, 40 percent of the owners and top management of SMEs expect to increase their workforces, with one in eight surveyed foreseeing a 20 percent staff increase.

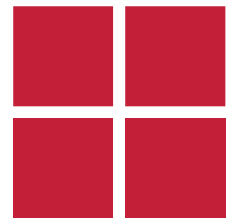
Saudi SMEs also share an optimistic view of trade relations. 57 percent expect trade with the rest of the Middle East to increase, and optimists outweigh pessimists when forecasting trade relations with the U.S., Europe, and Latin America. Eighty percent predict increased

trade with China.

Adel Al-Nasser, Deputy Managing Director of the Saudi British Bank (SABB), commented, "Overall, the leaders of Saudi Arabia's smaller business sector – the vital fuel of every country's economy – are more positive about the short term outlook than their counterparts in almost all other emerging markets surveyed. We share the confidence that the sector has in itself and in the economy of Saudi Arabia."



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 OPENING SOON: JEDDAH, SAUDI ARABIA MUSCAT, OMAN

INTERVIEW

Abdulrahman M. Almofadhi

Executive Director for Saudi Arabia at the World Bank

The World Bank has ranked Saudi Arabia as one of the World's top reformers in its annual "Ease of Doing Business" Report. What are the criteria for this ranking? How important is this ranking to Saudi Arabia?

The Minister of Finance reported to the Saudi Cabinet on the IMF's Article IV consultation, and stressed that Saudi Arabia was ranked first among Arab countries for four consecutive years, and 13th globally, by the latest World Bank Doing Business report. This ranking is taken very seriously by Saudi economic policy makers and business strategists not for the sake of the rank itself but as a benchmark for further improvements in the investment climate in the Kingdom. In regards to the



Abdulrahman M. Almofadhi

criteria, these are transparent and objective, and involve such factors as starting a business, dealing with licenses, hiring and firing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and closing a business. More information can be found on the relevant website: <http://www.doingbusiness.org>.

Saudi Arabia is the largest Arab shareholder in the World Bank. As such, what role does it play in assisting the World Bank to further Arab integration into the global economy?

As Executive Director, I work closely with colleagues representing the other Arab countries to ensure that the interests and plans of the individual Arab countries are appropriately

supported. We, as EDs, continue to work with senior management and Bank staff to enhance the economic and social support the Bank Group is providing for both public and private sectors in our region. It is worth mentioning that one of the top 6 priorities of the Bank is to help our Region through the "Arab World Initiative" to meet the needs of its people. I personally feel that such global integration by the Arab countries would be furthered if protectionist barriers in the industrial countries were removed.

Can you give specific examples of how the World Bank has assisted Saudi Arabia with private sector development?

On the investment side, I can give some examples of important IFC investments. One which comes to mind involved three well-known Saudi companies – Arab National Bank, the Dar Al-Arkan Real Estate Development Company, and the Kingdom Installment Company to create the first independent specialized Shariah-compliant housing finance institution in Saudi Arabia. The new Saudi Home Loans Company is helping middle-and low-income home ownership. IFC made an equity investment of up to 100million riyals to facilitate this process. Another good example is IFC's work with Riyadh Bank to launch a Small-and Medium Enterprise (SME) toolkit to assist Saudi entrepreneurs in that sector. More generally, IFC and the World Bank have provided reimbursable advisory services as requested by the Saudi authorities to help improve the business environment, ranging from work on capital markets to individual privatization activities.

How is the World Bank assisting Saudi Arabia in improving priority areas, such as agricultural development, Saudization, education, as well as managing water and natural resources?

As mentioned, the Kingdom does not borrow from the Bank. But since the 1970s, the Bank has supplied advisory services through a reimbursable Technical Cooperation Program



Saudi Construction Projects Least Affected By Economic Crisis

“The economic crisis has not had a great effect on the rate at which projects have been cancelled in Saudi Arabia,” stated Emil Rademeyer, director of the Dubai-based research company, Proleads Group.

According to the Proleads Group survey – which examined over 720 construction projects valued at \$430 billion in commercial, retail, education, healthcare, and residential sectors – fewer than 80 active projects in Saudi Arabia with a value of some \$20 billion have been put on hold or cancelled. In contrast, over 400 projects, valued at \$300 billion, have been cancelled or postponed in the United Arab Emirates.

Cash flow in the Saudi construction industry grew in 2008 and stabilized in 2009. According to Rademeyer, the Saudi market is expected to maintain current levels throughout 2010, with significant project completions by 2011. Residential projects make up the largest share of the market in terms of value, but the education and healthcare sectors lead in terms of the number of projects.

in response to Saudi requests. This assistance and cooperation draws on the Bank's global experience and objective assessments, is driven by client requirements, and has proved in my view very satisfactory over the years. Areas covered are wide-ranging and include work on capital markets, infrastructure, pensions, and sectoral issues such as water and education.



H.E. Usamah Al-Kurdi: Member, National U.S.-Arab Chamber of Commerce, Executive Committee

“Right Time to Invest” Usamah Al-Kurdi: Chairman, Alagat International Investment Company

national investment company based in Riyadh. “American companies should look at Saudi Arabia’s World Bank rating as number one in the Arab world for doing business. Investors can provide essential know-how but don’t need to bring major start-up cash to the table because Saudi Arabia is cash-rich. It’s a formula that makes a lot of sense,” suggested Al-Kurdi.

Saudi Arabia’s membership in the World Trade Organization (WTO), and its World Bank ranking as a country which has systematically reformed its investment environment during the past five years, are among the many

encouraging signs to investors, says Al-Kurdi. “Saudi Arabia is on the right track for integrating its economy with that of the rest of the world.”

As a former Secretary General of the Council of Saudi Chambers of Commerce and Industry, and currently one of the Council’s advisors, Al-Kurdi plays an active role in developing U.S.-Saudi business and trade relations. He is a member of the National U.S.-Arab Chamber of Commerce (NUSACC) Executive Committee, and in Saudi Arabia’s Consultative (Shoura) Council, he serves as Chairman of the Parliamentary Friendship Committee to the United States.

This is the right time for American companies to invest in Saudi Arabia, according to Usamah Al-Kurdi, President and Chairman of the Board of Alagat Company, an inter-

IMF Praises Saudi Arabia’s Economy

The International Monetary Fund (IMF) recently congratulated Saudi Arabia on the strength of the Kingdom’s economy and for its “leadership role in stabilizing world oil markets.” Drawing upon data made available in the World Bank’s 2009 “Doing Business” report, an IMF public information notice (PIN), released in July, cited Saudi Arabia as the top nation in the Arab world for ease of doing business. This is the fourth consecutive year that the Kingdom has held the top spot among Arab nations, according to the World Bank, and in a worldwide comparison, Saudi Arabia moved up to the number 13 position.

Saudi Arabia’s real GDP grew by 4.4 percent in 2008, according to the IMF, aided by a sustained broad-based expansion in the non-oil

sector (4.3 percent) and an increase in oil production. Non-oil GDP growth is projected to increase by 3.3 percent in 2009. After accelerating in the first half of the year, inflation fell to 4.2 percent year-on-year (y/y) in July 2009, due to weaker demand and lower import prices. Despite the global crisis, foreign direct investment (FDI) inflows remained high at approximately \$23 billion.

Credit was also given to the Saudi Arabian banking system, which has remained profitable and well-capitalized with few non-performing loans during the global financial crisis. Efforts to strengthen the financial regulatory and supervisory networks – such as improving bank risk management systems, implementing remaining Financial

Sector Assessment Program (FSAP) recommendations, and evaluating the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) framework – are all playing a key role in the banking system’s stability. IMF directors also praised efforts taken to enhance bank liquidity and stabilize the inter-bank market.

Second-generation reforms in the judicial, educational and financial sector have improved the environment for private sector development, according to the IMF report, and continued liberalization of the trade regime underscores Saudi Arabia’s commitment to an open trade system.



45th Annual SAMA Report Confirms Strength of Saudi Economy

The 45th Annual Report of the Saudi Arabian Monetary Agency (SAMA) highlights the strength of the Saudi national economy and notes that the Kingdom’s inflation rate is expected to keep dropping. From an all-time high of 11.1 percent in July 2008, the current rate of inflation reached a two-year low of 4.2 percent in July, 2009.

Presenting the report to H.M. King Abdullah, H.E. Muhammad Al-Jasser, Governor of SAMA, explained that lower inflation rates

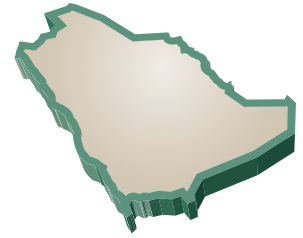
will stimulate opportunities for the country’s future growth and financial stability. Real Gross Domestic Product (GDP) in 2008 increased by 4.5 percent and the private sector grew by 4.7 percent. For the sixth year in a row, Saudi Arabia had a surplus in general finance amounting to 33 percent of the GDP – largest in the country’s history. Balance of payments also registered a surplus for the tenth consecutive year, amounting to 28.6 percent of the GDP.



Sharp fluctuations in the price of oil during the first half of 2009 are a reminder that the Kingdom should continue to diversify its revenue sources, stated Governor Al-Jasser. Noting that oil is now trading at approximately half the record price of \$147 per barrel, a high mark reached in July 2008, Al-Jasser emphasized, “It is a must to continue diversifying the sources of revenue and reduce reliance on oil by further granting the private sector a bigger role in the national economy.”



