

The Diplomat

Issue 74
November 2019



**SAUDI ARABIA,
RUSSIA BOLSTER TIES**

SAUDI ARABIA STANDS ON THE FRONTLINE OF GLOBAL ENERGY SECURITY



Dr . Abdallah Al Salamah
Director General
Prince Saud Al Faisal Institute
for Diplomatic Studies

Energy has traditionally played an important role in global geopolitics, world economy and sustainable growth. Therefore, it becomes mandatory for global powers to protect energy installations, oil facilities, and the interests of energy-producing countries like Saudi Arabia. Energy security, which is defined as the uninterrupted availability of energy sources at an affordable price; can only be guaranteed if major global powers sit in conjunction with the oil-producing countries and map out a full-proof security plan.

In the midst of disruption in global oil supply following the biggest-ever attacks on its oil installations (Abqaiq and Khurais) on September 14th, Saudi Arabia said that it is committed to meet global energy security needs and will work constructively with other oil producers to maintain market stability. But, it also invited the United Nations and its allies including international experts, to view the situation on the ground and to participate in ensuring protection to the critical energy infrastructure.

In fact, the Iranian attacks on the Saudi Aramco facilities highlighted that Saudi energy security and global energy security are vulnerable to attacks. The problem moving forward for Saudi Arabia and for the United States, should it desire to intervene, is that it may prove tricky to thwart new oil-related attacks by Iran and its proxies. It is very unclear if a U.S.-led coalition preventative attack against missile batteries could even be effective. As of today, Iranian proxies and direct Iranian military assets are located on multiple fronts along the Saudi border.

Distances are close and oil installations of other countries could also become at risk in any forceful escalation of violence. With so many armed parties across the Middle East, identifying and eliminating major threats to oil facilities will be challenging. Such threats can take many forms including missiles, armed drones and cyber-attacks. The real question is why has the deterrence of more conflict, even potentially against targets inside the Iranian homeland, failed to discourage such a large attack on Saudi Arabia's oil facilities?

Whatever the case may be, such attacks on critical energy infrastructure is the biggest threat to global energy supply. In fact, Saudi Oil Minister Prince Abdulaziz bin Salman and Saudi Aramco Chief Executive Amin H. Nasser on September 15th said the attacks had cut Saudi oil production by approximately half to around 5.7 million barrels per day. Saudi oil output comprises 10 percent of global crude supplies and Saudi Arabia is the world's largest oil exporter. The attack on Abqaiq and Khurais was conducted by Iran but claimed by the Yemeni Houthis.

These are the reasons that prompted the US and the Kingdom to call on all nations to publicly and unequivocally condemn Iran's attacks. Reacting to the attacks at that time, Mike Pompeo, US Secretary of State, said that "the United States will work with our partners and allies to ensure that energy markets remain well supplied and Iran is held accountable for its aggression." On the one hand, the Trump administration called for stricter measures, including military strikes, that might deter Iran from new provocations. On the other hand, the US and its allies surely wanted to avoid triggering a wider conflict.

Saudi Arabia, on its part, has called on its allies and international agencies to give a measured response to such attacks. The Kingdom has already joined a U.S.-led coalition to secure sea lines vital to oil shipping in the Middle East in the aftermath of the devastating attacks on Aramco's oil facilities. The International Maritime Security Construct's area of operation covers the Strait of Hormuz, the world's most critical waterway for oil supplies, the Strait of Bab al-Mandab and the Gulf of Oman. The move aims to support efforts to thwart threats to trade as well as guarantee energy security.

Not only this, a showdown between Iran and the Trump administration after the U.S. pulled out of the 2015 nuclear agreement with Iran has also threatened shipping lines in the region. Attacks on tankers and drones prompted the U.S. to call for a coalition of allies to protect ships passing through the area. About 40 percent of the world's seaborne oil travels through the Strait of Hormuz. It is important to mention here that the U.S. and UK have stepped up their military presence in the region amid calls to ensure that the waterway remains open.

The International Maritime Security Construct task force is headquartered in Bahrain, and its members include the U.S., the UK, Australia as well as the host country. The oil facilities located in the Kingdom and the GCC countries also face many other challenges including threats of cyberattacks. Industrial cyber incidents are among the most dangerous as they may result in production disruption and tangible financial losses and are quite hard to overcome. This is especially the case when the incident occurs in critical, life-supporting sectors, such as energy. For a number of economic, political and technical reasons, energy security is currently exposed to a number of threats and risks. These threats and risks are primarily caused by political, and often geopolitical and geo-economic problems. The Kingdom, which is keen to join hands with world powers for energy security, faces the gravest threat from Iran and Iran-backed Houthi militants today. ■



ISSUED BY
Prince Saud Al Faisal Institute
for Diplomatic Studies

DIRECTOR GENERAL
Dr. Abdullah Al Salamah
Prince Saud Al Faisal Institute
for Diplomatic Studies

**SUPERVISOR OF DEPARTMENT OF
RESEARCH AND PUBLISHING**
Dr. Khalid Al-Ali
Prince Saud Al Faisal Institute
for Diplomatic Studies

CORRESPONDENCE TO BE SENT TO:
The Diplomat Magazine
P.O. Box 51988, Riyadh 11553
Saudi Arabia
Tel. (011) 2509558
(011) 2509319
Email: diplomat@ids.gov.sa

DISCLAIMER
Opinions expressed in the magazine do not
necessarily express the viewpoints of the
Ministry of Foreign Affairs nor the Institute of
Diplomatic Studies.

Content

THE DIPLOMAT ISSUE 74
November 2019



22 FOOD AND MEDICAL AID TO YEMEN



40 SAUDI AVIATION FLIES HIGH

8 SAUDI ARABIA HAS A NEW FOREIGN MINISTER
Saudi Arabia has appointed veteran diplomat Prince Faisal Bin Farhan as foreign minister ahead of the 2020 G20 summit, which will be held for the first time in the Kingdom.

26 SAUDI-AUSTRIAN TIES SCALING NEW HEIGHTS
Over the past decade, the relationship between Saudi Arabia and Austria has grown stronger, attaining the level of a strong partnership and incorporating more political and economic content.

30 ARAMCO DRONE ATTACKS
American and Saudi officials said that the deployment of more US troops would be primarily defensive in nature. In fact, US plans to expedite delivery of military equipment to both Saudi Arabia and the UAE.

34 NEW ERA OF SAUDI ARABIA-INDIAN TIES
HRH's visit to India was instrumental in paving the way to further the strategic partnership across sectors - trade, investments, energy, security and culture - with the potential for transforming the region. \$10 billion of investment potentially worth \$26 billion.

46 SAUDI ARABIA URGES PRESSURE ON IRAN AT UNGA
Saudi Arabia took the stage on September 26, 2019, at the UN General Assembly and urged world leaders to take note of the Iranian belligerent policies and cut off its financial resources.



P.O. Box 65701 Riyadh 11566
Saudi Arabia
Tel. 00966 11 2128005
Fax. 00966 11 4401367

Managing Director
Mohammad Alomar
alomar@sspc.com.sa

Layout & Design
George Pontino Jr.

Advertising
نمو الاعلانية
NUMU ADVERTISING
Tel.: 00966 11 4412555
Fax: 00966 11 4401466
advertising@sspc.com.sa

Subscriptions
Toll Free: 0966 11 2128005
Fax: 00966 11 4401367
subscriptions@sspc.com.sa

Letters to the Editor
Saudi Specialized
Publishing Company
P.O. Box 65701
Riyadh 11566 Saudi Arabia
Tel. 00966 11 2128005
Fax. 0966 11 4401367
editorial@sspc.com.sa



KING SALMAN HOLDS TALKS WITH PUTIN

By Ghazanfar Ali Khan



The visit of Russian President Vladimir Putin to Saudi Arabia on October 14 heralded a new era of Saudi-Russian cooperation. Custodian of the Two Holy Mosques King Salman Bin Abdulaziz and Russian President Vladimir Putin met and discussed the whole range of bilateral, regional and international issues of common concern. King Salman and Crown Prince Muhammad Bin Salman, deputy premier and minister of defense, welcomed Putin and Russian Foreign Minister Sergei Lavrov at Al-Yamama Palace here with full military honors. Russia is committed to developing bilateral relations with Saudi Arabia, said Putin, and added that Saudi-Russian cooperation is important to ensure peace and stability in the Middle East.

Russia's President Vladimir Putin made a state visit to Saudi Arabia on October 14. The Russian head of state was warmly received by Custodian of the Two Holy Mosques King Salman bin

Abdulaziz, as the visit reflects the keenness of the two countries on strengthening ties in the coming years. The visit of the Russian president came as part of a regional tour that took Putin also to the

UAE to discuss political and economic relations. Speaking on this occasion, King Salman said that Putin's visit was a "big opportunity" to strengthen the friendship between the two countries. Deals between Russia and Saudi Arabia will have positive outcomes, especially in the energy sector, he added.

During the visit of Putin to Riyadh; Russia and Saudi Arabia signed more than \$2 billion of deals and discussed the OPEC oil output agreement. The two countries are major oil producers, and Moscow recently stated that it remained committed to working with Saudi Arabia to support oil prices by curbing output. Russian and Saudi flags lined Riyadh streets ahead of Putin's visit, which included an evening performance by Russia's Tchaikovsky Symphony Orchestra.

King Salman voiced Saudi Arabia's appreciation of the role Russia is playing in the region and the world. During official talks with Russian President Vladimir Putin in Riyadh, he said: "We look forward to working with Your Excellency on everything that will bring security, stability and peace, confront extremism and terrorism and promote economic growth." Putin's visit, presented a major opportunity to strengthen bonds of friendship.

Crown Prince Mohammed bin Salman attended the Riyadh talks. Putin, for his part, hailed King Salman's role in boosting Russian-Saudi cooperation in all fields. He stressed that his visit to Russia in 2017 bolstered these relations. "Russia attaches particular importance to the development of friendly and mutually beneficial ties with Saudi Arabia," he added.

On the occasion of the visit of Russian president, a total of 20 deals of cooperation were signed between the two countries. Putin and King Salman presided over a signing ceremony on a string of billions of dollars of investment contracts between the two countries, targeting sectors such as aerospace, culture, health and advanced technology. The deals included an agreement to "reinforce" cooperation among the so-called OPEC+ countries -- the Organization of the Petroleum Exporting Countries plus 10 non-members of the cartel -- according

to Saudi Energy Minister Prince Abdulaziz bin Salman.

Russia is not an OPEC member but it has worked closely with the group to limit supply and push up prices after a 2014 slump that wreaked havoc on the economies of Russia and cartel heavyweight Saudi Arabia. The 20 agreements covered oil and other energy industries, space and satellite navigation, justice, health services, tax administration, mineral wealth, tourism and aviation, along with cultural cooperation and the enhancement of trade relations.

The key deal was an agreement to increase cooperation in the OPEC+ group -- the Organization of the Petroleum Exporting Countries, led by Saudi Arabia, plus 10 non-members led by Russia. Moscow has worked closely with OPEC to limit supply and stabilize prices after a 2014 slump. The energy deal seeks to "reinforce cooperation ... and strengthen oil market stability," Saudi Energy Minister Prince Abdulaziz bin Salman said at the signing ceremony.

Prince Abdulaziz said the two countries had begun a new phase of cooperation. "At the Saudi-Russian Joint Committee, we are working together to harmonize the Kingdom's Vision 2030 reform plans with its strategic objectives and Russia's strategic development plans." State-owned enterprises and the private sector in both countries would make a significant effort in achieving the goals of the new agreements, the minister said.

"Saudi Arabia values the active role that Russia is playing in the region and the world, and we look forward to working with you to establish security, stability and peace, to counter extremism and terrorism, and to promote economic growth," King Salman told Putin. The joint investment and trade opportunities between the two countries that will be consolidated by many agreements, especially in the field of energy, will have significant positive results on the interests of our two countries and peoples, he added.

In response, Putin said King Salman's visit to Russia in 2017 had contributed to the strengthening of relations and increased cooperation and trade between the two countries, and hailed the Kingdom's

During the visit of Putin to Riyadh; Russia and Saudi Arabia signed more than \$2 billion of deals and discussed the OPEC oil output agreement.

important role in safeguarding global economic interests. Putin highlighted the importance of Saudi-Russian coordination to ensure security and stability in the Middle East. "I am sure that without Saudi Arabia's participation, it is impossible to secure sustainable development for any of the region's problems," he said.

Russian President Putin said that he has "very good relations" with King Salman and Crown Prince Mohammed bin Salman, and that Moscow condemns the recent attacks on Saudi Aramco oil facilities, regardless of who perpetrated them. "I have very good relations with both the King and the Crown Prince," Putin told Al Arabiya in a translated interview. "We have been making good headway practically in all fields," he added, referring to progress in Saudi-Russian ties and joint projects.

When asked if he condemned the September 14 attacks on Saudi Aramco oil facilities in the Kingdom regardless of who perpetrated them, Putin said: "Regardless of who stood behind the incident, we condemn any actions." Putin was also asked how Russia could not be aware of who was behind the Saudi Aramco attacks, considering its high level of intelligence capabilities. Putin's interview came ahead of his visit to Saudi Arabia.

The visit to the Kingdom was Putin's first since 2007. King Salman visited Russia in 2017, the first time a reigning Saudi Arabian monarch had visited Russia in an official capacity. "I am convinced that the Russia-Saudi summit will give further strong impetus to our multifaceted partnership, contribute to its qualitative growth and strengthen mutual understanding between the two peoples," Russian Foreign Minister Sergey Lavrov said to Russia's RIA news agency on the eve of the visit.

The CEO of the RDIF, Kirill Dmitriev, chairman of the Russian side of the committee, noted the cooperation and keenness of both countries to develop and work through the committee to strengthen economic ties.

During the visit, the crown prince and the Russian president also chaired the inaugural meeting of the new Saudi-Russian Economic Committee, attended by high-level delegations of business and finance executives from both countries. Later Putin held official talks with the crown prince, in which they discussed developments in Syria and Yemen, and “the importance of combating extremism and terrorism and working to dry up its sources,” a Saudi spokesman said.

Speaking on this occasion, Kremlin spokesman Dmitry Peskov described the talks as a “substantial exchange of opinions ... on regional problems, on the situation in the energy markets, on oil prices.” In the evening Putin attended a performance by Russia’s Tchaikovsky Symphony Orchestra, and on the following day he traveled to the UAE for talks with Sheikh Mohammed bin Zayed Al-Nahyan, the crown prince of Abu Dhabi.

Commenting on the visit of Russian president, Financial Expert Mohammed Alsuwayed said that Russia was “an important strategic partner of Saudi Arabia,” and their joint efforts would help to manage the oil market. Links with the Russian Direct Investment Fund were also valuable, Alsuwayed said. “The Russian sovereign wealth fund is interested in investing in Saudi Arabia. It has recently opened an office in the Kingdom as its first international fund office outside Russia, demonstrating a clear plan to invest in various sectors,” he added.

Referring to the meeting between Putin and Crown Prince Mohammed, a report said that Crown Prince Mohammed bin Salman and Russian President Vladimir Putin chaired the first meeting of the Saudi-Russian Economic Committee in Riyadh. At the beginning of the meeting, the crown prince stressed the importance of continuing cooperation and building strategic partnerships between the two countries, discussing many opportunities and joint investment and production projects in line with Vision 2030.

President Putin noted in his speech at the meeting that the major Saudi-Russian

participating companies play a key role in the economy between the two and praising the successful cooperation between the Russian Direct Investment Fund (RDIF) and the Saudi Public Investment Fund, stressing the role of the crown prince in the establishment of this partnership.

Afterwards, Prince Abdullah bin Bandar bin Abdul Aziz, chairman of the Saudi side of the Saudi-Russian Economic Committee, delivered a speech in which he affirmed the Kingdom’s readiness to achieve the desired objectives of future plans and joint projects, praising the RDIF for opening a branch in Riyadh, the first outside Russia.

The CEO of the RDIF, Kirill Dmitriev, chairman of the Russian side of the committee, noted the cooperation and keenness of both countries to develop and work through the committee to strengthen economic ties. More speeches were delivered by heads of Saudi and Russian companies, including Amin Nasser, CEO of Saudi Aramco, Andrei Guriev, CEO of PhosAgro, Yousef Al-Benyani, CEO of SABIC and Musa Bazhayev, president of Alliance Group.

The speeches dealt with areas of cooperation between the two countries and common opportunities to enhance bilateral cooperation. At the end of the meeting, the minutes were signed by Dmitriev and Prince Abdullah. In fact, Russian president’s visit to the Gulf indicated the country is trying to increase its influence in the Middle East, experts said.

And with deals worth billions of dollars inked during the visit to Saudi Arabia and the United Arab Emirates, Russia has achieved not only on the economic front, but also in the political field by making efforts to build trust in the region, they added. The Kremlin hailed Putin’s trip as historic. Boris Dolgov, a Senior Research Fellow in Arab and Islamic studies at the Institute of Oriental Studies at the Russian Academy of Sciences, said that in the political sphere, rapprochement between Russia and Saudi Arabia is in sight on the Syrian and Yemen conflicts.

Dolgov said Moscow could contribute to a possible mitigation of the confrontation between Riyadh and Teheran, for example,

by providing a Russian channel for possible contacts to be maintained between the Saudis and Iranians. But the Russian leadership should also take into account that the United States is a strategic ally of Saudi Arabia, Dolgov said. And that the Saudi business elite and the military are closely linked with the US.

As for Ruslan Mamedov, a researcher in international relations at the Russian International Affairs Council, he said relations between Russia and Saudi Arabia were boosted by international factors, such as global oil prices and willingness to settle regional issues. Mamedov added that the signing of the OPEC deal to cut the global oil supply had significantly bolstered bilateral relations in recent years. And that Russia and Saudi Arabia as the key signatories had managed to stabilize oil prices by constantly interacting on a pragmatic note and monitoring the market.

Elena Melkumyan, a specialist on the Gulf region at the Russian State Humanitarian University, said that Putin’s visit to Saudi Arabia could not be considered a breakthrough or a new stage in the strengthening of Russian-Gulf ties, but it could be seen as another step aimed at maintaining contacts and identifying possible areas of cooperation. Melkumyan said that during the visit, agreements were signed covering areas such as trade, joint economic projects and space development, and investment cooperation is developing fairly successfully through the Russian Direct Investment Fund and the Public Investment Fund of Saudi Arabia.

Regarding the agreements signed during the visit of Putin, a report said that the agreements were signed between relevant government agencies and sovereign wealth funds from both countries. The report said that state-owned enterprises and the private sector in both countries will make a significant effort in achieving the goals of these agreements. The Russian Direct Investment Fund (RDIF) and the Saudi Agricultural and Livestock Investment Company signed an agreement to join forces in the search of investment projects in the Russian agricultural sector, RDIF said. ■

20 SAUDI-RUSSIA DEALS SIGNED:

1. Cooperation convention between oil-producing countries.
2. Joint Statement of Intent between the Saudi Space Authority and the Russian state space corporation in the fields of manned space flight and the Global Navigation Satellite System, GLONASS.
3. High-level Saudi-Russian strategic cooperation framework agreement.
4. Energy cooperation protocol agreement.
5. Draft MoU on cultural cooperation.
6. Draft MoU on facilitating and organizing visas for the two countries’ citizens.
7. Draft of MoU on health cooperation.
8. Agreement on commercial attache.
9. MoU on starting negotiations for promoting and protecting investments between the two countries.
10. MoU on increase in export of Russian products to Saudi Arabia.
11. Cooperation agreement between SALIC (Saudi Agricultural and Livestock Investment Company) and the Russian Direct Investment Fund to discuss investment opportunities in the agriculture and food sectors.
12. Telecom executive program agreement.
13. Draft MoU for cooperation in the field of public media.
14. Tourism cooperation agreement.
15. MoU on joint investments in aircraft leasing to support the development of the Russian aviation industry.
16. MoU on mutual investments in NefteTransService (NTS), one of the largest railway operators in Russia.
17. A program of work between civil aviation authorities to define and adopt standards for the Russian aircraft industry in Saudi Arabia.
18. Exchanging an MoU for technical cooperation in the field of tax administration with the Russian tax authority.
19. Agreement between Saudi Aramco, the Russian Direct Investment Fund and Rusnano to buy Rusnano shares in Novomet.
20. Agreement on methanol project in Amur region.