SAUDI ARABIA

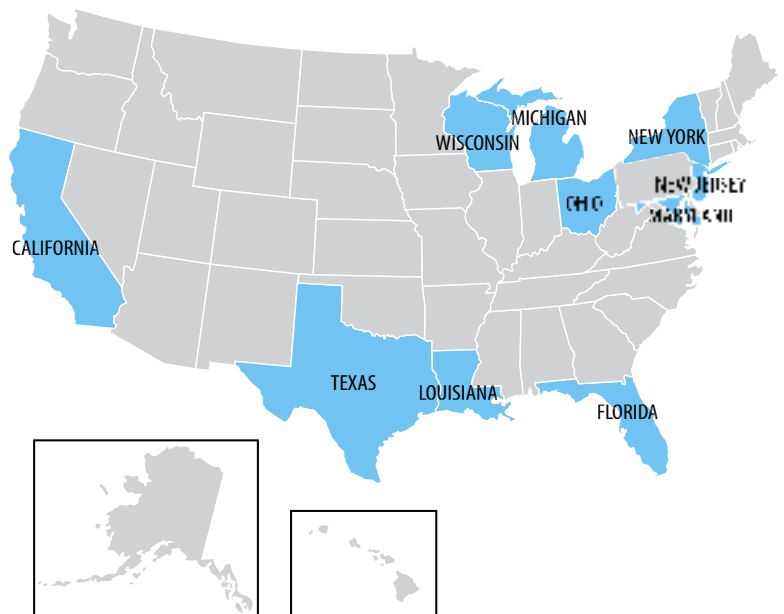


2008 Ranking: 23rd Largest Export Market for U.S. Goods

The United States and Saudi Arabia mutually entered into a Trade and Investment Framework Agreement (TIFA) in 2004. In 2008, U.S. exports to the Kingdom rose to \$12.48 billion, and the U.S. trade deficit with Saudi Arabia increased to \$42.3 billion. American imports from the Kingdom in 2008 were \$54.8 billion. U.S. foreign direct investment (FDI) in Saudi Arabia in 2007 was \$5.3 billion.

TOP 10 STATES EXPORTING TO SAUDI ARABIA

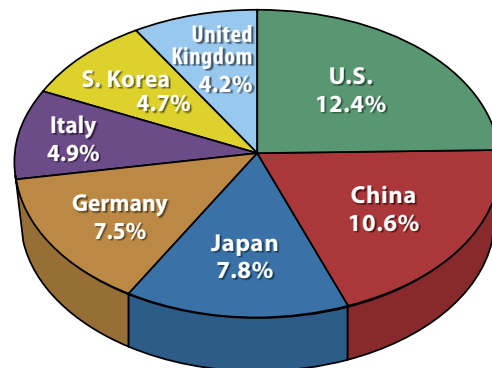
State	Total Exports to Saudi Arabia	Percent of State's Exports to the Arab World
U.S. Total	\$12,484,248,431	
Texas	\$2,121,327,912	23.79%
New York	\$1,024,621,988	26.03%
Michigan	\$840,512,351	45.86%
Ohio	\$768,808,140	40.55%
California	\$635,175,361	19.63%
New Jersey	\$589,764,108	37.41%
Wisconsin	\$556,168,278	45.45%
Louisiana	\$463,201,852	14.23%
Florida	\$441,409,508	26.73%
Maryland	\$440,405,569	25.45%



TOP 10 IMPORT SECTORS FROM THE U.S.

Transportation Equipment	\$4,551,329,239
Machinery, Except Electrical	\$3,113,859,421
Computer & Electronic Products	\$749,541,451
Chemicals	\$749,138,295
Electrical Equipment, Appliances & Components	\$608,037,198
Food & Kindred Products	\$578,338,195
Fabricated Metal Products	\$420,809,142
Primary Metal Manufacturing	\$328,406,597
Agricultural Products	\$279,507,518
Special Classification Provisions	\$245,822,595

COMPARISON OF TOP SEVEN COUNTRIES EXPORTING TO SAUDI ARABIA



This chart identifies the market share of only the top seven countries exporting to Saudi Arabia, so the percentages do not equal 100%. For additional information, please visit www.nusacc.org.

The data in this publication are drawn from the U.S. Bureau of the Census and The Trade Partnership using the latest U.S. export information. Export numbers may understate total U.S. exports because county-specific information for some products (e.g., mining, forestry, fishing, and waste and scrap) is not available.



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Ministry of Petroleum and Minerals: A Resource for Saudi Arabia and the Globe

The global crude oil market is in good shape, says H.E. Ali Ibrahim Al-Naimi, Saudi Arabia's Minister of Petroleum and Mineral Resources. During a recent meeting of the Organization of Petroleum Exporting Countries (OPEC) in Vienna, Austria, Minister Naimi noted that with prices between \$68 and \$73 a barrel, "The price is good for everybody – consumers and producers. The market is very well supplied."

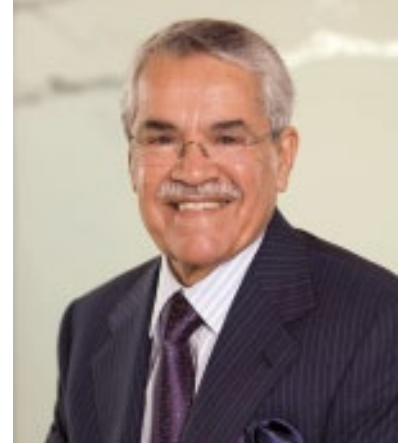
A recent International Monetary Fund report praises Saudi Arabia for its leadership role in stabilizing international oil markets. As the world's leading producer and exporter of oil, Saudi Arabia's policies have a significant impact on the global energy market, as well as the global economy.

Fully aware of this responsibility, the Kingdom and the Ministry of Petroleum and Mineral Resources are committed to ensuring

the stability of oil supplies and prices. At the 2008 G-20 meeting, H.M. King Abdullah stated, "Saudi Arabia has made many sacrifices seeking to promote global economic growth in a manner that serves the interests of all parties."

"Saudi Arabia has made many sacrifices seeking to promote global economic growth in a manner that serves the interests of all parties."

The Ministry of Petroleum and Minerals was established in 1960 to execute the Kingdom's policies related to oil, gas and minerals. It supervises its affiliate companies – such as Saudi Aramco, Saudi Texaco, Aramco



H.E. Ali Ibrahim Al-Naimi

Gulf Operation Ltd., and Saudi Arabian Mining Company (Ma'aden) – and it monitors exploration, development, production, refining, transportation, and distribution related to petroleum and petroleum products.

H.E. Ali bin Ibrahim Al-Naimi, a graduate of LeHigh and Stanford Universities in the United States, was appointed Minister in 1995. Under his leadership, Saudi Arabia has made extraordinary efforts to keep oil prices reasonable while ensuring a consistent supply of petroleum to the global marketplace.

Saudi Arabian Monetary Agency: Staying The Course, Staying Solvent

The Governor of the Saudi Arabian Monetary Agency (SAMA), H.E. Mohammad Al-Jasser, recently presented SAMA's 45th Annual Report to H.M. King Abdullah. According to the report, the Saudi national economy is strong, banks are well-poised to weather the global financial crisis, and lower inflation rates will help stimulate opportunities for the Kingdom's future growth.

SAMA, the central bank of Saudi Arabia, has demonstrated its unwavering commitment to sound monetary policies.

SAMA, the central bank of Saudi Arabia, has demonstrated its unwavering commitment to sound monetary policies and strict regulation of the Kingdom's financial sector since it was established in 1952.

At the time, Saudi Arabia was a fledgling nation without a monetary system of its own. Foreign currencies were used as a means of exchange, along with Saudi silver coins. Saudi bank notes had not yet been issued. SAMA's first task was to develop a currency and set up a national banking system. Saudi Arabia converted to the Saudi Riyal in 1961.

During the 1970s and 1980s, as the oil economy boomed, SAMA focused on controlling inflation, expanding the banking system and managing foreign exchange reserves. As of the mid-1980s, SAMA's priorities shifted to introducing financial market reforms, supervising commercial banks, managing foreign exchange reserves, and encouraging the presence of international banks in the Kingdom.

Today, SAMA has earned an excellent reputation as a banking regulator, both within



H.E. Mohammad Al-Jasser

Saudi Arabia and abroad, in part for the steps that it has taken to combat terrorism financing. Saudi Arabia is a signatory to the International Convention on Combating Terrorism.

At a recent meeting in London of the Group of 20 to discuss the state of the world economy and banking amid the current economic crisis, SAMA Governor Al-Jasser urged member countries to adhere to the established oversight regulations. "We hope they rely on the supervision policies that were agreed upon during the summit in London in order to avoid such crises in the future," Al-Jasser admonished.



Saudi Aramco: Pillar of the Saudi Economy

The history of the world's largest oil producer and the biggest company in the Middle East began seventy-six years ago with one simple statement pronounced by H.M. King Abdul Aziz Al-Saud.

It was May 1933, and Saudi Finance Minister Abdallah Al-Sulayman had just read out loud the contract he had negotiated with Standard Oil of California, known as SOCAL. The King looked at Al-Sulayman and said, "Put your trust in God and sign." The Finance Minister and SOCAL representative Lloyd Hamilton penned the now historic oil concession agreement.

Five years later, drillers struck oil at Dammam Well No. 7 and, in 1939, Saudi Arabia's first tanker load of petroleum was exported. This was the beginning of an oil company that would launch a new era in the Kingdom's history.

Today, Saudi Aramco ranks first among oil companies worldwide in terms of crude oil production and exports, as well as natural gas liquids (NGL) exports, and is among the leading producers of natural gas. It has stewardship over the world's largest conventional crude-oil reserves of approximately 260 billion barrels, as well as the fourth-largest natural gas reserves of approximately 248.5 trillion standard cubic feet.

Headquartered in Dhahran in the Eastern Province of Saudi Arabia, Saudi Aramco was acquired by the Government of Saudi Arabia in 1980. It was formally established as the Saudi Arabian Oil Company, or Saudi Aramco, in 1988. Today, the company has more than 51,000 employees and is a fully integrated energy company with operations in exploration, production, refining, petrochemicals, distribution, marketing and international shipping.

As of mid-2007, Saudi Aramco managed 102 oil and gas fields in the Kingdom. Average daily crude oil production is 8.5 million barrels per day (bpd). Domestically, the company owns and operates, or is a partner in, seven refineries with a combined refining capacity of 1.7 million bpd.

In order to achieve its two primary goals – to be the world's most reliable supplier of energy and to continue to strengthen and diversify the Kingdom's economy – Saudi Aramco launched a series of mega-projects, beginning with the Ras Tanura Refinery Upgrade Project 1991-1998. Mega-projects are those exceeding \$1 billion in value.

Today, Saudi Aramco has six active corporate mega-projects and three joint-venture mega-projects in various stages. Among them are Hawiyah, Khursaniyah, Khurais, Shaybah and Manifa. By 2011, these projects will increase oil production capacity by 2.85 bpd, sales gas by 1.4 billion cubic feet per day (cfd), ethane production by 450 million cfd and condensate by 325,000 bpd.



أرامكو السعودية
Saudi Aramco

Saudi Aramco President and Chief Executive Officer, Khalid A. Al-Falih, explains, "In terms of production, Saudi Aramco is on the verge of attaining its goal of a 12 million bpd crude oil capacity, once we

complete our Khurais oil field program. This project is the largest single crude oil increment ever commissioned, and it will be capable of producing as much oil as the entire state of Texas – something I don't say too loudly when I am in Houston, I might add."

"But Khurais is only one aspect of our overall crude oil development program," Al-Falih added, "and Saudi Aramco alone will ultimately account for more than half of the grassroots crude oil production capacity brought on-stream worldwide this decade. We will also be expanding our natural gas production capability, which is important given the role that gas plays in the Saudi economy, supplying utilities and a wide range of industries, fueling greater economic and diversification, and encouraging the development of value-added enterprises based on gas and its associated feedstocks."

Equally committed to serving the petrochemical needs of the Kingdom, Saudi Aramco has signed a series of joint venture agreements with Shell, Total, Lukoil, Sinopec, Eni and Repsol YPF for the exploration, development and production of non-associated gas. Petro Rabigh, a joint venture between Saudi Aramco and Sumitomo Chemical Co. of Japan, will transform the company's Rabigh Refinery into a fully integrated refining and petrochemical company.

Dating back to its earliest days in the 1930s, Saudi Aramco's goals and responsibilities have reached beyond oil and gas production. Saudi Aramco has assisted local communities to build educational, medical and social infrastructures, developed community volunteer programs that include desert and beach clean-up campaigns, and funded mobile libraries and holiday programs for children.



In 2007, under the guidance of former Saudi Aramco President and CEO Abdullah Juma'a, the company was involved in the initial plans for the state-of-the-art graduate level King Abdullah University for Science and Technology (KAUST).

Aramco Services Company: Helping to Provide Energy to the World

Aramco Services Company (ASC) is the U.S.-based subsidiary of the Saudi Arabian Oil Company (Saudi Aramco). Established in 1950 in New York City, the company moved to Houston in 1974, joining other leaders in the energy industry. ASC's Washington, D.C. office collects data on oil markets and monitors government policies and economic trends.

ASC's services offer a wide support base for Saudi Aramco and its employees. Core services range from recruiting professionals for careers in Saudi Arabia, working with suppliers and vendors to provide Saudi Aramco with goods and services, providing engineering services to projects, offering quality inspection for materials, and providing business management services and support for Saudi Aramco project teams operating in North America.

In addition to technical and administrative support, ASC publishes company sponsored magazines, such as Saudi Aramco World, and manages Saudi Aramco exhibits at energy-industry trade shows.



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SABIC: The Saudi Arabian Basic Industries Corporation Reaching around the Globe

The Saudi Arabian Basic Industries Corporation (SABIC) took center stage internationally with its 2007 acquisition of the General Electric Company's plastics unit for \$11.6 billion.

"As a global operating company, SABIC has a long-term strategic interest in the people, communities, customers, products, plants and technology of GE Plastics," said Mohamed Al-Mady, CEO and Vice Chairman of SABIC. "This acquisition represents another important step in SABIC's growth and diversification to become one of the world's leading manufacturing companies," he added.

Established in 1976, SABIC is one of the world's five largest petrochemical manufacturers. Described by industry media as "one of the most rapid and coherent industrialization developments of the 20th century," SABIC's production has increased from 6.3 million metric tons (mmt) in 1985 to 56 mmt by the end of 2008. Total assets in 2008 were \$72.5 billion, with net profits of \$5.86 billion.

The company ranks among the world's market leaders in the production of polyethylene, polypropylene, glycols, methanol, and fertilizers. It is the fourth-largest producer of polyolefins and polypropylene and the third largest producer of polyethylene in the world. SABIC operates six interlinked strategic business units: chemicals, performance chemicals, polymers, innovative plastics, fertilizers, metals and manufacturing.

SABIC's successful journey began more than 33 years ago, when the Saudi Arabian

Government decided to use the hydrocarbon gases associated with its oil production as the principal feedstock for producing chemicals, polymers and fertilizers. This was a bold, visionary step for a nation that was growing increasingly aware of the importance of diversifying its oil-based economy.

During the late 1970s and early 1980s, the fishing village of Jubail, along the Arabian Gulf near Qatif, was transformed into a modern industrial city by SABIC and the The Royal Commission of Jubail and Yanbu. The first joint venture plant began production in 1983.

Today, Jubail and Yanbu are SABIC's industrial powerhouses in Saudi Arabia with 19 world-scale complexes. Some of these complexes are joint venture partnerships with multinational partners such as ExxonMobil, Shell and Mitsubishi Chemicals.

During the past 30 years, SABIC has spread across the globe, establishing manufacturing, sales, research and technology presence in more than 40 countries. SABIC Americas, headquartered in Houston, is the flagship for the company's twenty-year commitment to U.S. operations. "SABIC has deep roots in America and extensive experience operating in the U.S. as a leading chemical company," explains Al-Mady. The GE acquisition adds more than 30,000 people to SABIC'S workforce in the United States.

Addressing SABIC's General Assembly meeting in 2008, Prince Saud bin Thenayan Al-Saud, Chairman of the Royal Commission for Jubail and Yanbu, as well as Chairman of the SABIC Board of Directors, noted that SABIC has launched projects such as the Yansab complex in Yanbu Industrial City, Saudi Kaya n complex in Jubail Industrial City, and the Sharq and Ibn Zahr expansion projects, in order to strengthen the Kingdom's standing among industrialized nations

"Despite the global and economic crises, SABIC has maintained outstanding levels of operations," notes Al-Mady. "SABIC's total production volume during the first half of 2009 reached 28.5 million tons, reflecting an increase of one percent, while total quantity sold reached 22.9 million tons, an increase of two percent over the same period last year."

Al-Mady emphasizes that "SABIC's strong financial position, its ability to generate strong cash flows, and the continued efforts to reduce costs and optimize operational efficiencies – along with the new production capacities coming on stream at YANSAB and SHARQ – will have a positive impact on its performance and corporate results in the coming quarters."



SABIC CEO Awarded 2009 Petrochemical Heritage Award

Mohamed Al-Mady, CEO and Vice Chairman of Saudi Arabian Basic Industries Corporation (SABIC), was awarded the 13th annual Petrochemical Heritage Award. Established by the Chemical Heritage Foundation and the Founders Club in 1997, the award recognizes leaders who inspire achievement and promote public understanding of the modern sciences, industries and economies.

Presenting the award to Al-Mady at the 34th National Petrochemical Refiners Association (NPRO) conference in San Antonio, Thomas Triton, President and CEO of the Chemical Heritage Foundation, noted, "The business of petrochemicals is an increasingly global one and no one knows better the challenges and opportunities of internationalization than Mohamed Al-Mady. As CEO of one of the largest petrochemical companies in the world, he has engineered SABIC's growth from a regional to a global industry leader that is at the forefront of reshaping the worldwide chemical industry."

As CEO and Vice Chairman of SABIC since 1998, Al-Mady oversees a global business with 16,000 employees worldwide and customers in over 100 countries. He joined SABIC in 1979, the year it was founded.