PRINCE FAISAL BIN FARHAN APPOINTED SAUDI ARABIA'S NEW FOREIGN MINISTER

By The Diplomat Staff



A royal decree was issued by Custodian of the Two Holy Mosques King Salman Bin Abdulaziz on October 23, 2019 naming a seasoned diplomat Prince Faisal Bin Farhan Al Saud as the new Saudi Foreign Minister. Armed with extensive experience in various fields over two decades, where he has held important positions and roles since he was 22 years old, including about 12 years in the field of aviation and defense industry, Prince Faisal was the Saudi Ambassador to Germany before his appointment as Foreign Minister.

Saudi Arabia has appointed veteran diplomat Prince Faisal Bin Farhan as Foreign Minister ahead of the 2020 G20 summit, which will be held for the first time in the Kingdom. Prince Faisal, 45, has extensive experience advising government and diplomatic missions, having served as the advisor to the then Deputy Crown Prince Mohammed Bin Salman in 2017 and Counselor for the

Saudi embassy in Washington.

A royal decree issued by King Salman Bin Abdulaziz said that Prince Faisal had replaced Dr Ibrahim Al-Assaf. Born in Germany on November 1, 1974, Prince Faisal grew up in Saudi Arabia, where he studied business administration at King Saud University (KSU) in Riyadh. Between the years 1996-1998, he served as Deputy CEO of Saudi Co for Operations

and Maintenance and in 2000-2013, as CEO for Al Salam for Aerospace Industry.

He also co-founded Al Shamal Company for Contracting in 2004, again, serving as its CEO. After a successful career as a business entrepreneur, he shifted into politics and government work in early 2017, became adviser to then-deputy Crown Prince Mohammed Bin Salman. Later last October, Prince Faisal also joined the Saudi Company for Defense Industries, becoming a member of the board.

The prince also worked as an adviser to the Saudi Foreign Ministry in Riyadh, during the critical period in the war against Al Houthis in Yemen. And during the years 2018-2019, he was senior adviser to the Saudi Embassy in Washington DC, working with Ambassador Prince Khaled Bin Salman. Prince Faisal used his impeccable command of English and impressive following on social media networks to promote Saudi Arabia's foreign policy, and at a 2017 event at the Washington-based Arab Gulf States Institute, he was described as a "Twitter Star."

In March 2019, he was appointed Saudi Ambassador to Germany, from where he tweeted—in German—that his new posting was dear to his heart, given that he was born in Germany. Last September, Prince Faisal made world headlines after the Houthi attack on Aramco oil facilities, telling the Germany broadcasting station Deutschlandfunk: "The attack was an assault on the world economy...Iran cannot continue with its aggression."

Prince Faisal is the sixth Foreign Minister in the country's history, succeeding Dr Al-Assaf, who was named minister less than a year ago, in December 2018. While Assaf is in his 80s, Prince Faisal is a fresh young face, aged 45. But Dr Al-Assaf will continue serving as Minister of State for Foreign Affairs.

Prince Faisal has worked in different capacities in the past. He is a member of the Board of Directors of the Saudi Arabian Military Industries Company

(SAMI) and the Chairman of the Board of Directors of Alsalam Aerospace Industries Company. The new foreign minister has had rich business experience also. He worked as deputy chairman of the board of directors of Saudi Operation and Maintenance Company from 1996 to 1998.

He also represented Boeing Company on the board of directors of Al Salam Space Industries first in the capacity of vice chairman and then as chairman. Besides being founding partner and chairman of the North Investment Company from 2003 to 2017, Prince Faisal was appointed advisor at the office of Crown Prince in 2017.

Prince Faisal was appointed as Saudi ambassador to Germany early this year. Earlier in his role as senior adviser to the Ambassador of Saudi Arabia to the United States in Washington, he helped to manage the embassy's engagement with US media, experts and opinion leaders besides leading embassy initiatives to expand bilateral cultural relations, and exchange regional outreach.

The appointment of Prince Faisal is an important move keeping in view the fact that Saudi Arabia has embarked on an ambitious program of national transformation aiming to diversify the economy away from oil dependence, expand the private sector, transform government practice and boost foreign partnerships. The new general leaders like Prince Faisal will focus on key drivers reshaping Saudi Arabia. Prince Faisal joins a new cadre of top Saudi diplomats in their 40s, including the ambassadors to the United States and Britain, who are siblings.

Commenting on the appointment of Prince Faisal, Neil Quillian, Senior Research Fellow at Britain's Chatham House think tank, said: "Look at the team being put together in DC, London, and now with the new foreign minister... Consolidation deepens and a pro-Western crew is in place." "It is a move to outsmart Iran in all the capitals and at the U.N. This is a new form of pushback," he added.

The prince also worked as adviser to the Saudi Foreign Ministry in Riyadh, during the critical period in the war against Al Houthis in Yemen.

Saudi Arabia is trying to build consensus to contain the missile program of its regional foe after the Donald Trump administration withdrew from a deal that put limits on Tehran's nuclear program in exchange for easing sanctions. Washington and Riyadh blame Iran for a series of recent attacks, including a Sept. 14 strike on key Saudi oil sites.

Saudi Arabia's young diplomats are part of a new generation of royals, including several other ministers and deputy governors, who have risen to power under Crown Prince Mohammed bin Salman. As part of the ministerial reshuffle announced in state media, Saleh Al-Jasser, director general of Saudi Arabian Airlines, replaced Nabil Al-Amoudi as transport minister.

Speaking about Iranian attack on Saudi oil facilities, Prince Faisal, the then Saudi Ambassador to Germany said that all options were on the table in retaliation to attacks on Saudi Arabia's oil facilities over the weekend that the kingdom has blamed on Iran.

Asked about the possibility of a military strike against Iran, he said: "Of course everything is on the table but you have to discuss that well," Prince Faisal bin Farhan al-Saud told Germany's Deutschlandfunk radio.

"We're still working on where they were launched from but wherever they came from, Iran is certainly behind them as Iran built them and they could only be launched with Iranian help," he said.

Saudi Arabia displayed on Wednesday remnants of what it described as Iranian drones and cruise missiles used in an attack on the Saudi oil facilities, saying they were "undeniable" evidence of Iranian aggression. ■



SAUDI ARABIA WORKING CLOSELY WITH AFRICAN COUNTRIES

By Rizwana K.

Saudi Arabia has been working closely with several African countries in different sectors including defense, security and agriculture. Some of the African countries have strong military ties with the Kingdom today. On the other hand, the King Abdullah Initiative for Saudi Agricultural Investment Abroad, launched in 2008, significantly increased the presence of Saudi investors in some African countries including Sudan and Ethiopia.

Saudi engagement in Africa is growing. Moreover, for Saudi Arabia, influence in Africa, particularly in the Horn of Africa represents a major security asset. Through an agreement on the construction of a military base in Djibouti in 2017, but also thanks to similar military agreements signed between African states and Saudi Arabia as well as the United Arab Emirates, the Kingdom has been able to

extend its security belt in its immediate environment. By getting involved beyond its regional environment, Saudi Arabia is deploying a more assertive foreign policy in Africa.

Crown Prince Mohammed bin Salman first announced Saudi Vision 2030 in 2016 to position Saudi Arabia as the leader of the Arab and Muslim world. Leveraging its strategic location near key waterways such as the Red Sea and Gulf of Aden, Vision 2030

intends to transform Saudi Arabia into a global gateway and trade hub for emerging markets. As Saudi Arabia aims to become a global investment powerhouse, the ambitious plan is likely to drive more Saudi investment towards Africa. In fact, Saudi Arabia is now the fifth largest investor in Africa, with nearly \$4 billion dollars in investments across the continent.

In the last three years, over 20 African heads of state visited the nation to meet Custodian of the Two Holy Mosques King Salman bin Abdulaziz and Crown Prince Mohammed Bin Salman with an aim to enhance bilateral cooperation in key areas including the economy, security and intelligence. Today, the Kingdom approaches African countries as viable, profitable trade partners — territories where capital may be invested for sizeable returns.

Following South African President Cyril Ramaphosa’s visit to Saudi Arabia, the Kingdom and the UAE jointly pledged \$20 billion towards South Africa’s infrastructure, stressing the introduction of alternative energy such as solar panels and wind turbines. This was a landmark moment for the GCC-Africa relationship. Recent Saudi investments in Africa have focused primarily on energy, housing, agriculture and water.

According to Islamic Development Bank (IDB) “these infrastructure projects will go a long way in addressing the development challenges of our member countries. They will greatly contribute in creating employment and providing an enabling environment for the growth of the public and private sector.” Headquartered in Jeddah, IDB has pledged to fund the expansion of electricity infrastructure in Gabon, and facilitated \$805 million in investment in countries such as Burkina Faso, Senegal, Mali and Tunisia.

There are already signs of progress that Saudi Arabia’s expanding interest in Africa will soon bear fruit: the Republic of Congo is poised to join the Organization of Petroleum Exporting Countries (OPEC) soon. Plans to improve healthcare standards



in Nigeria in partnership with Saudi German Hospital in an initiative led by the country’s former Vice President, Atiku Abubakar, has demonstrated both Saudi Arabia’s leadership in medical research and their ability to foster successful Public-Private Partnerships (PPPs).

Established in 1971, Saudi Arabia’s Public Investment Fund is one of the largest sovereign wealth funds in the world, rising to 11th place in sovereign rankings in 2017. In the past year, the Fund’s expansion plans have been the subject of considerable interest in the financial services sector. Despite the falling production of wheat, Saudi Arabia continues to supply its demand from domestic capacity.

However, climate change, water scarcity and a booming young population mean that the Kingdom will soon be unable to meet growing demand, and will need to import additional supplies. The solution has been to invest in foreign agricultural production as a “means to ensure a long-term, reliable supply of stable commodities”; Saudi Arabian investors have looked outward to secure their

food security. They reportedly own over 800,000 hectares of farming land abroad, and recognizing the urgent need to promote food security, the Saudi government established the King Abdullah Initiative for Saudi Agricultural Investment Abroad, which provides large Saudi agribusiness firms with access to credit, as well as strategic and logistical support to invest abroad.

On the other hand, Saudi Arabia’s military presence has recently expanded to nearby Djibouti. According to reports, a planned military base expansion is meant to safeguard the strategic Bab Al Mandeb strait, as well as the Kingdom’s interests in key waterways and proximity to agricultural investments. Saudi Arabia increasingly views Africa as a key partner in its reformation agenda to evolve, modernize and reinvigorate its economy.

The Kingdom’s increasing investment in the region not only diversifies the Saudi investment portfolio, but also secures opportunities to collaborate with key countries across Africa embarking on similarly ambitious plans for economic





Finance Minister Ibrahim Elbadawi said Saudi Arabia and the UAE had deposited \$500 million in the Sudanese central bank, while \$1 billion worth of petroleum products, wheat and agricultural production inputs had been received.

development. In this context, it is important to mention that Saudi Arabia has signed three agreements with MWL to implement health projects in African countries.

Saudi Arabia's King Salman Humanitarian Aid and Relief Center (KSrelief) has signed these agreements with the World Association for Relief, Care and Development of the Muslim World League to implement projects of open heart surgery, cardiac catheterization and thyroid tumors in the Republic of Mauritania, Niger and the Kingdom of Morocco. The agreements were signed by Assistant General Supervisor at KSrelief for Planning and Development Dr. Aqeel bin Jamaan Al-Ghamdi and Abdulrahman bin Mohammed Al-Matar, a representative of the International Organization for Relief, Care and Development at KSrelief in Riyadh.

To this end, it is also important to underline the Saudi aid and loans, which are regularly extended to African nations. In fact, Sudan has received half of \$3 billion in aid promised by

Saudi Arabia and the United Arab Emirates in April and expects the remainder to be paid by the end of next year, Sudan's finance minister said late on Monday. The Gulf countries agreed the aid package soon after Former President Omar Al-Bashir was ousted, throwing a lifeline to Sudan's new military leaders at the time.

Finance Minister Ibrahim Elbadawi said Saudi Arabia and the UAE had deposited \$500 million in the Sudanese Central Bank, while \$1 billion worth of petroleum products, wheat and agricultural production inputs had been received. Another African country Somalia has received \$50 million in new aid from Saudi Arabia, a senior Somali official said recently. The money follows a visit to Riyadh recently by Somalia's president and a string of declarations of support for the Saudi side in the Gulf crisis from Somalia's semi-autonomous regions, into which Riyadh and its Gulf Arab allies have given money.

Somali Information Minister Abdirahman Omar Osman,

announcing the \$50 million in Saudi aid, told Reuters that the government appreciated Saudi financial support and called the bilateral relationship "brotherly...and deep". The financial support in the form of aid and grants have also been punctuated by high-level visits of Saudi leaders to African countries in the past.

Crown Prince Mohammed bin Salman paid a two-day official visit to Algeria recently, heading a high-ranking delegation. Algerian Prime Minister Ahmed Ouyahia received the crown prince at the airport, where an official reception ceremony was held. After that the prime minister accompanied him to his residence, Saudi Press Agency said in a report published at that time.

Algerian-Saudi investments and trade relations, especially in the oil and petrochemical sectors, were discussed during the two-day visit, the Algeria Press Agency earlier announced. The Kingdom and Algeria have forged closer ties in different sectors on the one hand, while the Kingdom have

consolidated its relations with several other African states on the other. It has also been playing the role of a peace maker regionally and internationally, which is evident from the peace agreement signed by Ethiopia and Eritrea.

Ethiopia and Eritrea didn't pen their peace agreement in Addis Ababa or Asmara, but in Saudi Arabia with the Emirates alongside. Are economic and military interests increasingly binding Gulf states and the Horn together? The Red Sea, which separates Africa from the Arabian Peninsula, is just 355 kilometers (220 miles) wide at its broadest point. The major shipping route could be an economic treasure trove for any regional power. Yet for the last ten years, the water route spanning the Gulf of Aden in the south to the Suez Canal in the north has been a difficult one to navigate.

Somali pirates, border disputes between Eritrea and Djibouti, landlocked Ethiopia's attempt to gain Red Sea access, and the 3-year-old war in Yemen have made the region

volatile. It's therefore no wonder that the 2018 peace deal between long-standing belligerents Ethiopia and Eritrea was warmly welcomed in the region. For allies Saudi Arabia and the United Arab Emirates (UAE) it was a triumph. The two Gulf states brokered the peace accord between the Horn of Africa neighbors in the Saudi city Jeddah. Moreover, they also got Djibouti to sit down at the negotiation table with its border rival, Eritrea.

Following the negotiations, UN Secretary-General Antonio Guterres spoke of a "wind of hope blowing in the Horn of Africa." Saudi Arabia's Minister of State for Foreign Affairs Adel Al-Jubeir, praised Custodian of the Two Holy Mosques King Salman, and Crown Prince Mohammed bin Salman on Twitter for their roles in peace negotiations.

These hopeful winds can also be seen as winds of change. According to analysts, Saudi Arabia and the UAE are jointly positioning themselves as the major power houses among the Arab states. Elizabeth Dickinson, an





The peace deal could also bring Ethiopia an economic upsurge of its own. Ethiopia's economic growth has long been constrained by its limited access to the sea.

analyst on the Arabian Peninsula with the International Crisis Group, thinks the Saudi Kingdom is stepping up its international political involvement. "Saudi Arabia is a major donor and sees Africa as a new diplomatic priority."

The analyst sees the Emirates as acting in a similar vein. "The UAE has positioned itself as a major potential investor in logistics, port, and trade development," she explains. In August 2018, Ethiopia announced that the UAE had plans to invest in an oil pipeline between Eritrea and Ethiopia. This was just a month after Eritrea's President, Isias Afwerki, welcomed Ethiopia's reformist Prime Minister Abiy Ahmed in Eritrea's capital, Asmara, for the first time in 20 years.

Then in September, shortly after the peace accord in Jeddah, Afwerki was back in the Gulf. This time he traveled to the UAE's Abu Dhabi to hold talks about investment and economic cooperation with its crown prince. Though the two countries revealed little about the visit, Eritrea's

Minister of Information Yemane Meskel, posted a picture of the meeting on Twitter. President Isaias Afwerki during his a 3-day working visit to Abu Dhabi held extensive talks on investment, economic cooperation ties & regional issues of common concern with Crown Prince Sheikh Mohammed bin Zayed Al Nahyan, Deputy Prime Minister Sheikh Mansour and other officials.

The Horn of Africa had always been a tough region for Saudi Arabia and the Emirates because of the long-standing conflict between Eritrea and Ethiopia. But the case is different now. The peace deal could also bring Ethiopia an economic upsurge of its own. Ethiopia's economic growth has long been constrained by its limited access to the sea. Almost all of its export traffic is today directed through Djibouti. If Ethiopia can use ports in Eritrea, as well as new ports under development in Somalia, the region could see a major surge in commercial trade.

The Horn of Africa is not only of economic interest to the Gulf states but also of military interest. The region is the base for some of Africa's biggest military interventions. The UAE has a base in Eritrea and Djibouti hosts Saudi troops, among others. In particular, Saudi Arabia has taken a legitimate essential role as the leader of a military coalition supporting the Yemeni government against Iranian-backed Houthi rebels. The coalition involves not just the UAE and the US, but also most of the Horn of Africa. Sudan, Djibouti, Somalia and Eritrea have made their airspaces, waters and military bases available for the war. While the future of peace between Eritrea and Ethiopia remains unclear, analysts do believe that recent developments point to a political shift between the Horn of Africa and the Arab Gulf states.

The two East African nations went to Saudi Arabia instead of the African Union. This is an interesting and significant symbolic switch from the peace and security of the Horn of Africa being grounded in African institutions and to being grounded in Middle Eastern principles and processes. On the regional level, there are major shifts in political alliances; which will eventually ensure peace and security in the region.

To this end, it is important to note that a meeting of the foreign ministers and representatives of seven coastal countries of the Red Sea and the Gulf of Aden – Saudi Arabia, Yemen, Jordan, Egypt, Sudan, Djibouti and Somalia – was held in December 2018 in Riyadh. An extremely significant outcome of the meeting was the decision to establish a new entity in the region – the Arab and African Coastal States of the Red Sea and the Gulf of Aden (AARSGA) – to coordinate and cooperate on political, economic, security, cultural and environmental issues.

Concerns among the aforesaid countries bordering the Red Sea and Gulf of Aden regarding piracy and maritime security is nothing new. There have been several meetings in the past among these countries

to discuss the common security challenges facing the region. But the latest Saudi initiative to establish a new entity in order to bring together the countries of the region into a regional framework of cooperation is distinctly new. At the end of the meeting, the then Saudi Foreign Minister Adel Al-Jubeir stated that this initiative "is part of the Kingdom's efforts to protect its interests and those of its neighbours... and to create synergies between the various countries" and added that "the more cooperation and coordination that you have among the countries of this region, the less negative outside influence will be on this region."

The meeting and Jubeir's statement are also reflective of the emergent security and strategic concerns of Saudi Arabia in the region. The region on the western side of the Red Sea and the Gulf of Aden is critically important for Saudi Arabia. In recent years, Riyadh has made conscious efforts to engage with the countries of this region. Saudi Arabia recently mediated between Ethiopia and Eritrea, ending a decades old conflict. It has good ties with Djibouti where it is building a military base. Additionally, Riyadh has the financial power to provide developmental aid and assistance to the African countries.