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ExxonMobil's Successful Partnerships in Saudi Arabia Foster Opportunities for Growth

As one of the largest foreign investors in Saudi Arabia, ExxonMobil maintains strong business relationships with both Saudi Aramco and SABIC. Over the years, these partnerships have led to continued growth in refining and petrochemical manufacturing to meet global energy and petrochemical needs.

ExxonMobil and Saudi Aramco partnered with the Chinese government to build the first, fully integrated petroleum refining, chemical and marketing joint venture in Quanzhou, Fujian Province, China. In 2009, the joint venture announced the start-up of the new 8 million tons-per-year refining unit, and the 800-thousand-tons-per-year steam cracker and polyethylene, polypropylene, and aromatics facilities.

ExxonMobil

ExxonMobil Chemical and Saudi Basic Industries Corporation (SABIC), are progressing detailed studies to grow their existing petrochemical joint ventures in Jubail (Kemya) and Yanbu (Yanpet). The project would have a combined production capacity of 400,000 tons per year of carbon black, rubber and specialty polymers to serve emerging domestic and international markets. The project scope includes a vocational training institute and product application development and support center and is aligned with Saudi Arabia's National Industrial Clusters Development Program.

The SAMREF Yanbu refining joint venture between ExxonMobil and Saudi Aramco processes more than 400,000 barrels of Saudi Arab Light crude every day. A \$400 million (USD) engineering contract for a clean fuels project at SAMREF was recently announced. The two-phase project will be completed in 2015.

ExxonMobil Chemical Technology Licensing LLC recently signed an agreement with Saudi International Petrochemical



Company (Sipchem) to license ExxonMobil's tubular high pressure low density polyethylene process (HPPE) technology for Sipchem's new world-scale ethylene vinyl acetate (EVA) plant. The 200,000 metric ton per year plant will be built in Jubail Industrial City, as a part of

Sipchem's third phase projects. It will be operational by the end of 2013.

ExxonMobil is the world's largest publicly traded integrated petroleum and natural gas company, and a global leader in the petrochemical industry.

At a Glance: ExxonMobil in Saudi Arabia

ExxonMobil's relationship with Saudi Arabia began over 60 years ago, when its heritage companies were partners in the formation of the Arabian American Oil Company, known at that time as the Aramco consortium. As one of the first joint venture partners with the then newly-established Saudi Basic Industries Corporation (SABIC), ExxonMobil entered into two of the earliest petrochemical manufacturing projects more than 28 years ago.

Partnering with Saudi Aramco and SABIC, ExxonMobil has been operating world-class plants for more than 25 years in the Kingdom. These including the following 50/50 joint ventures:

- KEMYA – Al-Jubail Petrochemical Company JV with SABIC;
- SAMREF – Saudi Aramco Mobil Refinery JV with Saudi Aramco
- YANPET – Saudi Yanbu Petrochemical Company JV with SABIC. Following an expansion in 2000, YANPET is one of the world's largest petrochemical facilities.

Today, the joint ventures in which ExxonMobil has interests employ over 3,000 Saudi nationals. ExxonMobil is the largest purchaser of Saudi crude oil exports,

accounting for approximately 10 percent of the Kingdom's total exports. Saudi Arabia is the largest single supplier of raw materials to ExxonMobil's worldwide refinery system.

The company's long-term commitment extends beyond that of an investor and joint-venture partner.

The company's long-term commitment extends beyond that of an investor and joint-venture partner. ExxonMobil engages in a range of philanthropic activities to improve the quality of life in the communities where the company invests. In the Kingdom, ExxonMobil supports a number of health and education initiatives including: Prince Salman Center for Disability Research, Disabled Children's Association, King Abdul 'Aziz and His Companions Foundation for the Gifted and Junash Archaeological Excavation. The ExxonMobil Middle East and North Africa Scholars Program offers scholarship opportunities at a college or university in the United States to select students from the Middle East and North Africa.



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Chevron: Seven Decades of Partnership

Chevron is the only large international energy company with a continuous upstream presence in Saudi Arabia that dates back seven decades. Based in San Ramon, California, Chevron is one of the world's leading integrated energy companies, with 62,000 employees and subsidiaries around the world. The company is engaged in a wide range of petroleum-related interests in the Kingdom and works closely with Saudi Aramco, as well as private firms.

In the early 1930s, Standard Oil of California – later Chevron – first began exploring for oil in the Eastern Province of the Kingdom. By 1936, The Texas Company – later Texaco – became a partner with the California Arabian Standard Oil Company (CASOC). In November 1937, after five years of drilling and \$9 million spent without any return on their investment, CASOC ordered drilling to be halted everywhere except at Dammam No.7.

On March 3, 1938, the Dammam well struck oil. Within fifty days, the well produced 100,000 barrels, and subsequent probes led to the discovery of fifty-two oil fields, including Ghawar, which is still the world's largest oil field with an estimated remaining sixty-six billion barrels of reserve.

Today, Chevron has a thirty-year operating agreement with Saudi Arabia to operate the Kingdom's 50 percent interest in the hydrocarbon resources of the onshore area of the



Partitioned Neutral Zone (PNZ) between the Kingdom and Kuwait. The agreement expires in 2039.

Chevron's other undertakings in the Kingdom include Saudi Chevron Phillips Company, a \$650 million petrochemical plant in Al Jubail. This joint venture with the Saudi Industrial Investment Group was established in 2000, and it is the Kingdom's first privately financed basic petrochemical enterprise.

A second company, Jubail Chevron Phillips was formed in 2003, and it began operating a \$1.3 billion petrochemical facility adjacent to and integrated with Saudi Chevron Phillips in 2008. A third company, Saudi Polymers, is currently building a \$5.2 billion plant that is designed to produce a range of basic chemicals.

Saudi International Services Company, Chevron's joint venture with its former Aramco partners, supplies Saudi Aramco with technology and technical services. Chevron arranges training for Saudi Aramco employees in the United States and participates in technical exchange meetings.

Chevron and Saudi Arabia have shared a unique history for more than seven decades, and Chevron is invested not only in the oil and petrochemical industry, but also in a wide range of educational and environmental programs, such as the Saudi Wildlife Fund and the Saudi Petroleum Services Polytechnic in Dammam.

Chevron PNZ Steamflood Project Achieves First Steam Injection

Significant Potential for Carbonate Reservoirs in Middle East

Chevron Corporation's subsidiary, Saudi Arabian Chevron (SAC), has achieved the first steam injection at its \$340 million Large Scale Pilot (LSP) steamflood project at the Wafra Field, an Eocene heavy-oil carbonate reservoir in the onshore Partitioned Neutral Zone (PNZ). The LSP is the final test phase for the steamflood project and is expected to lead to full-field steamflooding of the First Eocene Reservoir. This is the first commercial application of a conventional steamflood in a carbonate reservoir anywhere in the world.

George Kirkland, Executive Vice President, Chevron Global Upstream and Gas, explains that "full-field deployment of steamflood technology in the PNZ would significantly increase recovery of crude oil reserves, confirm the technology's potential applicability in other carbonate oil fields, and build on Chevron's steamflood capabilities that date back five decades."

Steamflooding involves injecting steam into heavy-oil reservoirs to heat the crude oil underground, thereby reducing its viscosity and allowing its extraction through wells.



Photos courtesy of Chevron



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Saudi Aramco and ConocoPhillips Re-Launch Bids for Joint Venture Refinery in Yanbu

Saudi Aramco and U.S. firm ConocoPhillips have re-launched the bidding process for the planned 400,000 barrel-per-day Yanbu Export Refinery Project (YERP) at Yanbu Industrial City. The two companies signed an initial Memorandum of Understanding (MOU) in 2006, but unfavorable market conditions and a troubled global economy interrupted the bidding process last year.

The full-conversion refinery will process Arabian Heavy Crude supplied by Saudi Aramco and produce high-quality, ultra-low sulfur refined products that meet current and future specifications. Pegged at \$6 billion when first announced in 2006, the cost for YERP is now estimated at approximately \$12 billion.

In a press release issued by Saudi Aramco, Khalid G. Al-Buainain, Senior Vice President for Refining, Marketing and International, noted that the state-of-the-art refinery will add significant value to the company's downstream business portfolio. "It will also support our goal of fostering increased industrial development and job opportunities within the Kingdom," he added.



"ConocoPhillips is pleased to resume the bidding process now that the markets are more favorable," commented Willie C. Chang, ConocoPhillips' Senior Vice President for Refining, Marketing and Transportation. "This project will provide very competitive new supplies of refined products to help meet the world's growing energy demand."

Pre-qualified local and international contractors have been invited to bid for approximately 9 to 11 work packages, which include a coker unit, crude facility, gasoline unit, hydrocracker, offsite pipelines and numerous other infrastructure packages. All packages are expected to be awarded by the second quarter of 2010. KBR of Houston recently announced that it has been awarded a contract to provide engineering and procurement services for the utilities package and the interconnecting systems and pipe racks.

ConocoPhillips and Saudi Aramco hold equal shares of the joint venture that will own and operate the plant, and they are equally responsible for marketing half of the refinery's production. The expected start-up date for the refinery is late 2014.

"Responsibility is a theme we have been stressing within Saudi Aramco for many years. For the men and women of Saudi Aramco, taking responsibility means first and foremost, a commitment to ensuring that our company remains the most reliable supplier of energy to the world. But it is also something more. It is a commitment to be socially responsible, wherever we do business; to be a creator of opportunity for our people; an innovator of new technologies; a steward of safety and the environment; and a propagator of knowledge. This is Saudi Aramco's vision. It is deeply rooted in our heritage, and it defines who we are and what we strive to be."

Khalid A. Al-Falih
President and Chief Executive Officer
Saudi Aramco

Saudi Aramco to Award Contracts for \$6.9 Billion Gas Projects

Saudi Arabian Oil Company (Aramco) plans to award contracts on gas projects in the Manifa offshore oil field, as well as the Shaybah oil field in the Empty Quarter. The projects – the Manifa Gas Development Program and the Shaybah Natural Gas Liquids (NGL) program – have an estimated value of approximately \$6.9 billion.

Successful bidders will carry out the front-end engineering design (FEED) and manage construction of the two sites. Once FEED services are completed, Saudi Aramco is expected to open bids

for the main engineering, procurement and construction (EPC) contracts to build facilities on both projects as of mid-2010. The projected completion and operational date is 2014.

Due to the expanding petrochemicals and industrial sectors, gas demand is rising sharply in Saudi Arabia, which has the world's fourth-largest proven gas reserves at 267 trillion cubic feet. Aramco's Manifa and Shaybah programs are part of the Kingdom's plans to secure additional gas resources to meet these rising needs.



Shaybah Site

ارامكو السعودية
Saudi Aramco



Manifa Site



World's Largest Integrated Petrochemical Complex to Be Built at Ras Tanura

facilities of its kind in the world. The latter two facilities will supply feedstock to the joint venture and continue to be owned and operated by Saudi Aramco.

The Ras Tanura integrated complex will produce an extensive and diversified slate of plastics and chemicals and introduce new value chains and performance products to the Kingdom. Once

the complex is completed and fully operational, it will be one of the largest grassroots plastics and chemical production facilities in the world.

“We are extremely pleased to be selected by Saudi Aramco as their joint venture partner to help build the Ras Tanura petrochemical complex. This joint venture will further strengthen Dow’s presence in the Middle East and add to our already vast capabilities worldwide,” commented Dow Chairman and CEO Andrew Liveris. “Furthermore, the complex will have a long-term, secure and reliable feedstock position with integration to the adjacent refinery and gas processing plant, while positioning the new enterprise to grow its product sales.”

Ras Tanura’s location in Saudi Arabia’s Eastern Province puts Dow closer to emerging regional markets. Some of the technology for RTIP will come from Dow’s Freeport, Texas, plant. “Freeport evolved over 60 years,” commented Michael Gambrell, Dow’s executive vice president. “We’re going to build Ras Tanura in three.”

“This product will leverage our largest refining asset and enhance its profitability by capitalizing on the value addition opportunities and synergies existing between refining and petrochemicals,” explains Former Saudi Aramco President and CEO Abdallah S. Jum’ah.

“We are extremely pleased to be selected by Saudi Aramco as their joint venture partner to help build the Ras Tanura petrochemical complex.”

Dow Chairman and CEO Andrew Liveris

“The wide range of chemical materials and plastics to be produced by the joint venture will help spawn other downstream chemical conversion industries. This will strengthen the role of the chemical sector as a key enabler of many other future investments in the Kingdom of Saudi Arabia.” He further noted that resulting downstream industries will



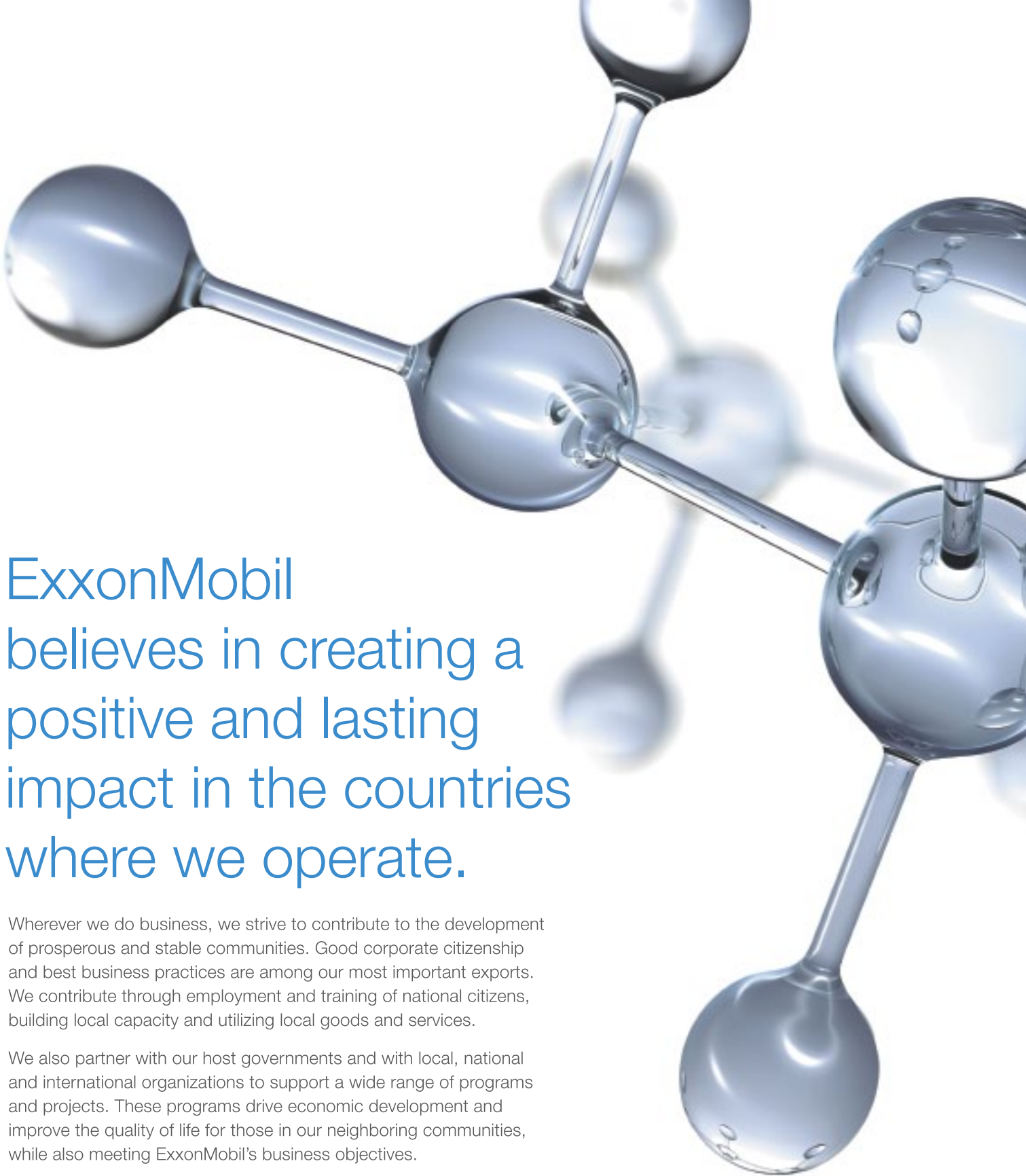
“assist in further expanding the national economic base, while promoting economic diversification and capitalizing on the vast job creation of these industries.”

The 50-50 joint venture project links Saudi Aramco, the world’s leading energy supplier with Dow Chemicals, the world’s leading science and technology company. When completed, RITP will be the single largest foreign investment in the Kingdom.

Saudi Aramco and The Dow Chemical Company signed a detailed Memorandum of Understanding (MOU) regarding the construction, ownership and operation of a world-scale chemicals and plastics production complex in Saudi Arabia, named the Ras Tanura Integrated Project (RTIP).

Located near Ras Tanura in Saudi Arabia’s Eastern Province, the joint venture will be operationally integrated with Saudi Aramco’s Ras Tanura Refinery Complex and its Ju’aymah gas processing plant, two of the largest





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Lockheed Martin Provides Training for Royal Saudi Air Force

Lockheed Martin Corporation is creating an undergraduate Weapon System Officer (WSO) training program at the King Faisal Air Academy in Riyadh. The WSO is integral to all air and weapons systems operations and enables pilots to achieve and maintain crew efficiency, situational awareness and mission effectiveness.

Awarded the three-year contract by the Royal Saudi Air Force (RSAF) in 2008, Lockheed Martin is developing the program during the first two years and will provide training in the final year. The RSAF can exercise the option to continue the program for an additional three years.



The contract involves the design, development and delivery of coursework, electronic classrooms, training devices and a training management system. In-Kingdom instruction and maintenance support

services will also be provided by Lockheed Martin.

Lorraine Martin, Vice President of Lockheed Martin Simulation, Training and Support Flight Solutions, explained, "The WSO's role in combat aircraft, such as the F-15 and Tornado, requires a high level of skill and knowledge of the aircraft's systems to maximize mission success. We look forward to our continued work with the RSAF at the King Faisal Air Academy."