Saudi Arabia's outreach to the African side of the Red Sea and Gulf of Aden is driven by its desire for security in these waters including safety of the sea lines of communications (SLOCs) in view of threat from piracy and terrorism. At the same time, the growing influence of its regional adversaries such as Turkey, Qatar and Iran in the region has also emerged as a key strategic challenge for Riyadh. Given the strategic location of the region, Riyadh's engagement has not been proportionately resolute and extensive.

Concerned about long strides taken by the rivals in the region, Saudi Arabia seems to have come up with the idea of establishing a new regional entity to protect and promote its national interests. The Houthis fighting a proxy war in Yemen has emerged as a direct national security

challenge for Saudi Arabia. To the ultimate trepidation of the Saudis, the Houthis not only have launched rockets towards Riyadh but also have attacked Saudi oil tankers in the Red Sea.

The Houthis were in control of the port city of Hodeidah till recently before they withdrew in December 2018 as per the ceasefire agreement with the United Nations. But the situation in Yemen is far from stable. Saudi Arabia has major ports along its Red Sea coast, which are used for trade and commerce. The continuing presence of Houthi militants in Yemen close to the waters of the Red Sea is therefore an obvious security threat for Saudi Arabia.

In the face of security challenges emanating from Yemen, the safety of the SLOCs in the Red Sea, Strait of Bab el Mandeb and the Gulf of Aden has emerged as an area of priority for Riyadh. Saudi Arabia and its allies have been repeatedly saying that Iran has been supporting the Houthis by providing them with funds, weapons and political support. Iran has often threatened to close the Strait of Hormuz in case of any conflict with the Gulf Arabs.

Further, as the world's top oil supplier, and its economy heavily dependent on petroleum sector, any threat to these choke points would directly affect its national economy. In this backdrop, the recent Saudi initiative is an effort to build bridges across the Red Sea with its western neighborhood as it faces compounding challenges in the Arabian Peninsula. Saudi military operations in Yemen against the Houthi rebels have not yielded desired results.

The regional geopolitics is getting redefined post the Qatar crisis. Saudi Arabia, the United Arab Emirates (UAE), Bahrain, Egypt and Jordan on one side, and Qatar, Turkey and Iran on the other. Saudi Arabia is closely working with African states, while looking westward to establish a new regional arrangement. The formation and successful operationalization of such an entity would likely bring a new dimension to the geopolitics in the region. ■

SAUDI ARABIA CUTS DEPENDENCE ON OIL

By Yasa Iqbal



Saudi Arabia, over the past years, has changed. Changed drastically for the best of the country. The thriving economy, with country's vision 2030 seems to have improved and grown enormously. Having the largest oil reserves of about 267 billion barrels, Saudi Arabia's vision 2030, apart from aiming to make the society a vibrant one, is focusing on making itself a nation that is not dependent on oil. For now, the country is strongly based on petroleum with about 75% of its budget on it and 90% of the export earning coming from the oil industry. This story is based on a presentation made by Dr Abdallah Al Salamah, Director General, Prince Saud Al Faisal Institute for Diplomatic Studies.

Just last year in 2018, the Gross Domestic Production of Saudi Arabia was a whopping \$783 billion with per capita at \$23,466. The growth rate of the country has gone up by 2.31% whilst the country's population is just 34.2 million; less to a lot of other countries. This brings us to the fact that Saudi Arabia's total revenues for the year were \$260 billion while the expenditure amounted to a little more than \$294 billion. In over a decade's time, if we go by the data, we know for a fact that the GDP which was \$654 billion in 2015, had gone down to \$645 billion in the coming year. But it soon gripped the pace and the GDP was

just above \$686 billion and \$783 billion in 2017 and 2018, respectively. It is set to be \$833 billion this year and goes up to \$870 billion in the year 2020; marking close to a \$100 billion increase from 2018.

Saudi Arabia is a member of the World Trade Organization and has an open economy which made the country's trade balance for the year 2017 amount up to \$87.3 billion. Not to forget, the inward foreign direct investment stock was as high as \$216 billion.

Saudi Arabia is the largest producer of petrochemicals in the Arab world. It has world's 5th largest natural gas reserves. As calculated in 2016, it was more than 860 trillion cubic metric feet. In the year 2015, the oil revenue's share in the GDP was 18.2% which went down to 13.8% in 2016 during the crisis. Gaining momentum, it was up by 3% in 2017. And is now 21.2%.

Contrary to the oil-based revenue, the non-oil based revenue seems to be growing at a much faster rate. Its contribution to the Gross Domestic Production of the country was about 6.8% in 2015 which increased to a percent the next year and finally by 2018 was at 9.8%. By 2020, the expected non-oil based revenue is to cross 10%.

Its economy tops in the region while it is among the top 20 economies of the world. In terms of GDP, Saudi Arabia falls in between Turkey and the Netherlands on the list, one of the highest-ranking countries.

Besides all this, it is the hub of Islam and the most important country for Muslims. An average of 2.4 million Muslims from around the world come to the country for Hajj from about 165 countries. Not only this, all year round around 7 billion people visit the holy city of Makkah for Umrah.

National Transformation Program 2020, which is a part of the bigger 2030 vision has been a great success, the General Entertainment Authority has had a massive role to play in this. The country's 49% population is under 30 years of age, clearly stating that the policies made for the country were in absolute favor of the youth.

With about relaxations in almost all sectors, the entertainment sector felt the most. Being the hub of international

investments, the country has gone up to the 60th rank in terms of investments from abroad which is just in a span of some months. It was in the 92nd position for a good while. All this because of the new relaxations and ease in doing business in the Kingdom.

Saudi Arabia has continuously been on the growing front. This is possible because a number of incentives are available for the investors. The Saudi Arabian General Investment Authority, known as SAGIA gives the investor all the right to do business as he wants with least interference of the government, besides the legal validations required. They are even assisted with the best financial institutions, even at the international level. Easing their way out at every possible level.

The Corporate tax is 20% of the net profit, much less than any other country. Along with no restrictions on the transfer and re-transfer of capital.

The country has no income tax, making it easier for the people to spend and thus, help the economy flourish. The Value Added Tax introduced more than a year ago has been of great help for the country to revive its economic condition after the slash in the oil prices over the past years.

Being the major source of energy, Saudi Arabia's domestic market is around 33 million when it comes to investments at a smaller level. It is a potentially liberalized and large market, attracting the foreign investments too.

Recently, as per a report published in one of the leading sources in the world, Saudi Arabia is the most reliable source of investment and provides the best environment to do so.

For example, looking at the Saudi-Hungary relations, the exports were the highest last year in the past decade. Amounting to around \$45 million in 2018, it was the highest ever after \$47 million in 2008. Both the countries have an enormous growth indication but aren't really into the trade. On one hand, Hungary has an advantage over the medical equipment, electrical equipment, machinery appliances, pharmaceutical products and cereals on the

Saudi Arabia is the largest producer of petrochemicals in the Arab world. It has world's 5th largest natural gas reserves. As calculated in 2016, it was more than 860 trillion cubic metric feet.

other hand, Saudi Arabia has an advantage over capital investment, energy sector and petrochemicals. Looking at the size of the economies, both can be beneficial to each other with trade enhancement at many levels. Trade through participation in downstream industries like auto parts, home appliances and renewable energy equipment can help the two nations a lot.

With the Saudi Public Investment Fund (SPIF) and other joint ventures, Hungary can benefit from it and the extensive capital and experienced companies from Saudi Arabia could enter Hungary's oil sector. For example, Saudi Aramco and SABIC. Both of these companies can help create more added value in the energy sector. Even the growing tourism between the two countries be targeted.

Saudi Arabia has significantly over the past years increased its renewable energy targets and long term visibility. The planned capacity for the Solar PV which initially is 5.9 and is to move to 20 as per the revised data, is set to go up to 40 by 2030. Similarly, the wind capacity is set to increase from the initial 2.4 to 16 by 2030.

Keeping in mind the increase in the renewable energy target, more than 35 parks are to be developed across the Kingdom by 2030.

Some of the major projects in the Kingdom to promote development are the Neom project, Al Ula project, Red Sea Development project, Diriyah Development project, and the Jeddah Downtown project.

While Jubail, Yanbu, Jazan, and Ras-al-Khair are all the industrial cities in the Kingdom helping the nation prosper in the energy sector, Saudi Arabia has also been a part of the world's UNESCO sites. Al-Ahsa oasis, Madain Saleh, Tarif neighborhood in Diriyah, Historic Jeddah and the Rock art of Al-Hail region are all part of UNESCO sites and the hub of tourism for the country.



SAUDI ARABIA SEIZES ON THE IRANIAN ATTACKS TO OPEN NEW DOORS WORLDWIDE

By Dr. Hesham Alamar
Prince Saud al-Faisal Institute for
Diplomatic Studies

Attacks on major oil plants in Saudi Arabia have shaken up global oil markets and complicated the already strained relations between the Kingdom and Iran. World leaders including US President Donald Trump were quick to condemn the attacks by Iran. Two crude processing facilities were hit---Abqaiq and Khurais. Abqaiq, operated by Saudi giant Aramco, is the world's largest processing plant.

Iran's vicious attacks on Saudi Aramco installations in Abqaiq-Khurais have shown to the world that Crown Prince Mohammad Bin Salman is a highly-capable, energetic and disciplined leader, who is ready to lead Saudi Arabia into a

position of prominence on the world stage. In addressing these attacks, Saudi Arabia has made it clear to the world that Iran represents a threat to the Gulf region, and the world more broadly.

More importantly, the Kingdom has

demonstrated the manner by which Saudi Arabia is willing to work within the international rules-based order so as to protect its national interests, ensure the security of the global oil supply, and act as a dependable ally for the United States. Indeed, the Crown Prince Mohammad Bin Salman's disciplined response to the Iranian attacks has shown to the world that the Crown Prince had restraint and fortitude of an experienced leader.

Rather than engaging in an immediate military retaliation which could have led to disastrous consequences for Saudi Arabia and the region, Crown Prince Mohammad Bin Salman ordered an investigation of the attacks, drawing on assistance from the international community, so as to demonstrate Iran's culpability to the world, and make it clear that Saudi Arabia will not accept such vicious impingements on its national sovereignty.

What is most critical about Saudi Arabia's response to these attacks is that it was not reactionary. Observers in the West have often held pre-conceived notions about the Kingdom and its foreign policy, and Crown Prince Mohammad Bin Salman has completely obviated all of these. By demonstrating restraint and patience in relation to dealing with the Iranian threat, the Kingdom has been successful in terms of demonstrating Saudi Arabia's commitment to the international rules-based order, and the principles of multilateralism which is an important component of Saudi foreign policy.

This is credible, beyond the attacks, because it builds congruence between the domestic ambitions associated with Saudi Vision 2030 and the Kingdom's foreign policy. Crown Prince Mohammad Bin Salman is thus legitimating himself and the Saudi state more broadly by demonstrating a commitment to work with the world community, so as to deal with the threats facing the world. It is worth noting that Iran's attacks on the Abqaiq-Khurais facilities embody something akin to an act of war.

With Saudi Arabia still consulting with its regional and Gulf allies in relation to

the appropriate strategic response, Riyadh is showing both patience and pragmatism. Given that sanctions against Iran have been increased all the while domestic pressures on the Iranian government are destabilizing the country from within, the Kingdom is demonstrating immense strategic foresight in not rushing towards a military response. While the decision to respond to Iran will be determined by both domestic and external factors, however, the current strategy of restraint is incredibly wise and profound that will benefit the Kingdom's long-term goals.

The Kingdom is joining the world community's broader efforts to isolate the rogue regime in Iran all the while building support from the other major Gulf oil producers as it pertains to cementing Saudi military leadership throughout the region. This is critical, given that many outsiders erroneously believe that the Crown Prince Mohammad Bin Salman is an untested leader, in that it demonstrates his ability to conceptualize of foreign affairs through both coercive military and diplomatic means.

While this has been known within the Kingdom for a long time, Crown Prince Mohammad Bin Salman is now taking his rightful place on the world stage, and demonstrating to the world that Saudi Arabia is a wise and pragmatic state that is capable of using both the olive branch and the sword in facing its toughest foreign policy challenges. While an insecure leader may have launched an immediate military response to reassure his domestic population that the state is willing to immediately respond to such an attack. Crown Prince Mohammad Bin Salman's patience has shown immense virtue because it is leading the world community to align behind Saudi Arabia and recognize its willingness to deal with the Iranian scourge in a manner that mirrors the approach taken by the international community more broadly.

At the same time, however, Crown Prince Mohammad Bin Salman has shown the capacity to make use of the Kingdom's military and has enhanced

Crown Prince Mohammad Bin Salman's patience has shown immense virtue because it is leading the world community to align behind Saudi Arabia and recognize its willingness to deal with the Iranian scourge in a manner that mirrors the approach taken by the international community more broadly.

Saudi Arabia's defense posture in a manner that will be conducive to deterring future Iranian attacks. The Kingdom has shown significant resilience, in terms of its military capabilities as well as its alliance structures, in a manner that is likely to deter Iran from future attacks or inflict it with deadly punishment, should it act in such a manner again. With Saudi Arabia being successful in terms of obtaining the approval of additional Patriot missile batteries from the United States, all the while the Kingdom continues to devote immense funds to revitalizing the Saudi military. It is clear that the government is working to ensure full-scale regional predominance in relation to threats like the one posed by Iran.

As Saudi Arabia is building this laudable deterrent capacity as well as an ability to respond to future Iranian provocation, it is reinforcing the basic principles contained in Saudi Vision 2030. The Abqaiq-Khurais attacks have provided the crown prince with a vehicle to demonstrate to the entire world that the Kingdom is a modern and progressive country capable of managing its own affairs but willing to partner with international stakeholders when a collective response is needed.

With this contributing to global perceptions of the Crown Prince Mohammad Bin Salman's credibility, the attacks have ironically represented an opportunity for the Kingdom to demonstrate his powerful and effective leadership of the country. With the Crown Prince Mohammad Bin Salman now working in front of a truly global audience, he is capable of demonstrating the Kingdom's domestic economic modernization, and its



In sum, the attacks which Iran has committed against the Kingdom have provided Crown Prince Mohammad Bin Salman with an opportunity to lead, and the crown prince has succeeded with great integrity and dedication in seizing this opportunity.

pragmatic military might.

Crown Prince Mohammad Bin Salman's recent interview on the American CBS network has allowed him to speak to the world, and make the wisdom guiding his foreign and domestic policies clear to the entire world. Given the closeness of the American-Saudi relationship and the great progress which the Crown Prince Mohammad Bin Salman has made in relation to strengthening this relationship even further. The Iranian attacks have provided Saudi Arabia with a new platform for disseminating the new and brave vision of Saudi Arabia which he has created for the country's future.

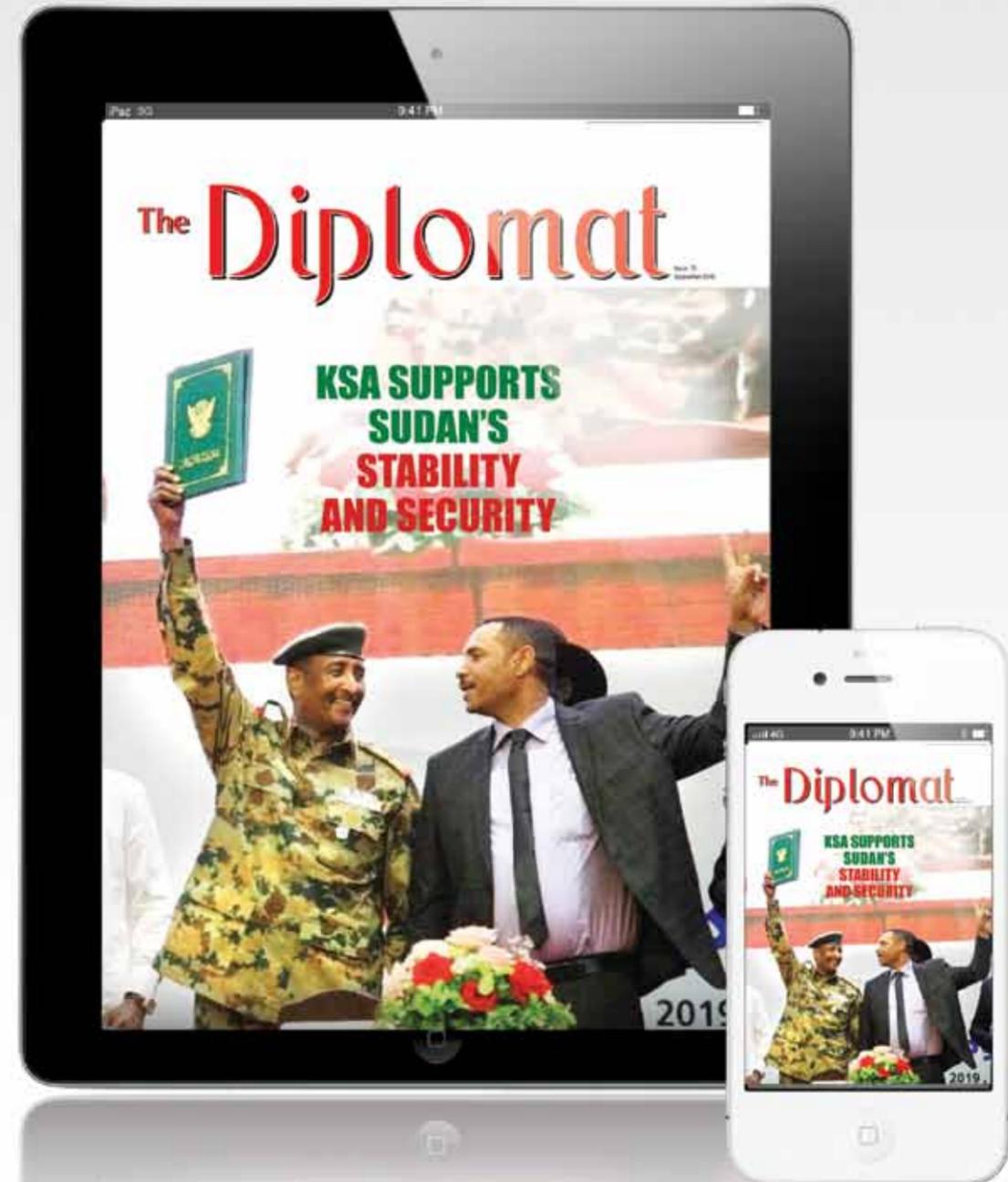
In sum, the attacks which Iran has committed against the Kingdom have provided Crown Prince Mohammad Bin Salman with an opportunity to lead, and the crown prince has succeeded with great integrity and dedication in seizing this opportunity. Now demonstrating his superior leadership abilities to a truly global audience, the Iranian attacks are demonstrated to be even more irrational than was previously believed because of the opportunities which they provide the crown prince in relation to promoting the Kingdom on the world stage, and building

new and stronger alliances to support its ongoing efforts to promote justice and modernization in the Gulf.

In the end, the Iranian attacks on Saudi Arabia were imprudent. The Kingdom's military might provides it with the ability to inflict tremendous damage on Iran. Should such a decision be made? Additionally, the Kingdom's allies stand ready and able to aid Saudi Arabia, in whatever capacity, should the decision to retaliate against Iran be made. At this juncture, however, Crown Prince Mohammad Bin Salman has wisely chosen to investigate the attack's source, build a coalition of supportive states so as to cement Saudi Arabia's position in the international rules-based order, and has kept all options open in terms of responding to Iran.