Saudi Arabian Armed Forces Plans to Establish Saudi War College

Science Applications International Corporation (SAIC) has been awarded a prime contract by the U.S. Military Training Mission (USMTM) to assist the Saudi Arabian Armed Forces (SAAF) in its plans to establish a Saudi War College (SWC) that meets the educational and administrative standards of U.S. war colleges. Established in 1953, the



USMTM to Saudi Arabia is a joint training mission and functional component command under the military command of the U.S. Central Command.

Charles Zang, SAIC Senior Vice President and business unit General Manager, recently noted that "SAIC is honored to support the SAAF by helping establish a world-class SWC. We believe that SAAF, teamed with SAIC, has the prerequisites for creating a prestigious military institution for the education of strategic leaders."

The contract with USMTM has a one-year base period of performance with three one-year options. If all options are exercised, the contract has an \$11 million value. Under the terms of

the contract, SAIC will help to establish a Saudi War College that will educate and prepare Saudi leaders to face domestic and global challenges. SAIC will: assist in the establishment of a state-of-the-art educational institution; develop and implement a flexible curriculum that will address current and future Saudi mission requirements; recruit, hire and retain qualified Saudi instructors, develop



and implement a quality assurance plan; and establish a career and mentoring program for SWC instructors. Work will be performed primarily in Riyadh, the Saudi capital.

Raytheon

Saudi Arabia Purchases Raytheon AIM-9X Missiles

The U.S. Government and the Kingdom of Saudi Arabia have signed a Letter of Offer and Acceptance (LOA) to purchase Raytheon Company's AIM-9X missile. Under the agreement, an undisclosed quantity of tactical and training AIM-9X Sidewinder Missiles will be provided to the Royal Saudi Air Force (RSAF) for its F-15 fighter aircraft.

Captain Jeffrey Penfield, the U.S. Navy's Air-to-Air Missile Program Manager, said, "The AIM-9X will provide our Saudi allies with unparalleled capability, a small logistical footprint and ease of integration onto its existing fighter aircraft."

"The Royal Saudi Air Force truly chose the most affordable and capable within-visual-range air-to-air missile in the world," added Harry Schulte, Raytheon Missile Systems Vice President of Air Warfare Systems. "Raytheon has delivered more than 3,000 Block I missiles on cost and ahead of schedule and we look forward to continuing to do the same for the newest member of the AIM-9X family."

Raytheon's Saudi Arabian Programs began over 40 years ago with the sale of Basic Hawk. Today, Raytheon operates three management organizations within the Saudi Arabian Programs, which provide services, training, and hardware for the Royal Saudi Air Defense Force.




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We're honored that Saudi Arabia recently extended their agreement to partner with Chevron to operate the Saudi share of the energy resources of the PNZ for another 30 years. We've worked closely with our partners in the Middle East for the past 75 years. Looking to the future, we believe our advanced steam flooding technology will help unlock the full potential of the PNZ, which means the best is yet to come. Some call it human endeavor. We call it human energy. To learn more, visit chevron.com.



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Saudi Arabian Airlines Flies Above the Rest

More than 18 million passengers a year travel with Saudi Arabian Airlines, the national airline of the Kingdom of Saudi Arabia. A leading airline in the Middle East Saudi Arabian Airline's international network links 50 cities on four continents and is ranked 15th among the 165 member airlines of the International Air Transport Association (IATA).



From its modest beginnings in April 1945, when U.S. President Franklin D. Roosevelt presented a single Douglas DC-3 to H.M. King Abdul Aziz ibn Saud, to its current ranking as one of the world's major airlines, Saudi Arabian Airlines has played a prominent role in the development of the Kingdom.

In the late 1940s, long before the Kingdom's transportation infrastructure was built, Saudi Arabian Airline's fleet of approximately 30 aircraft was able to reach the most remote parts of the country, facilitating the development of the nation's socio-economic infrastructure. The airline's first international flights began in 1947 to serve a growing

demand from Muslims wishing to make the pilgrimage to the two Holy Cities of Makkah and Madinah. In 1962, Saudi Arabian Airlines acquired two Boeing 720s and became the first Middle Eastern airline to fly jets.

Looking to the future, Saudi Arabian Airlines continues to expand its fleet and enhance its operations systems as it moves toward privatization. Rockwell Collins, based in Iowa, was selected to provide a comprehensive package of communication, navigation and surveillance avionics for 50 new Airbus A320 family aircraft that are scheduled for delivery from 2009 through 2013.

"We're proud of the trusted relationship we have built with Saudi Arabian Airlines and we look forward to delivering the most advanced avionics available for commercial airlines," says Jeff Standerski, Vice President and General Manager of Air Transport for Rockwell Collins. "The avionics they have selected represents a total solution that provides superior situational awareness, operational efficiency and improved passenger satisfaction."

An exclusive ten-year materials agreement was signed in 2009 with U.S.-based GE Aviation for the airline's entire fleet of 100 purchased and leased CFM56-5B engines



powering its Airbus A320 fleet. Under the terms of the agreement, valued at approximately \$300 million, Saudi Arabia Airlines will use genuine CFM parts exclusively in the maintenance and overhaul of this fleet.

"We look forward to the introduction of our CFM56-5B fleet and to enjoying best-in-class reliability and maintainability," says Saudi Arabian Airlines Director General Khalid Almolhem.

David Joyce, President and CEO of GE Aviation, adds, "We are very happy to expand the relationship between GE and Saudi Arabian Airlines to encompass the CFM56 product line. This materials agreement will help enable the airline to maintain its fleet with original CFM quality parts and comprehensive support."

Saudi Ministry of Transportation: Paving the Way to the Future

Saudi Arabia is blazing new trails into the future, and the Ministry of Transportation is making sure that the journey will be as smooth as possible by undertaking an ambitious expansion of the Kingdom's transportation infrastructure, particularly the nation's railways.

The centerpiece of this expansion is the Saudi Landbridge Project, a cross-peninsular high-speed railway that will connect Jeddah on the Red Sea with Dammam and Jubail on the Arabian Gulf via Riyadh. Approximately 682 miles of new track will be laid and the existing Dammam-Riyadh line will be upgraded.

Another 992 mile North-South rail line will connect Riyadh-Buraydah-Hail-Qurayyat to the northern areas where Saudi Arabia's mines are located. Overseen by Saudi Railways Organization (SRO), the Saudi Landbridge Project will be one of the largest Build-Operate-

Transfer (BOT) projects in the region.

"The importance of the Landbridge Project should not only be seen at the local level within the Kingdom, but also in terms of its strategic dimension at a regional and international level," explains the Minister of Transportation, H.E. Jobarah Al-Suraisry. Proponents of the project believe it will position the Kingdom at the heart of east-west trade routes by allowing shippers to transport goods by rail between Jeddah and the Arabian Gulf.

Two additional projects – The Makkah-Madinah Rail Link and the Express Train Project for the Two Holy Mosques – will link the Two Holy Cities to Jeddah, providing a fast and reliable means of transport for Umrah visitors and Hajj pilgrims. In February 2008, H.M. King Abdullah authorized the use of Saudi specialized funds to launch this three-

year project, which will cost approximately \$1.8 billion.

Speaking at a Saudi-European Economic Forum in Riyadh last July,

Minister Al-Suraisry emphasized that the transportation projects are not jeopardized by the current state of the global economy. "All transportation projects are on track," said the Minister, adding that the transportation sector offers "excellent investment opportunities with excellent returns."



H.E. Jobarah Al-Suraisry

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Saudi Arabian Standards Organization: Setting the Standard

Standards and conformity assessment represent some of the most important “building blocks” of Saudi-U.S. trade, yet policymakers rarely give these fields the attention that they deserve. This may be about to change.

Under the terms of an October 2008 Memorandum Of Agreement (MOA) signed between the Saudi Arabian Standards Organization (SASO) and the U.S. National Institute of Standards and Technology (NIST), part of the U.S. Department of Commerce, both parties pledged new levels of cooperation in support of standards-related activities. The purpose of the five-year agreement is to establish an enhanced framework for technical cooperation.

NIST and SASO agree to cooperate in joint programs, as well as projects of mutual benefit in different fields of standardization, such as quality control. SASO staff members will be trained in various standardization fields, both in Saudi Arabia and in the United States. The parties also agreed to tap into expertise from both nations in various fields of standardization.

Headed by H.E. Dr. Nabil Ameen Molla, SASO was founded in 1972, and promotes the creation of standards that “observe the rulings of Islamic Sharia, hygiene and safety



During the 2008 ISO annual conference held in Dubai, leaders of standards development organizations in the United States and the Arab world – including SASO – take part in a workshop on “Standards and Conformance: Tools for Business and Regulation.” The workshop was co-hosted by the National U.S.-Arab Chamber of Commerce, the American National Standards Institute (ANSI), and the Emirates Authority for Standardization and Metrology (ESMA).

of man, animals, plants, and environment, national security protection and prevention of fraudulent practices.”

The benefits of these joint programs are numerous. They can facilitate the removal of trade barriers, for example, and open up new markets for goods and services. Increased exports translates into an expanded job market, a very appealing proposition in today’s world-wide recession. Maintaining a strong standards and conformity assessment regime also serves to protect consumers, who depend on a high level of quality assurance domestically and in terms of imports.