While Iran believed that they would strike Saudi Arabia a crippling blow in attacking the Abqaiq-Khuras installations, they have instead provided the Kingdom with greater opportunities to define Crown Prince Mohammad Bin Salman' already wise governance, and to build new partnerships in the international community to benefit Saudi Arabia in both the short and long terms. ■

The Diplomat





SAUDI ARABIA DONATES \$500M IN AID FOR YEMEN

By The Diplomat Staff

Saudi Arabia is a major donor and a key partner in international development. More than 95 developing countries in Asia, Africa and other regions of the world have benefited from this aid. It covers un-repayable and unconditioned assistance provided by the state-owned Saudi Fund for Development (SFD) and the King Salman Humanitarian Aid and Relief Center. In fact, the Kingdom is one of the world's most prominent donors. According to the UNDP report for 2016, Saudi Arabia's foreign aid surpassed the United Nations target of 0.7 percent. The Kingdom was the world's number one ODA (official development assistance) provider as its foreign aid amounted to 1.9 percent of its gross domestic product (GDP). Among the world's leading donor countries, Saudi Arabia ranked fourth. Over the past 40 years, Saudi spending on humanitarian aid exceeded \$139 billion, benefiting about 100 countries, including war-torn Yemen. Saudi aid, since 1996 and until 2018, has reached more than \$86 billion.

Saudi Arabia announced the completion of its aid pledge to Yemen through a \$500 million donation recently. A statement in this regard was made by the previous Minister of Foreign Affairs Dr Ibrahim Al-Assaf during a conference on the humanitarian response in Yemen, organized at the sidelines of the 74th General Assembly session in New York in September. "The donation shows the Kingdom's commitment to humanitarian principles," Al-Assaf

added. Saudi Arabia believes the Yemeni nation does not deserve the suffering it has endured at the hands of Houthis, he said.

The international community should take a serious stance against the militia because of the dire humanitarian crisis they have caused in Yemen, the minister said. The situation in Yemen has gone from bad to worse because of the Iran-backed Houthi militias, who have failed to implement the numerous security council resolutions, continue

to recruit children into their ranks and impede the delivery of humanitarian aid, Al-Assaf added.

He said that Saudi Arabia has presented an amount of \$500 million to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) as its contribution to support humanitarian work in Yemen. Dr. Abdullah Al Rabeeah, Supervisor General of King Salman Humanitarian Aid and Relief Centre (KSrelief), handed a check for the amount to Mark Lowcock, Undersecretary-General for Humanitarian Affairs and Emergency Relief Coordinator for OCHA, to fund the 2019 Yemen Humanitarian Response Plan (YHRP).

The signing ceremony was held on the sidelines of a conference titled "Humanitarian Situation in Yemen: the Way Forward", featuring statements and input from a number of UN officials and diplomats, including foreign ministers from Saudi Arabia and Yemen. According to Lowcock, the single-grant payment will be distributed by OCHA to WFP, WHO, UNICEF, the International Organization for Migration (IOM), UNHCR, UNDP and the Food and Agriculture Organization (FAO) "to support essential priorities in the

Yemen Humanitarian Response."

High-ranking officials present for the signing included Secretary-General of the United Nations António Guterres, the previous Minister of Foreign Affairs Ibrahim Al-Assaf, Minister of State for Foreign Affairs Adel Al-Jubeir, Saudi Ambassador to the United States Reema Bint Bandar, Permanent Representative of Saudi Arabia to the UN Abdullah Al-Mouallimi, and Secretary-General of the Organization for Islamic Cooperation (OIC) Dr. Yousef Al-Othaimen.

Following the signing ceremony, Lowcock expressed his appreciation for the Kingdom's generous support. "With today's provision of funds from Saudi Arabia, the Yemen Humanitarian Response Plan will have received more than \$2.3 billion or 56 percent of its requirements for the year. This is substantial progress, and we thank all our donors for their support." On this occasion, Dr. Al-Rabeeah spoke about the goals of KSrelief's strong partnership with the United Nations.

He said that "the King Salman Humanitarian Aid and Relief Centre commends the efforts of the United Nations organizations, which share our commitment to alleviating the suffering of the people of Yemen in accordance

The international community should take a serious stance against the militia because of the dire humanitarian crisis they have caused in Yemen, the minister said.

with international humanitarian laws and principles of neutrality...I assure you that the Kingdom is keen to support all peace initiatives submitted by the UN envoys to Yemen."

"The Kingdom has also supported all meaningful and constructive dialogue that supports peace efforts and adopts peaceful solutions in Yemen, such as the Yemen National Dialogue, the Stockholm Agreement, and UN Resolution 2216...to ensure the return of peace, security, and stability to Yemen, the region and the entire world," he added. He said that the KSrelief is intensively involved in extending aid and relief to Yemeni people.

Recently, the KSrelief signed two executive agreements to treat Yemenis wounded and injured during recent events in the Aden governorate. The care will be provided in partnerships with a number of private hospitals in the governorate. The agreements were signed by Assistant Supervisor





In Yemen, the KSRelief has also launched sustainable development initiatives in Yemen as part of “You Are Not Alone” project aimed at protecting orphans’ families.

General of Operations and Programs, Eng. Ahmed Al Baiz. KSrelief’s Head of the Health and Environmental Aid Department, Dr. Abdullah Al Moallem explained in a statement to the press that the agreements come within the “Response” initiative launched by the center under the directives of the Kingdom’s leadership.

The “Response” initiative is providing emergency medical treatment and other forms of humanitarian assistance to people injured in both Aden and Abyan. The care is being given in cooperation with Yemen’s Ministry of Public Health and Population. KSrelief also signed recently two operational programs for the treatment of injured Yemenis for a total cost of \$320,000; care will be given in partnership with Aden’s Al Bureihi and Saber Hospitals.

Dr. Al Moallem noted that through these programs, treatment will be provided to 100 patients, 50 in each hospital. He pointed out that earlier agreements helped the local health sector to provide services immediately following the injuries, which reduced the incidence of infection and other complications. Other benefits of the

program include activating the medical referral system, keeping patients in Yemen for their care, and strengthening the Yemeni economy.

Dr. Al Moallem stressed that KSrelief is committed to providing health care for Yemenis in all parts of the country in cooperation with local and international humanitarian partners. That is why several Saudi-funded projects have been launched in Yemen. In fact, the Saudi-funded hospitals in Yemen’s Hajjah and Saada—which are areas controlled by the Iran-backed Houthi militia—are fully supported by the Kingdom as it “strives to help those in need in all regions of Yemen,” according to Mohamed Al-Jabir, the Saudi ambassador to Yemen.

“Al-Salam Hospital in Saada and the Saudi Hospital in Hajjah are operating with Saudi support to: Salaries, operation and maintenance, materials and medical equipment to support brothers in Yemen,” said Al-Jabir, who is also the supervisor of the Saudi Development and Reconstruction Program for Yemen, in a tweet, recently. The average number of daily visitors in Al-Salam Hospital is 3,000, according to the official Saudi

Hospitals in Yemen (SHY) website.

“Since Saudi Arabia established Al-Salam Hospital in Saada in 1982, it has fully and regularly funded and supported this vital medical facility in all its operations and staffed it with qualified personnel. The Kingdom strives to help those in need in all regions of Yemen,” he added. The Saudi Hospital in Hajjah has over 295 employees and a capacity of 150 beds, while the Saudi Al-Salam Hospital in Saada has 284 employees and a capacity of 170 beds, the SHY website says. Both hospitals offer treatment services in various departments, including outpatient, inpatient, emergency and operations.

As part of its ongoing response to the humanitarian crisis in Yemen, the KSrelief continues to distribute aid throughout the country to provide urgent support to targeted beneficiaries. Most recently, the center’s aid distribution activities in Yemen included distribution of 37 food baskets, 35 tent and 75 blankets among 222 beneficiaries in the Sana’a areas of Hayran, Al Ja’dah and Al Teneiah.

After two days on October 18, 2019; the KSRelief distributed 351 food baskets to 2,106 IDPs who fled Sadah to Marib. The aid was delivered and distributed with the help of KSrelief’s local partner, the Benevolence Coalition for Humanitarian Relief. To this end, it is important to note that the Kingdom, through KSRelief, has implemented over 1,060 humanitarian initiatives in 45 countries around the world, alleviating the suffering of millions of people in need.

In Yemen, the KSRelief has also launched sustainable development initiatives in Yemen as part of “You Are Not Alone” project aimed at protecting orphans’ families. One such project is aimed at improving mothers’ livelihoods and the resilience of communities via vocational training and economic empowerment. It covers the governorates of Sanaa, Taiz, Al-

Jouf, Al-Bayda, and Marib in that war-torn country.

Another project is aimed at improving livelihoods and strengthening resilience in the governorates of Hadramout, Shabwa, Aden, Lahj and Al-Jouf, benefiting 3,750 individuals directly and 18,750 indirectly. KSRelief is also offering professional training courses in administration and finance, as well as vocational courses for women, Saudi Press Agency reported. Certificates are issued and tools procured for each beneficiary according to their specialization. In fact, over the past three decades, Saudi Arabia has provided humanitarian assistance to 81 countries around the world, while hosting about 12 million people of various nationalities, according to Dr. Abdullah Al Rabeeah, Advisor to the Royal Court and General Supervisor of KSRelief.

“The Kingdom’s efforts in foreign aid have always been on the rise until they reached a record in the last few years,” he said during a seminar held recently, titled “Saudi Humanitarian Aid between the Past and the Present” on the sidelines of the Warsaw International Humanitarian Expo. “Saudi aid, since 1996 and until 2018, has reached more than \$86 billion,” he added. “Since its inception, KSRelief alone has implemented 1,011 projects in 44 countries worth \$3.4 billion with 225 projects worth \$389 million targeting women and 234 projects worth over \$529 million targeting children,” he said.

Al-Rabeeah added: “Saudi Arabia hosts 12 million immigrants of different nationalities representing 37 percent of its population, making it rank second in the world in the number of immigrants, preceded only by the United States.” He noted that 561,911 of these immigrants were Yemenis, 262,573 were Syrians and 249,669 were from Myanmar. He said that Saudi aid to Yemen exceeded

\$12 billion since 2015, including aid provided through KSRelief, aid provided to Yemeni refugees inside the Kingdom, development and government assistance, and support allocated to the Central Bank of Yemen.

Al-Rabeeah further disclosed that KSRelief supported 78 projects worth \$352.9 million in Palestine, 191 projects worth \$267 million in Syria, and 11 projects worth \$6 million in Djibouti. The Kingdom, however, faces problems in terms of supplying aid and relief materials to the needy people. This is the reason that the KSRelief has called upon United Nations aid agencies to review and put in place accurate, credible, neutral and transparent monitoring mechanisms for their humanitarian work in Yemen in order to prevent any abuse or exploitation.

KSRelief officials were recently briefed on serious reports from some international news agencies alleging the existence of corruption in some UN agencies working in Yemen. KSrelief relies heavily on these agencies to deliver urgent humanitarian assistance to Yemenis in desperate need of help. While the center values its strong strategic partnerships with the UN and its agencies, there are clearly stated mechanisms in its contracts with humanitarian partners that prohibit the exploitation of aid by individuals or groups working or affiliated with UN or international organizations for any individual or other interests.

The terms of these contracts require the immediate disclosure of any incident of irregularity or corruption, and further state that KSrelief has the right to participate in any investigation into such incidents. The center also has the right to review all partner agreements to ensure compliance with transparent monitoring and implementation procedures. ■



SAUDI-AUSTRIAN TIES SCALING NEW HEIGHTS

By The Diplomat Staff

Over the past decade, the relationship between Saudi Arabia and Austria has grown stronger, attaining the level of a strong partnership and incorporating more political and economic content. Several exchanges of the visit of top Saudi and Austrian officials have further bolstered the bilateral relationship, laying the basis for deepening existing ties and broadening the parameters of cooperation between the two countries.

In fact, the active exchange of visits between the Republic of Austria and Saudi Arabia is a testament to the close relations between both countries. Among the highlights figures the state visit of Austrian President

Heinz Fischer in Saudi Arabia in 2006, as well as the visit of Crown Prince Abdullah Bin Abdulaziz (later King) to Austria in 2004. Austrian Foreign Minister Sebastian Kurz visited Riyadh in 2015, while President of the

Austrian Parliament (II), Karlheinz Kopf, also visited Riyadh in 2015 to offer condolences to King Salman bin Abdulaziz, on the sad demise of late King Abdullah bin Abdulaziz.

On the commercial front, Saudi Arabia traditionally is Austria's main export destination and trading partner in the Middle East. Moreover, Austrian companies active in Saudi Arabia have gained a reputation for specializing in certain fields in the Saudi market. These particularly comprise important areas like water transport and desalination, transport, railway technology, infrastructure, renewable energy, environmental technology, water and desalination technology; medical technology; hospital equipment; food products. Notably in light of the recent political and economic developments within the comprehensive reform agenda "Saudi Vision 2030", the Saudi market offers many new opportunities to Austrian companies. Austria is working closely with Saudi Arabia within this framework.

On the other hand, intense cultural exchange between Austria and Saudi Arabia is another important aspect of bilateral relations. In a wide-ranging interview, **Georg Postinger, Austrian Ambassador to the Kingdom**, spoke to The Diplomat Staff at length and touched a range of bilateral, regional and international issues of common concerns. Here are the excerpts of the interview--

The Diplomat. Saudi Arabia shares an excellent history of relations with Austria, and both sides have seen many high-level visits during the past. How do you personally evaluate relations between the Kingdom and Austria in political, economic and cultural fields?

Ambassador Georg Postinger. Lately, we commemorated 60 years of bilateral relations. Hence, our history is indeed extremely rich and the relationship a solid foundation. Now, as you probably know, I served for nearly six years as Deputy Ambassador to the Kingdom and left in 2014. When I returned as an Ambassador in early 2019 I found an entirely changed Saudi Arabia. The Vision 2030 opens up a multitude

of opportunities and perspectives. We are observing a new Saudi Arabia that moves ahead fast, where promising reforms are reshaping society and the economy. Within a short period of time, numerous changes have become a new reality in this country and Austria stands ready to accompany the Kingdom in her endeavors. The solid foundation of our bilateral relations I mentioned allows us to foster even closer political, economic and cultural ties.

TD. Please provide an overview of Austrian-Saudi trade and investment relations, their volume and features. Please provide comments on how they have evolved over the years.

Amb Postinger. Saudi Arabia traditionally is Austria's main export destination and trading partner in the Middle East. The bilateral trade volume reached 1,17 billion euros an all-time high in 2014. Since then the bilateral external trade has declined a bit due to the double impact of less economic growth and fiscal consolidation in the Gulf region and Saudi Arabia. I'm confident that we will harness the full potential of our trade relationship again as the economic forecasts for 2020 and 2021 are looking up and many promising projects are in the making in the Kingdom.

Austria's most important export goods to Saudi Arabia in 2018 were pharmaceutical products, followed by steel products, vehicles, electrical machines and appliances, products for the oil industry and beverages. We imported primarily oil, oil products, and related commodities, as well as plastics in primary forms and metal products from Saudi Arabia.

TD. How many Austrian companies have a direct or indirect presence in Saudi Arabia? Which are the major ones? Please provide a few names and the projects they are handling?

Amb Postinger. Of the around 20 Austrian companies, which have set up offices in Saudi Arabia, the biggest are active in fields like engineering, railway and transport technologies, renewable energy, desalination or vehicle assembly where Rosenbauer

Vehicles springs to mind. In some cases these companies are involved in project management as consulting engineers, for example, ILF Engineers had a leading role in the design of the Riyadh water supply system. Austrian corporations like Siemens Austria have supplied the trains for some lines of Riyadh Metro, but also rails and switches. Austria boasts not that much of big names like Red Bull, but rather of hidden champions that are highly respected leaders in their respective niche markets.

TD. Is there any plan for a Saudi official or delegation to visit Austria or vice-versa in the near future?

Amb Postinger. We have proposed to our Saudi friends holding the eighth meeting of the Saudi-Austrian Joint Economic Committee in spring 2020 in Riyadh. The meeting presents an excellent opportunity to firstly review how much progress has been made on the projects both countries committed to in the framework of the last Joint Economic Committee and secondly how we can bring more dynamism into our economic cooperation.

Moreover, the meeting will allow us to discuss in-depth tailor-made Austrian contributions to the achievement of the ambitious goals and projects of Saudi Arabia's "Vision 2030".

TD. Austrian Company Rosenbauer has set up a factory in King Abdullah City? What is the status of its operation? Is it manufacturing fire-fighting trucks for Saudi Arabia and its government agencies? Please share some information.

Amb Postinger. The factory of Rosenbauer Saudi Arabia in King Abdullah Economic City is a state of the art production plant for firefighting trucks as well as special trucks including ambulance vehicles. After the official factory opening in the year 2016, the first trucks were assembled for both local and other GCC markets. The main customers for locally produced vehicles are government agencies but also private customers taking advantage of getting locally produced high-quality trucks.



All Rosenbauer trucks are supported by the Saudi wide Service network with service workshops and mobile workshops all over the Kingdom.

Actually, Rosenbauer is working on the next step in deepening the local production in the KAEC factory by adding the welding of polypropylene water tanks in the production line.

Rosenbauer is actually employing more than 110 Saudi and non-Saudi specialists in the Kingdom to meet the daily needs of the customers.

TD. Austria has a lot to offer to tourists. What is the status of tourism relations? How many Saudis visited Austria in 2017, 2018 and during the first half of 2019?

Amb Postinger. I think it is really safe to say that outstanding natural beauty, a rich cultural heritage including a wonderful culinary tradition, as well as long-standing experience in hospitality management attracts guests from all over the world to my country. Although

Saudi visitors have a penchant for trips to Vienna and Salzburg region, we are sure that they soon will start to explore other interesting regions of Austria.

According to our National Tourism Office, 119,000 tourists from Saudi Arabia visited Austria in 2018 which meant an increase of 10% compared to 2017 (108,000 visitors) and translated into 390,100 overnight stays. Record numbers were registered for the first semester of 2019 which indicates that Saudis nationals are on the way of becoming the most important group from the Gulf region in terms of visitor numbers.

TD. Austria has its own achievements when it comes to cinema, theatre, art, and music. Saudi Arabia is now opening its entertainment sector. Is there any existing cooperation or possibilities of cooperation in these areas between the two countries? Your comments please.

Amb Postinger. The Austrian Embassy in Riyadh has always

organized cultural and scientific events on its premises but now in view of the remarkable cultural changes in Saudi Arabia we stand ready to bring our artists to the Kingdom and participate in the numerous new festivals. At the same time, we would be happy to assist Saudi Arabia in building up structures that are needed to provide appropriate training for Saudi artists and cultural managers. In addition, we envisage establishing cooperation ties in the cultural heritage sector where we could offer plenty of know-how and consultancy in areas like specialized craftsmanship or preservation techniques. In regard to the bilateral scientific exchange, we hope to launch exchange programs for students and university lecturers in the near future.

TD. Austria is one of the 14 richest countries of the world in terms of GDP per capita? As of 2019, what is the state of the Austrian economy?

Amb Postinger. Yes, that is true, according to the IMF Austria had a GDP per capita of more than 51,000 USD in 2018. The Austrian economy has fortunately proved to be quite resilient during the Great Recession from 2008 on and favorable macroeconomic indicators like low unemployment and inflation have contributed to the positive development of our economy. I consider the very geographical location in the heart of Europe, our good transport infrastructure and our well-trained workforce have major comparative advantages for foreign investors. Needless to say like any other Western European country we are faced with challenges as to how to adapt our social security systems to the needs of an aging population and how to tackle climate change in an economically viable manner.

TD. What is Austria's position on key regional issues including the conflict in Yemen, the Syrian crisis, Iranian intransigence, and ME Peace Process?

Amb Postinger. Austria together with her partners in the European Union supports any effort that will bring lasting peace to Syria and Yemen

and end the protracted suffering of the civilian populations. As a neutral country, we are proud of our tradition to build bridges and facilitate dialogue between the parties to various conflicts. We feel that there is no alternative to dialogue in the Gulf region to ease up the existing tension and hope that the agreement known as JCPOA with Iran will be implemented. As far as the Middle East Peace Process is concerned, Austria remains committed to a two-state solution as the best way to resolve a conflict that has lasted far too long.

TD. What are the major priorities of the Austrian Embassy in Saudi Arabia under your leadership? What has been the biggest challenge?

Amb Postinger. While we are striving to improve and deepen existing frameworks of cooperation, we are constantly sounding out new areas where we would like to bring together the relevant Saudi and Austrian actors in order to accompany the opening up of the Kingdom. The reforms in Saudi Arabia have been happening at a breath-taking pace, so the challenge is sometimes to overcome outdated ideas about Saudi Arabia.

TD. One of the institutions named the Austro-Arab Chamber of Commerce (AACC) is specialized in providing services, network and information to business people, companies and institutions in Austria and the Arab countries. Is the AACC still active or dormant? Is AACC organizing any event or networking session in the near future.

Amb Postinger. The Austro-Arab Chamber of Commerce (AACC) is very active and last week celebrated their 30 years anniversary under the presence of H.E. the Austrian Federal President, the Honorary President of the Austrian Federal Economic Chamber, dignitaries of the Arab countries and representatives of the Austrian and Arab business community.

The Austrian Federal Economic Chamber and the AACC cooperate closely and organize economic forums of various topics that are related to all

members of the Arab League.

TD. Tell us briefly about your experience of living and working in Saudi Arabia?

Amb Postinger. It is an honor and a privilege for me to be the Austrian Ambassador to Saudi Arabia. Since I came here for the first time ten years ago as an Austrian Deputy Ambassador I was able to build up a large network of close Saudi friends who, over the years, helped me to understand their country and their culture. To tell you the truth, ever since I joined the Austrian Foreign Service I always was eager to get the chance to serve in Saudi Arabia as for a diplomat the Kingdom remains one of the most important and interesting postings. Moreover and from a personal view, the immense changes taking place in the country nowadays make my second assignment even more interesting.

During my years I have been traveling extensively all over Saudi Arabia, from the Northern Borders down to the South. There is a strong common denominator throughout the country: wonderful warmhearted people who welcome you with open arms. On the other hand, you become familiar with a country that is very diverse in its geography and extremely rich in history. In this context, I am proud to say that my country is in the lucky position to assist in exploring Saudi Arabia's history. In Qurayya, an hour's drive north from Tabuk, archaeologists from Austria excavate one of the Kingdom's oldest heritage sites. Qurayya is a city that had the dimension of Babylon or Nineveh and goes much further back in time than the Nabataean settlements. It is a pleasure to see how Saudi Arabia and Austria work hand in hand in order to reconstruct the Kingdom's heritage and history.

Last but not least I also should like to mention my friend, the Saudi Arabian Ambassador in Vienna, HRH Prince Abdullah bin Khalid bin Sultan Al-Saud. His engagement for the Saudi-Austrian relationship is priceless and both of us will do our utmost to boost our bilateral relations to new heights.

US SENT REINFORCEMENTS FOLLOWING ATTACKS IN SAUDI ARABIA

By The Diplomat Staff



Saudi Arabia and the United States have a longstanding relationship dating back to the 1930s, when American businessmen first traveled to the Kingdom to help develop the country's natural resources. The two countries have forged closer ties in different sectors including defense and security. Therefore, when the oil facilities in Saudi Arabia was attacked; then there was a strong response from the US. The US has now sent reinforcements to the Kingdom.

The Pentagon announced on October 11 that it has approved the deployment of 3,000 additional troops and military hardware to Saudi Arabia, boosting the country's defenses after attacks on its oil installations blamed on Iran.

US Secretary of Defense Mark Esper authorized the deployment of two more Patriot missile batteries, one THAAD ballistic missile interception system, two fighter squadrons and one air expeditionary wing, the Pentagon said in a statement.

"Secretary Esper informed Crown Prince Mohammed bin Salman of the additional troop deployment to assure and enhance the defense of Saudi Arabia," it said.

"Taken together with other deployments this constitutes an additional 3,000 forces that have been extended or authorized within the last month," it said. Esper later told reporters that the deployments were in response "to continued threats in the region" and came after a conversation with the Saudi leadership about "efforts to protect from further Iranian aggression."

Since May, the US has increased the number of its forces by about 14,000 in the Central Command area covering the Middle East. Recently, drone attacks caused fires at two major Saudi Aramco facilities. The attacks hit the world's largest oil processing plant at Abqaiq and the country's second largest oilfield at Khurais. In September, the US announced the deployment of 200 troops as well as Patriot missiles to the Kingdom in the wake of the attacks on Saudi oil installations blamed on Iran.

Recently, drone attacks caused fires in two major Saudi Aramco facilities in the Kingdom. The attacks hit the world's largest oil processing plant at Abqaiq near Damman in Eastern Province and the country's second-largest oilfield at Khurais, about 200 kilometers away. Following that, US

The US president said the negative effects of the attacks would be felt on the American economy as well as the world economy.

President Donald Trump called the Saudi crown prince to reassert his country's "readiness to cooperate with the Kingdom, by all means conducive to maintain its security and stability."

The US president said the negative effects of the attacks would be felt on the American economy as well as the world economy. Abqaiq is located 60 kilometers southwest of Aramco's Dhahran headquarters. It contains the world's largest oil processing plant, handling crude from the giant Ghawar field and for export to terminals Ras Tanura — the world's biggest offshore oil loading facility — and Juaymah. It also pumps westwards across the Kingdom to Red Sea export terminals.

Khurais, 190 kilometers further southwest, is believed to produce over 1 million barrels of crude oil a day. It has estimated reserves of over 20 billion barrels of oil, according to Aramco. American and Saudi officials said that the deployment of more US troops would be primarily defensive in nature. In fact, US plans to expedite delivery of military equipment to both Saudi Arabia and the UAE.

President Trump has approved sending American troops to bolster Saudi Arabia's air and missile defenses after the largest-ever attack on the Kingdom's oil facilities, which Washington has squarely blamed on Iran. The Pentagon said the deployment would involve a moderate number of troops — not numbering thousands — and would be primarily defensive in nature. It also detailed plans to expedite delivery of military equipment to both Saudi Arabia and the United Arab Emirates.

The attack on September 14th on Saudi Arabian oil fields represents

a dramatic escalation of Iranian aggression. Reuters has previously reported that the Pentagon was considering sending anti-missile batteries, drones and more fighter jets. The United States is also considering keeping an aircraft carrier in the region indefinitely.

"In response to the Kingdom's request, the president has approved the deployment of US forces, which will be defensive in nature and primarily focused on air and missile defense," US Defense Secretary Mark Esper said at a news briefing recently. "We will also work to accelerate the delivery of military equipment to the Kingdom of Saudi Arabia and the UAE to enhance their ability to defend themselves."

The Pentagon's announcement appeared to close the door to any imminent decision to wage retaliatory strikes against Iran following the attack, which rattled global markets and exposed major gaps in Saudi Arabia's air defenses. Trump said recently that he believed his military restraint so far showed "strength," as he instead imposed another round of economic sanctions on Tehran.

Relations between the United States and Iran have deteriorated sharply since Trump pulled out of the Iran nuclear accord last year and reimposed sanctions on its oil exports. For months, Iranian officials issued veiled threats, saying that if Tehran were blocked from exporting oil, other countries would not be able to do so either.

However, Iran has denied any role in a series of attacks in recent months, including bombings of tankers in the Gulf and strikes claimed by the Houthis. US officials have indicated southwest Iran as the staging ground for the attack, an assessment based at least in part on still-classified imagery showing Iran appearing to prepare an aerial strike. They have dismissed Houthi claims that the attacks originated in Yemen.





The Kingdom and the United States of America have a longstanding relationship dating back to the 1930s, when American businessmen first traveled to the Kingdom to help develop the country's natural resources.

US Marine General Joseph Dunford, chairman of the Joint Chiefs of Staff, said officials were still hammering out the best array of capabilities to defend Saudi Arabia, noting the difficulty combating a swarm of drones. "No single system is going to be able to defend against a threat like that, but a layered system of defensive capabilities would mitigate the risk of swarms of drones or other attacks that may come from Iran," Dunford said.

The Kingdom and the United States of America have a longstanding relationship dating back to the 1930s, when American businessmen first traveled to the Kingdom to help develop the country's natural resources. Today, the Saudi-U.S. relationship is stronger than ever. On issues of national security and economic opportunity, the Saudi-U.S. relationship is vital. The Kingdom remains one of America's closest allies and strongest economic partners

in the Middle East.

The trade relationship is driven by mutually beneficial interests that facilitates and enables market access and job creation in both countries. With over 300 joint ventures, American companies are the largest group of foreign investors in the Kingdom. Our two countries continue to cultivate this partnership through a broad range of cultural and educational exchanges. As the number of students and tourists traveling between the two countries continues to grow, Saudi Arabia and the U.S. will strengthen their relationship in the decades to come.

As history has shown, the Saudi-U.S. friendship has not only continued but has weathered many storms, including numerous regional and global conflicts and crises and as the relationship of these two nations matured, it has reflected the ideals of independence, justice and peace that are cornerstones of the United Nations Charter. ■

الدبلوماسي

العربية



[نقرأ العالم لنرى الصورة الكاملة]

وزارة الخارجية
Ministry of Foreign Affairs



مركز الدراسات الدبلوماسية
Prince Saud Al-Faisal Institute for Diplomatic Studies

للإشراف والإعلانات،
بمكتبهم التواصل معنا
على الهاتف: ٢٦٦٦٥ | ٩٦٦٦ + كويته ١١٨
إدارة النشر،

دار تغريد المعاني للنشر والتوزيع
DAR TAGHREED ALMAANI For Publication & Distribution

NEW ERA OF SAUDI-INDO RELATIONS

By Dr Saud Bin Mohammed Al Sati
Saudi Ambassador to India



Bilateral relations between Saudi Arabia and India reach new heights as leaders of the two countries forge a strong partnership for growth and development.

Civilizational ties between Saudi Arabia and India began with the trade of a handful of commodities – spices, aromatics, almonds and dates – and gradually transcended into the realm of people and ideas. Scholars from India came to our region to learn Arabic and Islamic jurisprudence and the Arabs came to India to learn mathematics, astronomy and philosophy. Trust, mutual understanding, goodwill and respect for each other's interests have nurtured our dynamic cultural, economic and political relations throughout.

We have made remarkable progress in diverse fields including trade, investment, energy, security and cultural spheres since the signing of the landmark Riyadh Declaration of February 2010 that elevated our relationship into a strategic partnership. The last decade has been particularly seminal in transforming

the nature of our relations. The frequency of high-level bilateral visits in recent years demonstrates the commitment to strengthen our strategic partnership. The Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud's visit to India in February 2014 was followed by the visit of Prime Minister Narendra Modi to Saudi Arabia in April 2016. The landmark state visit of His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince, Deputy Prime Minister and Minister of Defense to India in February this year especially re-affirmed the strong friendship between our two nations and the momentous future that lies ahead of us. The two leaders again met on the sidelines of the G 20 Summit in June 2019 in Japan and agreed to set up a high-level mechanism to boost concrete actions in terms of investment, technology and



manufacturing across various sectors.

The Kingdom views India as a strategic partner in Saudi Arabia's pursuit of Vision 2030 which seeks to create a vibrant society, a thriving economy and an ambitious nation. The Kingdom also wants to be a part of India's march towards becoming a \$5 trillion economy by 2025.

HRH's visit to India was instrumental in paving the way to further the strategic partnership across sectors - trade, investments, energy, security and culture - with the potential for transforming the region. \$10 billion of investment through the Public Investment Fund and its technology partners was announced during the visit along with exploration of other investment opportunities, potentially worth \$26 billion.

Saudi Aramco's proposed investments in India's energy sector such as the \$44 billion West Coast Refinery and Petrochemical project in Maharashtra and long-term partnership with Reliance reflects Saudi Arabia's commitment to meet India's growing needs for crude oil and petroleum products. Energy security is a key pillar of our strategic partnership with immense scope for growth.

Saudi Arabia and India also identified more than 40 opportunities of joint collaboration and investments across various sectors and our current bilateral trade of approximately \$34 billion will

undoubtedly continue to increase in near future. In fact, Saudi Arabian General Investment Authority (SAGIA) issued licenses to 267 new foreign investors in the first quarter of 2019, 30 of them being Indian companies.

The multiple Memorandum of Understanding signed during the visit of HRH Crown Prince to India in the field of housing, tourism, broadcasting of audio-visual programs and investments will further pave the way for expanding bilateral trade and economic cooperation. The two nations are also exploring more cooperation in the areas of space, science and technology, including remote sensing, satellite communication and satellite-based navigation. During the visit, the two countries also agreed to constitute a Comprehensive Security Dialogue at the level of National Security Advisors and set up a Joint Working Group on Counter-Terrorism.

The Saudi Arabia-India Joint Statement of February 2019 echoes the desire on both sides to broaden people-to-people interactions and seeks to increase two-way tourism by addressing challenges with regard to consular and immigration related issues. Both sides also look forward to the integration of migration platforms of both the countries viz., e-Migrate and e-Tawtheeq to create a robust migration environment. Approximately 3 million Indians live

The Saudi Arabia-India Joint Statement of February 2019 echoes the desire on both sides to broaden people-to-people interactions and seeks to increase two-way tourism by addressing challenges with regard to consular and immigration issues.

in Saudi Arabia, forming the largest expatriate community in the Kingdom. Saudi Arabia's new Residency permit scheme will further invite talent into the country.

There is huge untapped potential available in merchandise trade, particularly in non-oil trade and we are enhancing cooperation in economic, commercial, investment, cultural and technological fields.

We are now eagerly looking forward to Prime Minister Narendra Modi's second visit to the Kingdom of Saudi Arabia. The visit will further elevate and reinforce the strategic partnership between our two friendly countries.

The deepening of our bilateral relations comes at a very crucial time as the economies of Saudi Arabia and India are positively transforming. As formidable economies of Middle East and Asia, Saudi Arabia and India have a historic opportunity to collaborate in shaping the future of our regions, for a better tomorrow full of prosperity and promise. ■

SAUDI ARABIA COMMITTED TO ACHIEVING GLOBAL ECONOMIC PROSPERITY: FINANCE MINISTER AL-JADAAN

By The Diplomat Staff



Saudi Arabia's budget results for the first half of 2019 reflect a year-on-year (YoY) performance improvement, which will help achieve this year's target results, Finance Minister Mohammed Al-Jadaan stated. The H1 (half first) results prove the effectiveness of the government's financial and structural reforms, including the diversification of state resources through initiatives targeting to increase non-oil revenues. "The Kingdom is also committed to achieving global economic prosperity," said the minister, while delivering his keynote speech after opening the Euromoney Saudi Arabia Conference in Riyadh recently.

“Saudi Arabia is committed to working with other nations towards achieving global economic prosperity and the Presidency of the G20 will consolidate the Kingdom's international standing and affirm its leadership in supporting the stability of the global economy,” said Minister of Finance Mohammed Al-Jadaan. Al-Jadaan made this assertion in his keynote speech after

opening the Euromoney Saudi Arabia Conference 2019, organized by Euromoney Conferences in partnership with the Ministry of Finance under the theme ‘Growing the New Financial Ecosystem’.

Al-Jadaan said the conference took place after three years of positive progress and demonstrated Saudi Arabia's commitment to the international economy. “Under Vision 2030 and the Financial Sector Development

Program, Saudi Arabia is keeping pace with global developments and achieving qualitative leaps in the field of financial services, in line with business and service development. The growth of talented and active youth, as well as increasing women's participation in the labor market, are also important elements towards achieving our goals,” he said in his speech.

He welcomed the Kingdom's inclusion in the Financial Action Task Force (FATF). “Our financial sector is committed to introducing further reforms in order to expand financial services and implement legislation and measures to combat money laundering and terrorist financing. Our progress in these areas recently led to the Kingdom's inclusion in the FATF, taking place alongside 37 other countries and it was the first Arab country to achieve membership,” he noted.

Al-Jadaan also outlined that the government spending in support of economic and social development had increased during last year: “The total expenditure growth, in both the operational and capital sectors, reached nearly 16.1% in 2018, while the increase in the first half of this year (2019) reached about 6.3%. “At the same time, non-oil revenues increased during 2018 by approximately 15.2%. The increase continued during the first half of the year by 14.4% as a result of the economic activity improvement and continued implementation of reforms and initiatives aimed at developing revenues and diversifying their sources,” he added.

“The budget deficit during the first half of the year amounted to SR 5.7 billion compared to SR 41.7 billion of the same period last year, while the GDP growth rates during the first quarter (Q1) of 2019 reached 1.7% compared to 1.4% in Q1 2018.” “Non-oil sector grew by 2.1% driven by the private sector's growth of 2.3%, compared to 1.7% in the same quarter last year, while the FDI inflows increased by 23.8% in the first quarter of the current year with increased investment opportunities for the private sector,” he added.

The total credit facilities provided by banks and financing companies to Small Medium Enterprise in the first half of 2019 amounted to SR113 billion, compared to an increase of 11.6% in the corresponding period of the previous year. Banking performance also improved. The total

assets and liabilities of commercial banks during Q2 2019 amounted to SR2.4 trillion, an increase of 3% equivalent to SR69.1 billion, compared to 0.04% increase in the corresponding quarter of the previous year.

“On the other hand, the demand for investment in domestic and international debt issues increased by more than three times during the first half of the year. The first issuance in the Euro was more than four times subscribed. The nominal value of government Sukuk was reduced to SR1,000 in order to diversify the investor segment and enhance trading and individual savings,” he said. Finally, the minister congratulated the nation and Aramco for reestablishing full capacity oil production following the recent attacks:

“I seize this opportunity to congratulate the country, and Aramco in particular, for bringing production back to normal which proves our ability to deal with the unprecedented crisis effectively and efficiently,” he said. The first day of the conference highlighted the transformation of financial institutions in the Kingdom including how emerging technologies are driving the explosion of FinTech fueled by digitally-savvy millennials. It also explored the use of FinTech to enhance database infrastructure and develop customer-centric business models as an important means of enhancing e-commerce-related areas.

Speaking at the conference Chairman of the Capital Market Authority (CMA) Mohammed Al-Kuwaiz said the CMA was continuing to make huge advancements and highlighted the importance of new capital markets laws recently approved by the Council of Ministers. “These new laws will have two priorities, firstly to protect investors through improved mechanisms for compensation, strengthening the independence of judicial committees, increasing the scope of reporting, rewarding those who report violations and strengthening penalties to deter violators, and secondly to enhance the capital market by modifying financial organization through the introduction of a depository center and the creation of new categories including the establishment of a ‘clearing house’ to create a new derivatives market,” he said.

He also outlined how judicial procedures in the capital market have been strengthened: “Prosecution processing time to deal with financial disputes has been reduced from

24 to 10 months, with the aim of a further reduction to 6 months. Many other reforms have also been completed including the automation of the judicial processes with everything to do with a claim now dealt with electronically and we are also moving towards the introduction of group claims which will also help to speed up the process.”

Al-Kuwaiz added that there will continue to be a range of positive indicators contributing to the growth of the capital market: “There has been an increase of 49% of investors in closed-end funds, an increase in the index by 6% compared to 2018 and foreign cash flows in the capital market have reached SAR 76 billion,” he noted. Finally, he told the audience that he was proud of the Kingdom's accession to the international indices which he forecasts would contribute to a continued diversifying investor base, which would in turn, enhance the stability of the capital market in addition to strengthening the principle of disclosure and injecting liquidity.

The conference was attended by key financial, business and thought-leaders including Ammar Alkhudairy, Chairman of Samba Financial Group; Ghela Boskovich, founder of FemTechGlobal; Maren Kasper, acting president, executive vice president, and chief operations officer of Ginnie Mae and Brett Winton, director of research of Ark Invest. Also a number of sponsors from financial institutions including Al-Khair Capital, Al Rajhi Bank and Al Rajhi Capital, BNP Paribas, Citi, Dar Al-Arkan, HSBC, Samba, STC Pay, Global Investment House, Sedco Capital, SRC, Almarai, Moody's Investors Service, Colliers International, Argaam, The Financial Academy, Direct FN, Baker McKenzie, Emirates NBD, National Bank of Bahrain and Sidra Capital.