The new MOA follows on the heels of a prior Memorandum of Understanding signed by SASO and NIST. That agreement gave rise to the Saudi - U.S. Standards Cooperation Program, which played an instrumental role in sharing thousands of product standards between the two nations. For American companies, this program helped to generate hundreds of millions of dollars per year in U.S. exports and created thousands of U.S.-based jobs that – without this program – would have gone to America’s trade competitors.



President of Abdul Latif Jameel Co. Ltd nominated for 1st Oslo Business for Peace Award

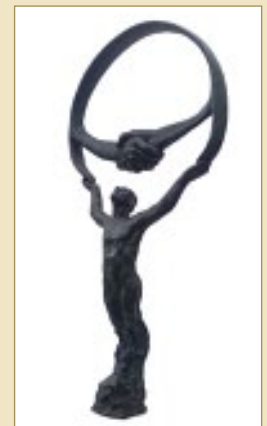
Mohammed Abdul Latif Jameel, president of Jeddah-based Abdul Latif Jameel Co., Ltd is one of 15 nominees for the 2009 Oslo Business for Peace Award.

Founder and president of the Abdul Latif Jameel Community Services Program (ALJP) Jameel established the first Bab Rizq Jameel (Gateway to Prosperity) Center in Jeddah, in 2007. The center creates job opportunities for Saudi men and women, and offers

assistance to entrepreneurs looking to start their own SMEs. Each month, the center provides approximately 200 job opportunities for women in Jeddah. Two additional branches, in Riyadh and Dammam, were opened in 2008.

Selected by three Nobel Laureates, the award will be presented to a business leader whose actions and commitments best contribute to the promotion of ethical

behavior and peace. Initiated in 2007, by The Business for Peace Center in Oslo, the award will be presented during the annual Oslo Summit on Peace through Trade.





King Faisal Foundation: Promoting Saudi Philanthropy for More Than Three Decades

The King Faisal Foundation (KFF) was established in 1976 by the sons of the late King Faisal bin Abdul Aziz of Saudi Arabia. Considered one of the largest philanthropic foundations in the world, the KFF funds international grants which directly assist individuals and communities and sponsors a scholarship program for outstanding Muslim graduates in the Islamic world.



مؤسسة الملك فيصل الخيرية
The King Faisal Foundation

The Foundation is perhaps best known for the annual King Faisal International Prize, the first multi-disciplinary, international award sponsored from the Arab world. Prizes are awarded in five categories: service to Islam, Islamic studies, Arabic language and literature, science, and medicine. Today, each prize carries an award of 750,000 Saudi Riyals (\$200,000), which is presented by the King of Saudi Arabia

at the annual award ceremony in Riyadh.

Since its inception, 42 scholars from 10 countries have won the science award, and five of the recipients have gone on to win Nobel Prizes. Edward Wilson, retired professor of Entomology at Harvard, was a past winner in the field of biology. "This is a bridge-building award between intellectuals in the East and West," he noted. "Science, technology and scholarship lead to understanding."

In 1983, the Foundation established the King Faisal Center for Research and Islamic Studies to preserve and promote Islamic heritage. Today, the Center is headed by H.R.H. Prince Turki Al Faisal, a leading Saudi statesman and former Ambassador to the United States. Says Prince Turki, "The Center is a forum for the eloquent statement of Arab-Islamic culture. If, as a result, scholars are influenced and inspired, and if valuable knowledge comes to light and is imparted to a wide audience, our objectives will have been achieved."



H.R.H. Prince Turki Al Faisal

"The Center is a forum for the eloquent statement of Arab-Islamic culture. If, as a result, scholars are influenced and inspired, and if valuable knowledge comes to light and is imparted to a wide audience, our objectives will have been achieved."

H.R.H. Prince Turki Al Faisal

Alwaleed Bin Talal Foundation Philanthropic Donations Span the Globe

The Alwaleed Bin Talal Foundation (ABTF) is a charitable and philanthropic organization established 25 years ago by H.R.H. Prince Alwaleed Bin Talal Bin Abdulaziz Al-Saud, chairman of Kingdom Holding Company. Based in Riyadh, the foundation reflects the Prince's belief that "To whom much is given, from whom much is expected." Its activities focus on five main areas of assistance: interfaith dialogue; leadership development; social infrastructure issues within Saudi Arabia – in particular women's education and leadership; the alleviation of poverty; and natural disaster relief.

American universities and organizations are among the many recipients of ABTF's philanthropic efforts to bridge the East-West gap. In December 2005, Harvard University in Massachusetts and Georgetown University in Washington DC each received \$20 million

to fund Islamic studies. The gift to Georgetown was the university's second largest donation in history, and the grant to Harvard was among the 25 largest gifts ever made to that institution.

In 2007, \$1.48 million was donated to the Islamic Society of North America. More recently, in 2009, The Earth Institute's Millennium Village Project at Columbia University in New York City was given \$100,000 to combat poverty in rural African communities. The foundation is known for being one of the regional leaders in funding creative, long-term solutions to poverty.

Major global donations include \$19 million to South East Asia's Tsunami victims, \$5 million to support the Carter Center for Peace and Health Programs in Africa, \$1.4 million to The Right to Live Society in Gaza, and \$8.3 million to fund relief and reconstruction

"To whom much is given, from whom much is expected."

Prince Alwaleed Bin Talal Bin Abdulaziz Al-Saud

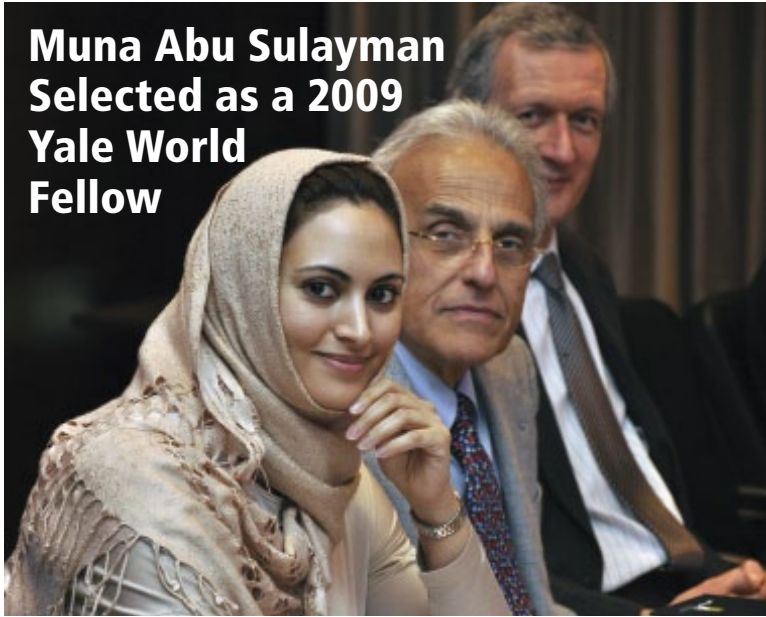


H.R.H. Prince Alwaleed

efforts in the wake of the 2005 Kashmir earthquake.

H.R.H. Prince Alwaleed has often been honored for the foundation's charitable activities, particularly its significant financial contributions on behalf of improving international understanding and co-existence. In 2007, he received the Special Award for Philanthropy at the Arabian Business Saudi Achievement Awards. That same year, Time magazine ranked Prince Alwaleed among the 12 global "Power Givers" for raising the profile of Islamic history and culture around the world.

Muna Abu Sulayman Selected as a 2009 Yale World Fellow



Secretary General and Executive Director of the Alwaleed Bin Talal Foundation, Muna Abu Sulayman, is the first Saudi woman to be selected as a [2009?] Yale World Fellow. She is one of 15 fellows chosen from a pool of over 900 international applicants who will participate in a four-month leadership program.

Established in 2002, the program exemplifies Yale's commitment to leadership development, strives to broaden international

understanding, and establishes a global network of emerging leaders. Participants meet with U.S. and foreign leaders, receive individualized skill-building training, and attend seminars tailored specifically for the program.

Abu Sulayman. Michael Cappello, director of the program, explained that all of the participants are renowned for their accomplishments and potential for success. In addition to overseeing the Alwaleed Bin Talal Foundation's global philanthropic and humanitarian activities, Abu Sulayman is the founding co-host of MBC TV's popular talk program, "Kalam Nawweem," as well as an international public speaker and entre-

preneur. In 2005, she became the first Saudi woman to be appointed by the United Nations Development Program (UNDP) as a Goodwill Ambassador.

"I am honored to be selected for this program, and I am eager to strengthen my effective leadership skills," commented

understanding, and establishes a global network of emerging leaders. Participants meet with U.S. and foreign leaders, receive individualized skill-building training, and attend seminars tailored specifically for the program.

"Trade delegations are a very effective way to introduce potential business partners to one another. This is especially true for small and middle-sized businesses interested in investing in Saudi Arabia, even when they know little about our business practices. Although it is not required, I always advise foreign investors to have a good Saudi partner who can introduce them to our business environment."

Omar Bahlaiwa, Secretary General, Committee for International Trade (CIT), Council of Saudi Chambers of Commerce

U.S.-Saudi Women's Forum on Social Entrepreneurship

Babson College in Massachusetts hosted thirty women from Dar Al Hekma College in Jeddah for the second session of the U.S.-Saudi Women's Forum on Social Entrepreneurship. Organized by the U.S. State Department's Middle East Partnership Initiative (MEPI), the Forum is an innovative one-year public-private partnership between Babson College, Dar Al Hekma College, the Wellesley Center for Women, and project managers from ICF International, the MEPI contractor.



from that initial group were chosen to attend the two-week July session at Babson.