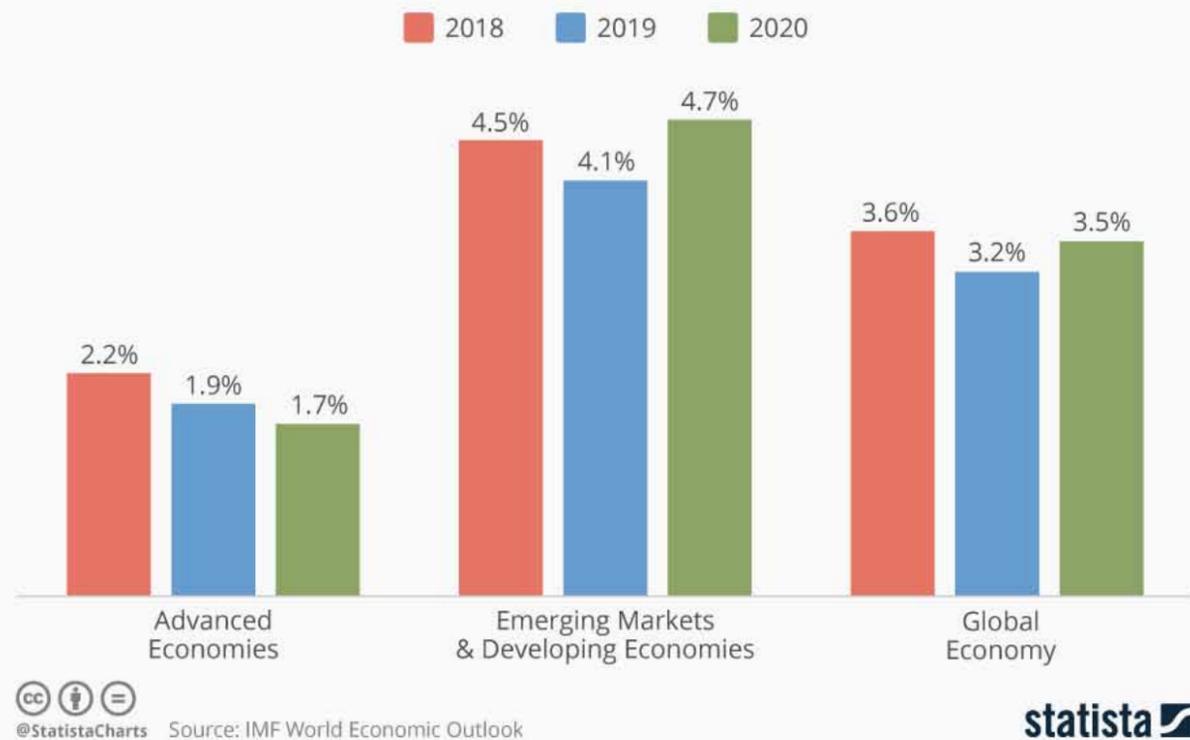
The conference also introduced three exciting new initiatives created to provide a more interactive and informative experience: The Tech Tent to showcase local and international FinTech companies which received remarkable attention from the attendees; the Knowledge Hub which ran live briefings on Blockchain, big data and machine learning; and the Finance Lab which provided a live global markets simulation for students and conference participants.

According to a report, Saudi Arabia has shifted its economic focus in line with Saudi Vision 2030 on capital regional and foreign



Global Growth Forecast Remains Subdued

IMF growth projections for the global economy as of July 2019



According to these reasons and facts, Saudi Arabia has earned its place among the members of the G20. In line with the economy, Saudi Arabia should also focus on environmental issues in order to achieve more Sustainable Development Goals.

investment as well as banking and financial systems. However, the Kingdom remains one of the world's main producers of oil with a powerful influence on the world's oil market. What makes oil production remarkable in Saudi Arabia is that it is controlled by Saudi Aramco, which is the state-owned oil company and reportedly the most profitable oil company worldwide.

This is unlike Russia where oil production is concentrated among several companies or in the US where hundreds of companies act in their own self-interest. Saudi Arabia is the only oil producer with significant spare capacity on hand and as such the Kingdom has the power to influence the oil market and impact the global economy. The Kingdom has massive economic wealth and power, and global economic security will continue to depend on its cooperation.

According to these reasons and facts, Saudi Arabia has earned its place among the members of the G20. In line with the

economy, Saudi Arabia should also focus on environmental issues in order to achieve more Sustainable Development Goals. Al-Jadaan also recently announced that the Kingdom achieved a surplus of SR27.8 billion, the first surplus recorded in the first quarter since 2014. Revenues increased by 48 percent in the first quarter of 2019 compared to the same quarter in 2018, while total spending rose by 8 percent for the same period.

"This year's budget clearly attests to the fact that the Kingdom's fiscal policy is progressing towards achieving its Vision 2030 objectives, all while simultaneously utilizing the financial tools and procedures available in order to achieve them," continued AlJadaan. "Non-oil revenues in the first quarter of 2019 grew at a rate three times higher than they did in 2014, totaling 76.3 billion riyals compared to 21.9 billion riyals in 2014. These results clearly illustrate the remarkable progress achieved in the performance of our fiscal

position since the implementation of the Fiscal Balance Program," he said.

"The continued strength and solvency of our financial sector will contribute to bolstering its ability to play a pivotal role in economic development, supporting transformation initiatives and providing more diversified financing and investment products. The plans being implemented under the umbrella of the Financial Sector Development Program will develop an advanced capital market that promotes financial planning, education, and inclusion, stimulates savings and diversifies funding sources," he remarked.

"The government is pushing ahead in its drive to implement its comprehensive reform program aimed at controlling public finances, enhancing transparency and empowering the private sector," stated the minister. "In presiding over the G20 in 2020, Saudi Arabia is also looking ahead to start a renewed decade of cooperation between its member states through a summit that promotes robust, balanced, inclusive and sustainable economic growth," he added.

"Our focus will revolve around key areas, such as strengthening global risk monitoring, addressing tax challenges of the digital economy, deepening financial inclusion assessing the impact of financial legislation on the financial sector, addressing the impact of technology and enhancing the investment environment in infrastructure," said the minister, while defending reform agenda of the Kingdom.

The central bank's foreign reserves rose in December for a third consecutive month, official data showed last month. This was seen as a sign that higher oil prices may be finally easing the pressure on the government's finances. Al-Jadaan said his country is already seeing the results of its sweeping reform program and would continue to diversify its economy and open its borders for investment.

Saudi Arabia's economic transformation strategy, the much-vaunted Vision 2030, aims to increase investment, diversifying the kingdom's economy away from a reliance on oil, and create private-sector jobs.

When asked by CNBC's Hadley Gamble what concerns he had with the ambitious reform program, with analysts questioning the use of foreign reserves to cover a big budget deficit, he said: "Well, my concern is to ensure that we continue implementing on

Vision 2030, and we are, and we are seeing results. We — despite all that you hear, here and there — we have the fifth-largest foreign [exchange] reserves in the world."

"We have significant reserves. We have significant wealth, we have a significant economy that is growing. We are the largest economy in the region, and we are seeing the results of the reform taking place," he said at an event in London recently.

However, it was the first time since mid-2014 that the reserves had risen for three straight months, according to Reuters, which peaked at \$737 billion in August 2014. Saudi Arabia's economy shrank for the first time in nearly a decade in 2017 as headwinds batter its private sector. Businesses have struggled to deal with higher electricity and fuel prices and a 5 percent value-added tax, or VAT, introduced at the start of the year.

Unemployment, hovering just over 12 percent as of last summer, is at its highest level in a decade. And the Kingdom's budget for 2019 is its largest ever as the government increases spending to boost growth amid the lower oil prices. However, Al-Jadaan said growth had turned positive by the end of last year and he was "looking for more growth in 2019."

"We're diversifying our economy significantly, we are opening our border to more investments from the world, and we're opening a lot of local industries and tourism, entertainment industries — mining all of these are bringing a lot of jobs. There's a time lag all the time when you engage in significant reform. But ... we are seeing the results actually happening as we speak," he said.

On the other hand, the Ministry of Finance welcomed the International Monetary Fund's Executive Board's statement on the 2019 Article IV consultation with Saudi Arabia. The Board commended the Kingdom's progress made in implementing its agenda on fiscal, economic and social reforms. The statement reported that the reforms have begun to yield fruitful results and the prospects for the economy are positive.

The IMF expects that real non-oil growth will rise to 2.9% in 2019 with an increase in government spending and a high level of confidence in the Saudi economy. The Board underscored that the government's continued implementation of economic policies and structural reforms will be a key to promoting non-oil growth and create job opportunities

for citizens and achieving the objectives of the authority's Vision 2030 agenda.

The Board welcomed the reforms aimed at improving the public financial management including the government procurement law, which will help raise the efficiency of government spending and reduce the risk of corruption in the procurement process. The statement praised the efforts exerted to enhance the transparency of public finances and the reforms adopted by the government to develop the non-oil economy.

The board underscored that fiscal consolidation is key in order to rebuild fiscal buffers and reduce medium-term fiscal vulnerabilities, confirming that containment of government wage bill and increasing capital spending in a more measured manner would help achieve fiscal savings. The Board highlighted the strength of the financial sector and the ongoing reforms in the Saudi financial markets. The Board praised the ongoing efforts in the Kingdom to strengthen the Anti-Money Laundering/Combating the Financing of Terrorism framework and its recent accession to the FATF.

The Board commended the Government's commitment to join the IMF's Special Data Dissemination Standard (SDDS) by the end of the year. "The statement confirms that the Kingdom has made significant strides in implementing economic and structural reforms that have started to yield good results and that the outlook for the economy is positive," said Minister of Finance Al-Jadaan.

He said that the statement reflects the efforts exerted by the Kingdom at various levels. He confirmed that the government will continue the efforts toward achieving its fiscal and economic objectives according to Vision 2030, with the aim of maintaining financial stability and strong economic growth, supporting further economic diversification, and raising the quality of life through various initiatives and programs.

He also confirmed the continued efforts by the Kingdom to further strengthen governance and develop the required procedures to ensure a robust financial sector. Al-Jadaan pointed out that the new Tendering and Procurement law will contribute to greater transparency and enhance regulation and governance of procedures related to government procurement in accordance with best global practices. ■



SAUDI AVIATION SECTOR FLYING HIGH

By Sadaf Rakhshan

Saudi Arabia is emerging as a key aviation transportation hub in the Middle East and also a major destination for tourists from around the world. A wealth of business opportunities is also available for companies across the aviation industry ranging from aviation-related equipment, technology and services to aerospace materials. The Kingdom's aviation sector accounted for 4.6 percent of total GDP in 2018, contributing \$34 billion in gross value added. Transportation and infrastructure have received a significant portion of Saudi Arabia's budget over the years. Spending in those two sectors has increased by 50 percent over the past two years.

Saudi Arabia boasts a network of 27 airports, 10 of which are international, and handled over 99 million passengers on over 771 thousand flights in 2018. Since 2017, over \$16.7 billion was allocated for aviation projects to underscore the importance of the aviation sector in driving economic growth and diversification. Saudi aviation has diversified in the past 10 years, due in part to enhanced regulatory

developments that enabled several low budget air carriers, like Flynas and Flyadeal, to operate domestically.

The addition of these airlines will play a prominent role in allowing Saudi Arabia to attain several of its Vision 2030 goals such as increased Saudi employment participation (1.2 million jobs for Saudi is expected), substantial increase in tourist visits (1.5 million by 2020), and increase the revenue generated from tourism

to 18 percent by 2030. Saudi Arabia also has a large market for aerospace materials and U.S. companies remain a preferred vendor due to quality of their products. The Council estimates that Saudi Arabia spent \$1.7 billion on U.S. aircraft, spacecraft and parts. Moreover, U.S. aircraft and spacecraft sales to the Middle East region has remained above \$11 billion over the past 5 years, with 83% consisting of civilian aircrafts, engines, and parts in 2018.

Localization of Defense manufacturing and assembly in Saudi Arabia is a priority for the government, giving U.S. firms numerous opportunities to partner with local companies by setting up joint ventures and knowledge sharing. Investment opportunities abound for both Saudi and foreign companies, especially American companies. The market is open for partnerships and investment. New policies created by the initiatives outlined in Vision 2030 encourage increased Foreign Direct Investment. U.S. companies have expressed continued strong interest in the Saudi market and look to be active participants in the localization goals outlined in Vision 2030.

Changes implemented by the Saudi Arabian General Investment Authority and General Authority of Civil Aviation (GACA) have made it easier for private firms to partner with the Saudi Arabian government as it works to build key industries like aviation. Whether through infrastructure projects, training programs or manufacturing, U.S. companies have many ways to expand in Saudi Arabia. Given the development of new Public-Private Partnership regulations, companies can provide their expertise and gain important investment opportunities as GACA works to expand its airports to serve its growing population and over 8 million pilgrims, while maintaining a globally recognized standard of safety.

No doubt, Saudi Arabia has a great



potential to become a logistics hub for international travel given the consistent growth in passenger loads such as expatriates, Haj and Umrah pilgrims, business visitors and the new wave of tourists exploring sites that are now open to international visitors. The Saudi aviation represents a major key pillar as the Kingdom continues to diversify and expand its economy. Minister of Transport Nabeel Al-Amoudi during the 2019 Global Aviation Summit held in March in Riyadh, said that civil aviation generates an estimated \$126 billion annually, and provided 527,000 jobs.

Aviation market is growing rapidly, helped by liberalization. Competition in the domestic market has also intensified due to increase in number of airlines from two to five since 2017 leading to lower fares, stimulating demand and a faster growth, although overcapacity is a potential concern. Infact, air traffic in the Kingdom grew by 8 percent last year with 99.86 million passengers travelling on 771,828 flights. The aviation industry was responsible for 4.6 percent of the total GDP of the Kingdom in 2018, playing a part in \$34 billion in gross value added.

Saudi Arabia has a total network of 27 airports, out of which 10 are international, and has handled over

99 million passengers on over 771 thousand flights in 2018. Since 2017, over \$16.7 billion was assigned for aviation projects to highlight the necessity of the aviation sector for economic growth and diversification. The Saudi Vision 2030 promises to transform the Kingdom into transportation, logistics, and a great tourism hub. Saudi Vision 2030 also includes initiatives such as increasing capacity to welcome 30 million Muslim pilgrims annually, privatizing all Saudi airports and enhancing passenger airport experience (SMART Airport), developing sophisticated digital infrastructure to enable seamless passenger transit, and increasing workforce productivity with mobility access to data and self-service.

The planned expansion also includes the redevelopment of the airports in Abha, Al Ahsa, Al Qassim, Arar, Hail and Jizan, new terminals at the King Khalid International Airport in Riyadh and the new King Abdulaziz International Airport in Jeddah. There are also plans to develop new airports in Al-Qunfudah, Farasan Island and Taif, Riyadh North (serving Al Ghat, Al Majmaah and Zulfi provinces) and Riyadh South (serving the Al Aflaj, Al Hariq, Al Kharj and Howtat Bani Tamim provinces).



The Prince Mohammed Bin Abdulaziz International Airport, Medina, the first airport in the Kingdom built under a public-private partnership was developed on a build-operate-transfer basis.

The General Authority of Civil Aviation (GACA), the state-owned aviation regulatory body, is also taking initiatives to help boost the aviation sector. The initiatives include expansion and construction of airports, achieving international aviation safety standards, increasing the capacity of air cargo services, development of navigation systems and procedures in order to increase Saudi airspace efficiency, applying practices that improve flight scheduling, domestic air tickets, and public service obligation (PSO) support; supporting all the airlines running in the kingdom to boost employment in the sector and implementing practices in technology and innovation to enhance sector performance and improve customer experience at the airports.

In 2017, Mr Abdulhakim bin Muhammad Al Tamimi, President of GACA, stated that the airports and relevant business units were to be transformed into separate companies fully-owned by Saudi Civil Aviation Holding Company (“SAVC”) with ownership to be transferred to the Saudi Government’s Public Investment

Fund ahead of each company being privatized. SAVC is a state-owned company established with the aim of enhancing performance and efficiency in the Saudi Aviation sector. SAVC’s mission is to make each airport an independent entity feasible for privatization.

In Riyadh, the Riyadh Company established in 2016 operates and manages King Khalid International Airport. Similarly, Dammam’s King Fahd International Airport was transferred last year to Dammam Airports Company. Both companies are fully owned by SAVC. In Jeddah, the operation and management of the new King Abdulaziz International Airport was granted to a consortium with GACA. However, on February 21, 2018, GACA announced that it terminated the relevant concession agreement and would start a new international tendering process soon.

The Prince Mohammed Bin Abdulaziz International Airport, Medina, the first airport in the Kingdom built under a public-private partnership was developed on a build-operate-transfer basis. Other new airports, including Al Qassim, Hail, Taif and Yanbu will be constructed by GACA on the same model. The success of some of these projects will reshape the urban and industrial spaces that surround the airports. One good example is Taif, where the Saudi Government announced plans to create a new city comprising a technology hub as well as residential, industrial and educational areas next to the new airport’s location.

In terms of operations of airlines, Saudi Arabian Airlines (also known as Saudia) is the national carrier and the main commercial airline in the Kingdom. Saudia being the third largest airline in the Middle East, has a fleet of almost 200 aircraft operating on 89 routes, including 62 international destinations across four continents. The airline has been renovating its fleet in recent years and has also plans



to increase the number of aircraft and routes by 2020. The second largest airline in the Kingdom is Flynas, a low-cost carrier which was founded in 2007. The airline has a fleet of 31 aircraft flying to a total of 23 destinations in the region. With plans to expand, Flynas announced last year that it has signed an agreement with Airbus for a total of 80 new aircraft to be delivered between 2018 and 2026.

Other local airlines have also started operations in recent years. Nesma Airlines has a total fleet of 10 aircraft and operates within the Kingdom and also between Egypt and Saudi Arabia. Saudi Gulf Airlines, founded in 2013 and owned by the Al Qahtani Group has a fleet of four aircraft and has announced plans to expand internationally, including routes for the UAE and Pakistan. Flyadeal launched on 23rd September 2017 as the low-cost subsidiary of Saudia expects to have a fleet of eight aircraft by mid-2018 and has plans for ordering 50 new aircraft in the near future.

Besides this, there are several key players in the general and military aviation market of the Kingdom.

Lockheed Martin Corporation is one of them, which have done or is doing some projects in the Kingdom. The Multi-Mission Surface Combatant (MMSC) is one of them. In May 2017, Saudi Arabia and US Navy signed a letter of offer and acceptance for four MMSCs - a highly maneuverable multi-mission surface combatant capable of littoral and open ocean operation, which is designed to enhance maritime capabilities and confront economic security threats to the Kingdom.

Lockheed Martin also supports both the U.S. government and the Kingdom as they use THAAD, One of the world’s most advanced missile defense systems. This system can not only protect against incoming short through medium range missile threats but also help strengthen both regional and global security while supporting job creation and economic prosperity in the U.S. and Saudi Arabia. THAAD is rapidly interoperable with all other Ballistic Missile Defense System (BMDS) elements. Patriot Advanced Capability-3 (PAC-3) is another missile system used by the Kingdom.

Saudi Arabia is the first customer of

the Patriot missile system in the Middle East. Lockheed Martin’s PAC-3 provides high precision and unmatched air missile defense for Saudi Arabia which have been successfully used to defend the Kingdom from ballistic threats. On top of this, the multi-mission UH-60M, the latest in the Black Hawk helicopter product family brings new life to the existing fleet providing improved effectiveness, reduced vulnerability and lowered costs. The Kingdom’s Royal Saudi Land Forces have been flying the Black Hawk since it was first delivered in 1990. Sikorsky, a company under Lockheed Martin, is also advancing the agreement for the development of a local rotor craft manufacturing capability as outlined in Saudi Vision 2030 enabling the production of up to 150 Black Hawk helicopters in the Kingdom.

Lockheed is also working closely with the Kingdom in the field of satellite solutions. In 2015, the Kingdom’s Arabsat and KACST awarded Lockheed Martin a contract for two LM 2100-based satellites: Arabsat-6A and Hellas Sat 4/SaudiGeoSat-1 to provide advanced telecommunications



Tourists can now stay in Saudi Arabia for a maximum 90 days during a given year and visit all the incredible world heritage sites such as Al-Ahsa Oasis, Al-Hijr Archeological Site(Madain Salih) located in Al-Ula, At-Turaif District in Ad-Dir'iyah, Historic Jeddah, Rock Art in Hail Region. Tourism will also help Saudi Arabia to become less reliable on its oil revenue.

capabilities not only to the customers in the Middle East but also in Africa and Europe. Hellas Sat-4/SaudiGeoSat-1 was successfully launched out of French Guiana in February 2019. Both satellites are built on Lockheed Martin's modernized LM 2100 bus. The program also involved a crucial capacity building component for Saudi engineers, who have been given practical hands-on training at Lockheed Martin's satellite manufacturing facilities in Sunnyvale, California.

Boeing is another major company that is very active in the Kingdom. Boeing and Saudi Arabia together have signed several defense and commercial agreements that would create or sustain thousands of jobs in both the United States and Saudi Arabia and also help develop national security in the region. Major deals between the Boeing and the Kingdom include an agreement to purchase Chinook helicopters and associated support services as well as guided weapon systems, order of P-8 maritime, patrol and reconnaissance aircraft, based on the Boeing 737 commercial airplane; an agreement on a joint venture with Boeing to provide

sustainment military services.

A commercial registration certificate for the Saudi Rotorcraft Support Company, a newly formed joint venture between Boeing, AAI and SAEI with bases in both Riyadh and Jeddah has been initiated that provides support for both military and commercial helicopters. An agreement established between Saudi Gulf Airlines and Boeing to negotiate the sale of up to 16 Boeing jets. These are in addition to the growing cooperation between Boeing and Saudi Arabia during the last several decades.

Textron Aviation Inc is another company active in Saudi Arabia. Textron Aviation accounts for more than half of all general aviation flying in Saudi Arabia. The broad range of products provided to the Kingdom's Aviation Sector include Citation business jets, Beechcraft King Air and Cessna Caravan turboprops, Beechcraft and Cessna piston engine aircraft and the T-6 military trainer aircraft.

Airbus SE has a larger presence in the Kingdom. Airlines such as Saudia, Fly Adeal and Saudi Gulf Airlines are highly dependent on Airbus jets. Fly

Adeal is to take delivery from 2021 of 30 A320Neo jets that were ordered by its parent company at the Paris Air Show, which may probably result in Fly Adeal operating an all- Airbus A320 fleet in the future.

Whatever the case may be, but the Saudi aviation sector is also facing some challenges. The airlines operated in the Kingdom will be required to keep pace with other Middle East airlines. Various airlines operated by different Middle Eastern countries such as Emirates, Etihad Airways and Qatar Airways connect different cities across various continents and provide world class facilities to their passengers. These airlines are one of the biggest competitors of airlines operated by Saudi Arabia such as Saudia and Flynas.

There is also a need to train young Saudi male and female, who can replace the foreign workers in aviation sector of the Kingdom. The skills and quality of the industrial workforce are regarded as an important factor within the framework of industrial development and the competitiveness of Saudi industry in the future. In order to develop Saudi manpower capabilities, it is necessary to revise and intensify efforts to boost quality of technical education and vocational training, so that their output would match the requirements of industrial corporations in all specializations.

Last but not the least, Saudi aviation sector is facing a threat from Yemeni militias also. The Kingdom and its allies have condemned the Iran-backed Houthis, who have firing missiles at aviation targets especially airports of the Kingdom. The Houthi militants have been targeting Najran since 2015 which lead to closing of the Najran Airport for security reasons and was later re-opened after 4 years in 2019. The Abha airport is also frequently targeted by the Houthi forces during the Yemeni Civil war. It was attacked on June 12, June 23 and 2 July 2, 2019

killing one and injuring 47 people in total. Necessary security measures and actions have been taken by Saudi security agencies to avoid future attacks.

The Saudi Government has approved many programs under the Vision 2030 which aims for a sustainable growth of the Kingdom. The General Authority of Civil Aviation (GACA) also continues to receive tourists from all over the world through a package of services offered at its four airports which includes Riyadh's King Khalid International Airport, King Abdul Aziz International Airport in Jeddah, Dammam's King Fahd International Airport in Dammam, and Prince Mohammed bin Abdul Aziz International Airport, Madinah. E-tourism visas services were recently launched by the Saudi Commission for Tourism and National Heritage allowing citizens of 49 countries to obtain visas through the platform visa.visitsaudi.com, or by visiting the department's offices once arriving the Kingdom.

Tourists can now stay in Saudi Arabia for a maximum 90 days during a given year and visit all the incredible world heritage sites such as Al-Ahsa Oasis, Al-Hijr Archeological Site(Madain Salih) located in Al-Ula, At-Turaif District in Ad-Dir'iyah, Historic Jeddah, Rock Art in Hail Region. Tourism will also help Saudi Arabia to become less reliable on its oil revenue. Saudi Arabia has announced that it has issued 23,715 tourist visas within 10 days from the time the Kingdom opened up its land for foreign tourists on Sept. 28.

The Saudi Commission for Tourism and National Heritage (SCTH) had announced the launch of the tourist visa on that day while simultaneously marking the World Tourism Day. According to the SCTH, tourist visas will be issued on a one-year, multiple-entry basis, allowing tourists to spend up to 90 days in the country.

They can get their visas manually via the Kingdom's missions and electronically without preconditions (e-visas) or upon arrival in the Kingdom during the admissions process (visa on arrival) for 49 nationalities from Europe, Asia and America.

More than 7,391 Chinese tourists have been issued visas to visit the Kingdom, according to the Saudi Ministry of Foreign Affairs, making the Chinese to be the nationality that obtained visas the most. The figures showed that tourist from Britain make up the next biggest numbers — 6159, while tourists from the United States came third with 2,132 visas. The Canadians were issued 1,612 despite a diplomatic dispute between the two countries.

Among the top 10 countries completing the growing demand for tourist visas are: Malaysia fifth with 1,107 visas, France sixth with 744 visas, Germany 557 visas, Russia 484 visas, Australia 476 and Kazakhstan 421 visas in that order. The new tourist visa allows for those wishing to visit the Kingdom to discover its landmarks any time throughout the year. Among the most important features of the Saudi tourist visa, is that the visa holder can benefit from it in performing Umrah.

In addition, a male relative need not accompany women, except during the Haj season, and there is no need for a sponsor to visit the Kingdom, as required for work visas. Previously, the work visit and Haj visas were the main non-immigrant visa options for travel to the Kingdom. The granting of tourist visas comes within the Kingdom's plan to create one million jobs and reach 100 million tourists by the year 2030. The new tourist visa program marks a significant transformation for the Kingdom and is in line with Vision 2030, its flagship initiative to diversify its economy and reduce its dependence on oil revenue. ■



SAUDI ARABIA URGES PRESSURE ON IRAN AT UNGA

By The Diplomat Staff

Saudi Arabia took the stage on September 26, 2019, at the UN General Assembly and urged world leaders to take note of the Iranian belligerent policies and cut off its financial resources. Saudi Arabia urged the world to apply “utmost pressure” on Iran, which has been meddling in the affairs of the Arab states with an aim to destabilize the region.

Saudi Arabia strongly pleaded its case in the United Nations General Assembly. The Kingdom addressed the United Nations General Assembly and lashed out at Iran for the Sept. 14 attacks on Saudi Aramco oil facilities. The Kingdom has called on the international community to stiffen its efforts against Iran, a tactic which US President Donald Trump refers to as “maximum pressure.” Saudi Arabia has urged world leaders to cut off Iran’s financial resources.

The Kingdom has been repeatedly saying that Iranian weapons were used in a September 14 missile and drone attack on Saudi oil facilities, which jolted global oil prices. Although the US imposed new sanctions on Sept. 20, they are not enough for the neighboring countries of Iran, whose belligerent policies are threatening peace and security in the Middle East and the world at large.

In his address, a top Saudi official said: “Utmost pressure with every tool available should be applied to end terrorism and the aggressive conduct of the Iranian regime.” In particular, he argued that financial resources for Tehran should be cut off by other governments in order “to compel the regime to renounce its militias, prevent it from developing ballistic missiles and put an end to its destabilizing activities in the region and the world.”

Houthi rebels in Yemen claimed responsibility following the attacks on Saudi oil facilities, but members of the international community did not buy into it. Although most governments took their time to review the evidence before making claims, including Saudi Arabia, US Secretary of State Mike Pompeo blamed Tehran, equating the offensive to an “act of war.” Germany, France, and the United Kingdom reached a confidence level that allowed them to publicly join Washington in blaming Iran.

“We know very well who stood behind this aggression,” the then official told the UNGA before naming Iran. The solution for Saudi Arabia is not a military response,

something it is hesitant to engage in without international support, which is currently nonexistent, it is more economic warfare. It may be difficult to imagine how much more Tehran can be hurt economically as its markets have plummeted since the US restored sanctions, but the Kingdom is convinced more can be done.

Speaking on this occasion, Adel Al-Jubeir, Minister of State for Foreign Affairs, said that his country is focusing on a peaceful solution to conflict, undertaking various mediation efforts. The peace agreement reached between Ethiopia and Eritrea should be deemed historic and essential. “This illustrates the political and critical role played by Saudi Arabia in the advancement of international peace and security,” he said. Turning to the rights of the Palestinian people, Al-Jubeir underscored their right to an independent state, and the need to respect relevant UN Security Council resolutions.

On the conflict in Yemen, he said that Houthi militia continue to manufacture missiles and carry out activities that destabilize the region. He stressed the need for a political solution to the crisis in Yemen. Saudi Arabia will continue to facilitate all humanitarian efforts to alleviate the suffering of the Yemeni people, he added, underscoring that his nation provides economic support and essential supplies to Yemen.

Terrorism and extremism are major challenges facing the world, Al-Jubeir continued, adding: “Our region has never been spared.” The Kingdom has set up institutions to oversee the fight against terrorism and extremism. On Iran, he said that Tehran continues its terrorist activities and aggressive conduct, expressing support for the latest United States policy on Iran. Tehran has trained and armed terrorist militias. Such aggressive conduct constitutes a glaring breach of all international laws and treaties. “Iran should be held accountable in the international legal system,” he stressed.

On the other hand, Syrian crisis has entered its eighth year, he continued,

stressing that that country’s people must be able to live on their own soil. Saudi Arabia supports legitimacy in Libya, he added, urging Libya’s unity and respect for its territorial integrity. The international regime that has existed for centuries is rooted in sovereignty and respect for international law. “This is not up for discussion. Sovereignty is a red line that cannot be crossed,” he stressed. The Kingdom has placed the Saudi citizen at the heart of its development plans. The Kingdom and its causes were strongly backed by its Gulf allies.

The international deal to curb Iran’s nuclear program failed to change Tehran’s behavior, the UAE said in the UNGA. Speaking at the UN General Assembly debate in New York, UAE Foreign Minister Sheikh Abdullah bin Zayed said those behind the deal should have consulted countries in the region which fully understood. The “agreement could not achieve the expected change in Iran’s behavior or compel Iran to abide by international law and good neighborliness.

“The nuclear agreement should have taken into consideration the views of the countries of this vital region who fully understand its history.” Sheikh Abdullah said that the agreement should have included other aspects of Iran’s activities, including its interference in other countries, its development of ballistic missiles and its provision of arms to terrorist groups.

Speaking just before the UAE, Bahrain’s foreign minister Sheikh Khalid bin Ahmed accused Iran of decades of terrorism in the region. He said that in Yemen, where Iran supports the Houthi militia fighting the Arab coalition, Tehran’s interference was the main threat to the country’s stability. “We shall persevere in our efforts to save Yemen and restore its security and stability,” Sheikh Khalid said in his address.

“We urge all Yemen national parties to unify their efforts with those of their legitimate government and to confront the illegitimate Houthi militia supported by Iran.” Many Arab





On Iran, he said that Tehran continues its terrorist activities and aggressive conduct, expressing support for the latest United States policy on Iran. Tehran has trained and armed terrorist militias. Such aggressive conduct constitutes a glaring breach of all international laws and treaties.

countries, including Saudi Arabia, have used the General Assembly to highlight what they describe as the ongoing destabilizing activities of Iran. Tensions have increased throughout the year and peaked when drones and cruise missiles hit two of Saudi Arabia's oil facilities this month. Iran has been widely blamed for being behind the attack.

The US pulled out of the 2015 nuclear deal last year and reimposed crippling economic sanctions on Iran. Tehran has been accused of responding by lashing out with attacks on shipping in the Gulf region. The Middle East security and Iranian belligerent policy topped the agenda of the UNGA this year. A number of other major topics like poverty alleviation and climate preservation were also addressed by the world leaders in great numbers.

On September 30, the United Nations General Assembly (UNGA) wrapped up its 74th session with 193 world leaders and top diplomats having attended the much-anticipated event.

The UNGA kicked off on September 17 with the high-level debate, where all world leaders were given around 15 minutes to deliver a speech, starting on September 24.

While the UNGA is the largest convergence of heads of state from around the world, several prominent leaders such as Russian President Vladimir Putin, Chinese leader Xi Jinping, German Chancellor Angela Merkel and Indonesian President Joko Widodo did not attend the 74th General Assembly in New York. One of the important decisions made by the UNSC on the sidelines of the UNGA was the extension of the UN mission in Afghanistan. On the first day of the UNGA, the United Nations Security Council again approved an extension of the world body's mission in Afghanistan, commonly known as UNAMA (United Nations Assistance Mission in Afghanistan), thanks to an intensive lobbying effort from Indonesia and Germany.

Under the resolution, UNAMA

services in Afghanistan will be extended another 12 months, until September 17, 2020, and will include objectives like supporting Afghan elections and the Afghan-led peace process. "UNAMA will continue, by other terms of the text, to strengthen the capacity of the Government, the Afghanistan Independent Human Rights Commission and civil society to protect and promote human rights, with the support of the Office of the United Nations High Commissioner for Human Rights (OHCHR).

It will also support gender equality and the empowerment of women and girls, education, human rights and women's full participation in decision-making, including in peace talks," stated a U.N. press release announcing the extension of UNAMA. While support for UNAMA was generally universal, there were multiple proposed drafts circulating that would extend UNAMA's mission and previous negotiations had reached an impasse in March.

UNAMA was first founded in March 2002 by the UNSC following the launch of a U.S. war in Afghanistan targeting the Taliban movement in 2001. Then President George W. Bush launched the war in response to the Taliban's alleged protection of 9/11 mastermind Osama bin-Laden. Another major topic that topped the agenda at UNGA this year was climate change. A sixteen-year-old environmental activist Greta Thunberg stole the world's spotlight after giving an impassioned speech scolding world leaders for failing to tackle the impact of climate change in the U.N. climate meeting.

"This is all wrong. I shouldn't be standing here. I should be back in school on the other side of the ocean. Yet, you all come to me for hope? How dare you! "You have stolen my dreams and my childhood with your empty words. And yet I'm one of the lucky ones. People are suffering. People are dying. Entire ecosystems are collapsing," she said.

"We are at the beginning of mass extinction. And all you can talk about is money and fairytales of eternal economic growth. How dare you!" said

the Swedish teenager, who was invited by U.N. Secretary-General Antonio Guterres along with other youths to the U.N. Climate Summit. Thunberg has inspired students from all over the world to take action against climate change since she started a protest in front of Sweden's parliament building in 2018.

Throughout the weekend before the recent U.N. climate conference on the sidelines of the UNGA, students from more than 150 countries took part in the Global Climate Strike. The protest saw students take to the streets en masse across the globe with an estimated four million protesters participating to urge world leaders to stick with the 2015 Paris Climate Accord and turn to renewable energy to cut carbon emissions.

Thunberg and her fellow students' protests drew mixed reactions. Some praised their actions to raise awareness about the urgency of climate change, but others accused them of skipping school to join the rallies about issues they didn't fully understand. Thunberg's emotional U.N. speech drew especially harsh criticism from some who dismissed her as a petulant child or a teenage puppet for environmentalists.

A day after her speech, Thunberg announced a lawsuit along with 15 other young people suing five of the world's top carbon polluters – Argentina, Brazil, France, Germany, and Turkey – for violating their rights as children. The lawsuit only targeted countries who had ratified the U.N. Convention on the Rights of the Child, which the U.S. is not a signatory to. In order for Thunberg's lawsuit to be successful, the U.N. would have to classify climate change as a children's rights issue – a move that could force countries into taking more strident climate change action.

Despite announcing his appreciation for the youth movement, French President Emmanuel Macron called Thunberg "radical" and warned she will "antagonize societies." Macron's remarks came following the teenager's lawsuit announcement. "All the movements of our youth – or our not-so-young – are helpful," Macron

said. "But they must now focus on those who are furthest away, those who are seeking to block the way." Macron added that he didn't think "the French government nor the German government, currently, were blocking the way."

In his address to the UNGA, US President Donald Trump pressed world leaders to prioritize their countries' interests first, implicitly highlighting his administration's withdrawal from several international agreements such as the 2015 Paris Climate Accord and the 2015 Iran nuclear deal. "The future does not belong to globalists; it belongs to patriots," the former real estate mogul said in his UNGA address.

Trump also referred to Iran as one of the greatest security threats facing the world and vowed not to remove sanctions unless it stops its "menacing behavior." "As long as Iran's menacing behavior continues, sanctions will not be lifted, they will be tightened," Trump declared. Tensions between the U.S. and Iran have worsened since the White House left the Iran nuclear deal in 2018, accusing Iran of developing nuclear weapons. The U.S. has also recently accused Iran of masterminding assaults on oil tankers in the Strait of Hormuz and on Saudi oil facilities.

Trump's speech included criticism of China for violating the rights of Uighur Muslims and for China's approach to trade with the U.S. Trump's speech criticizing China came as both countries are planning to resume trade negotiations with each other in early October. Trump also said the U.S. was closely watching China's response to protests in Hong Kong and touched on U.S. immigration issues saying, "Do not pay the coyotes. Do not put yourself in danger. Do not put your children in danger, because if you make it here, you will not be allowed in."

Then there was criticism of the Israeli policy towards Palestinians in the UNGA. Turkish President Recep Tayyip Erdogan used the UNGA forum to lambast Israel and the Trump administration's Middle East peace plan for ignoring the illegal Israeli occupation of Palestine and violating Palestinian rights all while urging



Trump also referred to Iran as one of the greatest security threats facing the world and vowed not to remove sanctions unless it stops its “menacing behavior.” “As long as Iran’s menacing behavior continues, sanctions will not be lifted, they will be tightened,” Trump declared.

support for a two-state solution based on 1967 Israeli-Palestinian borders.

Malaysian Prime Minister Mahathir Mohamad echoed Erdogan’s words by claiming the creation of the Israeli state has triggered modern terrorism, accusing the Jewish state of eliciting brutality against Muslims. “The first act engineered by the Western countries is the creation of the state of Israel by seizing Palestinian land and expelling its 90 percent Arab population. Since then, wars have been fought in many countries, many related to the creation of Israel. (Western countries) prefer military action and sanctions. And they will continue to fail to stop terrorism,” the 94-year-old leader addressed the forum.