Each participant was required to develop a business plan, which will be presented before a panel of judges, including Forum members, at Dar Al Hekma College next year. "We taught them everything from risk management, to refining vision statements, to shareholder analysis, so that they could leave with an enhanced toolkit of social entrepreneurial skills," explains Shubert.

Although Babson has more than 30 years of experience in running international entrepreneurship programs in over 100 countries, this was its first project in Saudi Arabia. The Forum was a very positive experience for everyone involved, says Shubert. "It was interesting watching stereotypes just crumble away on both sides."




Dr. Jan Shubert, Director of Babson College's Center for Women's Leadership





Saudi Arabia At-a-Glance

Area	2,240,000 sq km
Population	27.019.731 million (2006)
Density of Population	2.18% (2006)
Capital	Riyadh
Main Cities	Riyadh (The Capital)
	Makkah (The most sacred place to Muslims, and their praying direction)
	Al Madinah (Second most sacred place)
	Jeddah (Saudi capital of business, an important port ,and a major gateway to pilgrims)
	Dammam (Capital of Eastern region, and an important port)
	Dhahran (The location of Saudi Aramco's headquarter, the largest oil company in the world)
Language	Arabic
Currency	Saudi Riyal
National Day	23rd, September. (1932 A.D)
Symbol	 Two crossed curved swords which symbolize strength and justice. A palm tree on the top symbolizes prosperity
Timing	GMT + 3:00
Internet Code	sa
Phone Code	00966
Calendar	Saudi Arabia follows the Muslim Hijra calendar. Hijra year has 12 months. However, it's ten or eleven days less than the calendar year. In the Hijra calendar, the month ranges between 29 to 30 days.
Working Days	Saturday to Wednesday Public Sector: 7:30 a.m to 2:30 p.m Private Sector: Morning: 8:00a.m to 12 p.m Afternoon: 4:30 p.m to 7:30 p.m Thursday: (morning shift only) Banks: 8:30 a.m to 4:30 p.m Shopping Stores: Weekdays: 10:00 a.m to 12:00 p.m Friday: 4:00 p.m to 10 p.m
Weekends	Thursday - Friday
Official Holidays	Eid Al Fitr: 25th Ramadan to 5th Shawwal Eid Al Adha: 5th Thi Alhijja to 15 Thi Alhijja



Map produced by Rick Clark Illustration & Design

Babson College to Guide Young Entrepreneurs



Babson College is bringing its business expertise to KAUST. “This is our first partnership with a Saudi university,” explains Dr. Shahid Ansari, Provost and Dean of Faculty at Babson. “We are developing a 15-unit concentration, as well as teaching a class on technology entrepreneurship to the graduate students. In addition, KAUST and Babson will jointly develop a student business incubator on the KAUST campus.”

“This is a very significant partnership for Babson, because it allows us to join a world-class university and partner with other renowned academic institutions such as Stanford, Berkeley and Texas,” adds Ansari.

Located in Massachusetts, Babson has been recognized by the U.S. Association for Small Business and Entrepreneurship as having the most innovative entrepreneurship program in the United States.

Upcoming Conferences and Exhibitions

October 2009 Events

21st International Construction Technology and Building Materials Exhibition	October 4-7	Riyadh	http://www.recexpo.com
12th International Stone and Stone Technology Show	October 4-7	Riyadh	http://www.recexpo.com
Petrochem Arabia	October 4-7	Dhahran	www.petrochem-arabia.com
Saudi Water & Power Forum	October 11-14	Jeddah	http://www.ksawpf.com
Saudi International Boat Show	October 11-14	Jeddah	http://www.saudiboat.com
9th International Pre-press and Printing Technology Exhibition	October 18-21	Riyadh	http://www.recexpo.com
9th International Plastics Technology Show	October 18-21	Riyadh	http://www.recexpo.com
9th International Packing Machinery and Materials Show	October 18-21	Riyadh	http://www.recexpo.com
4th International Exhibition for Chemicals and Chemical Technology Industry	October 18-21	Riyadh	http://www.recexpo.com
Saudi International Motor Show	October 25-29	Jeddah	http://www.acexpos.com

November 2009 Events

2nd Saudi Arabian Oil and Gas Exhibition	November 1-3	Dammam	http://www.saoge.org
2nd International Recycling & Waste Management Exhibition	November 1-4	Riyadh	http://www.recexpo.com
28th International Agriculture, Water and Agri-Industry Show	November 1-4	Riyadh	http://www.recexpo.com
16th International Food, Equipment & Catering Show	November 1-4	Riyadh	http://www.recexpo.com
USSABC-VEDP Business Development Mission to Saudi Arabia	November 7-9	Riyadh and Dammam	http://www.us-sabc.org
Kingdom Project Expansion and Investment Summit	November 9-10	Riyadh	http://www.kingdomprojectexpansion.com

December 2009 Events

27th International Exhibition for Motor Vehicles	December 12-16	Riyadh	http://www.recexpo.com
13th International Exhibition for Auto Repair Equipment, Tools, Parts and Accessories	December 12-16	Riyadh	http://www.recexpo.com
7th Real Estate & Housing Exhibition	December 14-17	Dhahran	http://www.diec.com.sa
Saudi CommTel Expo	December 14-18	Jeddah	http://www.acexpos.com



A Conversation with Dr. Ghassan Al Sulaiman

Co-Chairman, National U.S. - Arab Chamber of Commerce

“This is a good time for American businesses to pay more attention to the Middle East in general, and Saudi Arabia in particular,” suggests Dr. Ghassan Al Sulaiman. Co-Chairman of the National U.S.-Arab Chamber of Commerce, Dr. Al Sulaiman notes that investment opportunities are abundant in almost every sector of the Kingdom’s economy. The four planned economic cities will transform not only the future landscape of Saudi Arabia, he says, but also investment opportunities within the private sector.

Dr. Al Sulaiman notes that the “cooling down of U.S.-Saudi relations, especially economic relations, in the aftermath of 9/11, forced Saudis to look elsewhere for business partners. The Europeans and Asians seized that opportunity and established a firm foothold in the Kingdom during the last eight years.”

“However,” he says, “Americans can regain their position in Saudi Arabia because there are a lot of opportunities where U.S. companies have the competitive advantage in terms of technology and expertise.” In addition,



and equally important, says Dr. Al Sulaiman, is the fact that the “crème de la crème of the Saudi business community has been educated in the United States. They feel more comfortable working with American companies. This is a huge advantage and one they should utilize.”

Dr. Al Sulaiman explains that with the many opportunities opening up across the board in Saudi Arabia, especially in the financial sector, mining, energy and petrochemicals, small and medium-sized enterprises should be encouraged to invest.

One of the stumbling blocks for new investors is a lack of knowledge and too many stereotypes

about the Kingdom, notes Dr. Al Sulaiman. “There is a need for more information on both sides,” he explains, in order for bilateral trade and business relationships to be successful. The National U.S.-Arab Chamber helps to fill this gap, he suggests, but he recommends that all new investors spend time looking for a Saudi partner within their sector to help introduce them to the business environment in Saudi Arabia.

One of Saudi Arabia’s most successful entrepreneurs, Dr. Al Sulaiman is descended from a long line of merchants whose history is closely intertwined with that of the Kingdom. His grandfather was the first Minister of Finance and a close advisor to the founder of Saudi Arabia, H.M. King Abdul Aziz Al-Saud. Dr. Al Sulaiman is a former Chairman of the Jeddah Chamber of Commerce and Industry, and he serves as Chairman of the Board of numerous companies – including but not limited to Siraj Capital, Venture Capital Bank, and the Ghassan Al Sulaiman Furniture Company (which represents IKEA).

Key Contacts for the Kingdom of Saudi Arabia

Saudi Government Contacts in the United States

Royal Embassy of the Kingdom of Saudi Arabia
601 New Hampshire Avenue, N.W.
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Fax: (202) 944-3113
Web: www.saudiembassy.org

Saudi Arabian Mission to the United Nations

809 UN Plaza, 10th/11th Floor
New York, NY 10017
Tel: (212) 557-1525
Fax: (212) 983-4895
Web: www.saudi-un-ny.net

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Tel: +966 (1) 488-3800
Fax: +966 (1) 483-0773
Web: riyadh.usembassy.gov

Business Organizations in the United States

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8081 Wolftrap Road, Suite 300
Vienna, VA 22182
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Fax: +1 (703) 204-0332
Web: www.us-sabc.org

Business Organizations in Saudi Arabia

Council of Saudi Chambers of Commerce & Industry
P.O. Box 16683
Riyadh 11474
Saudi Arabia
Tel: +966 (1) 218-2222
Fax: +966 (1) 218-2111
Web: www.saudichambers.org.sa

Middle East Council of American Chambers of Commerce (MECACC)

- American Business Association – Eastern Province
- American Business Group of Riyadh
- American Businessmen of Jeddah

P.O. Box 8723
Riyadh 11482
Saudi Arabia
Web: www.mecacc.org
Email: chairman@mecacc.org

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