“Friends may break any law and get away scot-free. Thus, Israel can break all the international laws and norms of the world and it will continue to be supported and defended. The unfriendly countries can do nothing right. There is no justice in the world,” said Mahathir.

The UNGA this year was also overshadowed by calls for reforms. Foreign ministers of Brazil, Japan, India and Germany (known as the G4) met at the UNGA to strengthen their call for reforming the UNSC into a more relevant and capable global body. The four nations are linked by their mutual support of each other to be added as permanent members of the UNSC. The group claimed that despite an improved representation of African countries, the last General Assembly session exposed that the inter-governmental negotiations (IGN) process “lacks the necessary openness and transparency and is constrained by flawed working methods.”

“The time has come to leave behind debates based solely on general statements, without substantive negotiation” in pursuing reform the G4 foreign ministers said in a statement. Call for UNSC reform is not new, given its place as the U.N.’s most powerful body with its ability to pass resolutions, impose sanctions and supervises peacekeeping activities.

The UNSC has five permanent members (the U.S., China, France,

Russia and the U.K.). Ten non-permanent members are elected on a rotating and regional basis to serve for two years, but only permanent members of the UNSC hold veto rights. Many see the veto power as no longer relevant in the modern world, accusing veto-holding nations of often hold up peacemaking efforts and prioritizing self-interest over the interests of the U.N. as a whole.

This year’s general debate of the UN General Assembly concluded after representatives of 192 countries spoke at the green marble podium around the theme of «Galvanizing multilateral efforts for poverty eradication, quality education, climate action and inclusion.» In his closing remarks, Tijjani Muhammad-Bande, the president of the current session of the UN General Assembly, said he was impressed by calls for multilateralism and for climate action.

As he listened to speakers, he found the distinct impression that far from being an outmoded principle, multilateral cooperation remained an accepted method of managing relations among nations, Muhammad-Bande said. The participation of so many world leaders, along with the quality of their engagement at the General Debate, served as indisputable evidence of the strength of multilateralism, he said.

«It is perfectly legitimate to raise questions about the essence of and the need for multilateralism. All the same, even when we disagree on how the world should be organized to respond to or anticipate mounting challenges, we shall eventually come to a common cause on the need for a rules-based international order,» he said. In a highly polarized world, multilateralism is the only guarantee of peace, security and sustainable development, said Muhammad-Bande. «The world will not survive for long unless we cultivate the give-and-take spirit, which is a distinct and defining attribute of multilateralism.»

Active participation in the General Debate by 192 of the 193 member states is the clearest indication of the acknowledgment of the interdependence between and among



nations, the president said. Uzbekistan was the only member state that did not speak at this year’s General Debate. Muhammad-Bande commended the enthusiasm of the youth for climate action in this year’s high-level week that included a Climate Action Summit convened by UN Secretary-General Antonio Guterres.

«This week, the world’s youth made their mark. They marched in the millions all over the world, and quite literally took over the General Assembly at the Climate Action

Summit,» he said. «Let me assure you: we hear you. But that «I hear you» does not mean you should lower the volume. You should continue to make your voice heard at every opportunity you have,» he said.

Muhammad-Bande was heartened by the climate action announcements at the summit by member states and the adoption of political declarations on universal health coverage and on Sustainable Development Goals. He also found it disheartening, however, that only 16 of the 192 speakers for

member states at the General Debate were women, although the General Assembly is the most representative body of the United Nations.

The General Debate is the annual gathering of heads of state and government as well as other high-level representatives of UN member states at the beginning of the new session of the General Assembly. As by convention, Brazil was the first to speak, followed by the United States, the host country this year. Sri Lanka became the last member state to take the floor this year. ■



SIGNIFICANCE OF THE SAUDI PERSONAL AND DIPLOMATS AT THE UNITED NATIONS SYSTEM

By The Diplomat Staff

This article is based on the lecture on the above topic given by Dr. David Fernandez Puyana on September 19, 2019 at the Prince Saud Al Faisal Institute for Diplomatic Studies in the context of the cooperation agreement signed between the University for Peace and the Institute in November 2018 in Geneva. Dr Puyana is also a Visiting Scholar of Prince Saudi Al Faisal Institute for Diplomatic Studies, Ministry for Foreign Affairs, Saudi Arabia. He is also ambassador and permanent observer at the University for Peace to the United Nations Office and other international organizations in Geneva.

Over the years, the Kingdom of Saudi Arabia (KSA) has been using its cultural and political diplomacy as an instrument of foreign policy for the promotion of its soft power at regional and global level. The use of soft power and cultural diplomacy are part of Kingdom's foreign policy, bringing a wider gesture of aptness and goodwill. King Abdullah has pioneered this initiative of soft power projection of the Kingdom through diplomacy.

In accordance with Elcano's Global Presence Report 2017, KSA is in the 15 position, based on its powerful economy (G20), cultural attraction, education or military power. The first 10 positions are still dominated by 'old' and/or Western powers (with the remarkable exception of China). Japan, Russia, Canada, the Netherlands, Italy and Spain follow France in the ranking.

Despite all efforts deployed in "soft power", KSA should still find appropriate ways that have as purpose to show the United Nations (UN) those good practices and examples about the Saudi approach to conflict resolution, mediation, development assistance or disarmament. The important background of the Kingdom on this specific topics should be better understood by the international community.

KSA presence in the United Nations

As a founding member of the UN in 1945, KSA has shaped its international policy in light of the purposes and principles enshrined in the UN Charter. The strengthening of the role, capacity, effectiveness and efficiency of the UN system has been the Saudi priority since the creation of this intergovernmental organization. In order to create a more peaceful world, KSA has been committed to article 1 and 2 of the UN Charter.

Saudi Arabia has been a member of World Trade Organization (WTO) since 11 December 2005. The Kingdom has signed most of the trade and cooperation agreements. Saudi Arabia was one of twenty countries that met in London after World War II to establish peace in the world

and create UNESCO.

The Kingdom is member of the Economic and Social Council (ECOSOC) until 2021, which is composed by 54 member Governments elected by the UNGA for three-year terms and also member of the Human Rights Council (HRC) until 2019.

As of today, the presence of Saudis nationals in highest positions in UN is very limited. The only Saudi with high UN responsibilities is Dr. Abdulaziz Almuzaini, Director of the Public and Private Partnerships of UNESCO. He was former Senior Advisor of UNESCO's Director General, former Director of the UNESCO Liaison Office and Representative to the Office of the UN in Geneva. He also served as an Advisor to the Saudi Ministry of Education, as well as, Counsellor of Saudi Arabia in the country's delegation to the World Trade Organization (WTO, Geneva).

Another important figure in UN was Dr. Thoraya Ahmed Obaid, who headed the position of Executive Director of the United Nations Population Fund from 2000 to 2010. She was the first Saudi Arabian to head a United Nations agency.

Elements to reinforce its "soft power"

Those elements of the Saudi Foreign Policy, which could help to strengthen its 'soft power' within UN are the following:

Arab Leadership

As founding members of the Arab League, the Organisation of the Islamic Cooperation and the Gulf Cooperation Council, the Saudi leadership within the Arab region was clearly reflected in the UN, when the Government of KSA did not assume the seat on the Security Council (UNSC) to which it was elected on 17 October 2013, for the period 2014-2015, for the UNSC unwillingness to settle the Israel/Palestine conflict. The reasons for this decision were articulated in the statement issued by the Ministry of Foreign Affairs of Saudi Arabia dated 18 October 2013.

Preventive diplomacy and mediation

Conflict resolution, mediation and the

The mandate of CTITF is to coordinate UN efforts (36 UN entities and INTERPOL) and delivery as One UN. The UNCCT was established in 2011 to support States in implementation of the UNGA Resolution 60/288 on Global Strategy against Terrorism. The KSA is the main contributor and donor.

promotion of friendly relations among nations through diplomacy has a long tradition in Saudi foreign policy. Mediation efforts in the two Saudi sponsored Arab Peace Initiatives (1982-2002), the 2007 Makkah Accords, the 1979 Taif Agreement and the 2011 GCC mediation plan for Yemen. While all states in the international community have at least once acted as mediator, KSA has done so with above-average frequency.

As representative of the birthplace of Islam and the Custodian of the Two Holy Mosques, the Saudi leadership claims the role as the leader and mediator of the Islamic world.

Disarmament

KSA has been an opponent of nuclear weapons in the Middle East, having signed the Treaty on the Non-Proliferation of Nuclear Weapons, and is a member of the coalition of countries demanding a Nuclear-weapon-free zone in the Middle East. On 7 July 2017, the UN adopted the Nuclear Weapon Ban Treaty with the vote in favor of KSA, which is binding instrument to prohibit nuclear weapons. KSA is a party to both the Biological and Toxin Weapons Convention and the Chemical Weapons Convention.

Development Assistance

KSA is a major donor and a key partner in international development. More than 95 developing countries in Asia, Africa and other regions of the world have benefited from this aid. It covers un-repayable and



Saudi Arabia has been a member of World Trade Organization (WTO) since 11 December 2005. The Kingdom has signed most of the trade and cooperation agreements. Saudi Arabia was one of twenty countries that met in London after World War II to establish peace in the world and create UNESCO.

unconditioned assistance provided by the Saudi Fund for Development. KSA also contributes to multilateral, regional and international development funds such as the World Bank or the United Nations. The kingdom is one of the most important donors to the United Nations system, including the specialized agencies and programmes such as OCHA, OHCHR, UNHCR, UNESCO, ITU, OIM,

Humanitarian action

The role played by the King Salman Humanitarian Aid and Relief Center (KSRelief), established by King Salman bin Abdulaziz in 2015, is really important for the stability and recovery of the Republic of Yemen. Along with KSA,

they actively participated on 26 February 2019 in the third High-Level Pledging Event for the Humanitarian Crisis in Yemen, which was convened by the United Nations and the Governments of Sweden and Switzerland.

Donors pledged US\$2.6 billion to ensure that humanitarian operations in Yemen can be sustained and scaled up at a time when humanitarian aid is the only lifeline for millions of Yemenis. Most donors increased their pledges with significant increase from KSA, UAE, UK, EU, Germany and Canada.

Cooperation with the UN Human Rights system

KSA passed the Human Rights Council's universal periodic review (UPR) process

during the 31st session of the UPR Working Group in November 2018. The UPR is a unique process which involves a periodic review of the human rights records of all 193 UN Member States. During the Third cycle of the UPR, 96 delegations presented multiple recommendations to KSA.

It received 258 recommendations and it supported 182 recommendations at the adoption of its UPR outcome at HRC 40, in March 2019, an increase of 21% with respect to the 2nd cycle. The supported recommendations are related to legal and general framework of implementation of human rights, universal and cross-cutting issues, civil and political rights, economic, social, and cultural rights, women's rights, and rights of other vulnerable groups and persons.

Reform of the Security Council

KSA is at the forefront of countries that believe that there is an urgent need to move forward in the process of reforming the Security Council. During the presidency of Kuwait in 2018, KSA led the calls for "permanent Arab representation" in the world's highest-ranking body on upholding international security.

Peacekeeping Operations

KSA welcomed the UN secretary-general's proposals to make peacekeeping operations more efficient and effective, and signed the Declaration on Common Commitments to Improve the Functioning and Safety of Peacekeepers. KSA works to rally support for UN resolutions to give a greater role in maintaining international peace and security to regional organizations, such as the Organization of Islamic Cooperation (OIC) and the Arab League.

Fight against terrorism

In the context of the UN Global Counter-Terrorism Strategy, the UN established the UN Counter-Terrorism Implementation Task Force (CTITF) and UN Counter-Terrorism Center (UNCCT). The mandate of CTITF is to coordinate UN efforts (36 UN entities and INTERPOL) and delivery as One UN. The UNCCT was established in 2011 to support States in implementation



of the UNGA Resolution 60/288 on Global Strategy against Terrorism. The KSA is the main contributor and donor. The Advisory board is composed by 21 States and the European Union.

Conclusion

The long KSA tradition in the promotion of conflict resolution, mediation, development assistance, disarmament, the promotion of friendly relations among nations at the international and regional level should be reinforced, enlarged and strengthen within UN. The continued cooperation with the Office of High Commissioner for Human Rights (OHCHR) and UN Resident Coordinator would be an important asset to strengthen its "soft power" at the UN.

In line of the experience accumulated by other countries, KSA could create for Saudi nationals the Programme called "Junior Professional Officers (JPO)", which purpose is to bring new talents and ideas to the UN and its entities by offering young professionals. Additionally, it would be important to create in MOFA a Special Unit in charge to support the action of their Permanent Representatives in the promotion of the Saudi nationals and identify UN high positions –Assistant Secretary General and/or Under-Secretary General of the UN-.

The organization of events by Saudi Missions in cooperation with different organizations would permit to show the

international community some examples and their good practices in the field of education, culture and international trade. The organization of multiple events on education, trade, peace or culture by the Permanent Mission of KSA to the UN Office in Geneva, head by Ambassador Dr. Abdulaziz Alwasil, is a good practice in the field.

The Saudi cultural diplomacy was reflected in the recent exhibition on "Calligraphy for Dialogue" of the well-known artist Mr. Othman Alkuzaiem, which was organized in Geneva by the Saudi Mission in cooperation with the UN, UNESCO and UPEACE. In the forthcoming months, the exhibition will be hosted by other important institutions and States as a mean to show the contribution of the Arab calligraphy to the culture of peace. The identification of a civil servant in MOFA to coordinate this action would be important.

Finally, the support of independent think tanks, international organizations and NGO within the United Nations is another important sphere to explore. In this vein, the King Abdullah bin Abdulaziz International Centre for Interreligious and Intercultural Dialogue (KAICIID) is an example of an inter-governmental organization that promotes inter-religious dialogue to prevent and resolve conflict. KAICIID was opened in 2012 by KSA, Austria and Spain, following the initiative of king Abdullah. The Holy See is a founding observer. ■

V-LINE GROUP CONTRIBUTES TO SAUDI VISION 2030

By The Diplomat Staff



V-LINE Group, which offers end-to-end supply chain solutions in 20 different countries primarily in the Middle East, boosts commitment to local content creation in Saudi Arabia. V-LINE has become international strategic partner in SABIC’s “Nusaned” initiative.

Stimulate the local industry by supporting local manufacturing, expanding exports and creating job opportunities. These are the overall goals of the “Nusaned” initiative – and V-LINE and Saudi Basic Industries Corporation (SABIC) have formed a strategic partnership as part of it. The global leader in MRO (Maintenance, Repair and Operations) supply and one of the world’s largest petrochemical manufacturers are joining forces to enable and support a broad range of opportunities for Saudi local industry, thus contributing to Vision 2030.

On September 18, 2019, the joint memorandum of understanding was

signed in Riyadh during a signing ceremony at SABIC headquarters. Fourteen other companies, international and Saudi, also took part in dedicating themselves to Nusaned, the first integrated localization engine, which aims to achieve SABIC’s localization agenda and development of local industry.

The program, launched by SABIC at the beginning of 2018, now includes a total of 22 companies and addresses topics like creating job opportunities for Saudi nationals, increasing non-oil exports and empowering the Kingdom’s companies collectively to be more competitive in the market. Nusaned,

which in Arabic means support, created projects with a value of SR4.3 billion and facilitate generation of nearly 1700 new jobs.

In this context, V-LINE will be the international strategic partner for local manufacturing, holding the role as prequalification authority for Nusaned based on its 40 years of business experience in Saudi Arabia. Furthermore, V-LINE will identify local demand and the possibility for scaling manufacturing beyond Saudi Arabia. Thus, V-LINE will support small and medium size Saudi companies to increase exports. Also, in a joint team of V-LINE and SABIC representatives possible future synergies will be discussed, binding V-LINE and SABIC in a promising strategic partnership.

In fact, this partnership is the icing on the cake of many years of successful cooperation. Since the founding of SABIC, V-LINE has been an important supply partner. First it was every plant individually, as all SABIC affiliates were run by joint venture partners. As SABIC grew, V-LINE was always on-site, also developing models on how to best support the changes, importantly when the Shared Services Organization was formed taking all affiliates’ procurement under its auspices.

After having changed business model from trader to procurement service provider, V-LINE was awarded “SABIC Supplier Awards” three times between 2003 and 2006. V-LINE’s overall goal was always to create the maximum local value possible in the field of MRO supply – which evidenced itself when V-LINE established local presence and received a full Saudi local trading license. “The constant partnership with SABIC was always alongside us and accompanied our business as a stable factor. This year, we were really proud to receive the SABIC Supplier Award again”, stated Detlef Daues, CEO of V-LINE EUROPE.

“We are already planning the next joint projects, taking the industry to a new

digitalized level,” Shahzad Haider, CEO of V-LINE MIDDLE EAST, concluded: “The Nusaned initiative and Vision 2030 are our catalysts to constantly adapt our business models to the new settings of digitalization, but never lose focus on our joint goals. We are very proud to be the international strategic partner of SABIC and are even now in the midst of the development and creation of new projects that will line-up in the long successful collaboration we have begun,” Haider added.

Discussions in Saudi Arabia are also currently being held between V-LINE and PetroRabigh, where it is thought to establish a supply relationship on the basis of Vested Outsourcing. It is also important to note here that V-Line recently celebrated its 30/40 anniversary with user conference and a big party in Germany. Digitalization and innovation were overarching topics of the conference.

“The future won’t wait. It starts today”. This quote of Detlef Daues, CEO of V-LINE EUROPE GmbH, best describes the spirit of the conference and anniversary party which happened on September 4-6, 2019, to celebrate the 30/40 anniversary of V-LINE. “30 years V-LINE, 40 years’ experience in MRO supply – we took this as a chance to explore the future internally as well as with our customers. Forty years in MRO supply and a strong belief that big data will readjust the ownership within the supply chain: We will make sure to not give up our pole position in this industry”, Daues stated.

This made itself clear in the program of the user conference. Spare Parts Inventory Planning and Optimization, Vested Outsourcing and Digital MRO Supply Chain Orchestration were some of the topics the participants concentrated on during the three days. Experts like Phillip Slater, MRO spare parts optimization expert, Vice President of Business Development at SMART Software Jeff Scott, educator at University of Tennessee Kate Vitasek

In fact, this partnership is the icing on the cake of many years of successful cooperation. Since the founding of SABIC, V-LINE has been an important supply partner. First it was every plant individually, as all SABIC affiliates were run by joint venture partners.

and Executive Coach Gary Cohen held their keynotes in front of a very mixed group.

It consisted of international V-LINE management, but also some of V-LINE’s biggest customers came especially from Saudi Arabia to jointly discuss current and future topics in the field of MRO. “Different perspectives and insights made the exchange really fruitful. I am thankful and proud that we were able to attract so many participants especially from Saudi Arabia to discuss about our future topics. This underlines our commitment to the vision 2030 of Saudi Arabia”, Shahzad Haider, CEO V-LINE Middle East, concluded.

Also the party was a complete success. More than 400 guests were welcomed in Hannover and enjoyed an evening full of varying speeches, good food and stimulating chats. Daues also had a big announcement to make. Beginning of November, he will change into chairman of the group, while Tilman Mieseler will be the new CEO of V-LINE Europe. In fact, Detlef Daues established V-LINE Europe GmbH in the late seventies to participate in the industrial surge of Saudi Arabia.

He then moved to the Kingdom where he spent several years striving to identify what value a very small German trading company could create for the country. These efforts led to the idea that supporting operations and maintenance of state-of-the-art new industrial plants could be a niche market, and it indeed was. It still is, and V-LINE has since that time developed into a group of companies employing more than 200 people worldwide with millions of Euros of revenue. ■

COST OF DIABETES REACHES \$850 BILLION A YEAR GLOBALLY

By Prof. Sultan Ayoub Meo



Dr David Charles Klonoff

The number of diabetics worldwide in 2017 was 425 million. The projected number of diabetics is expected to reach 629 million by 2045. With an increased number of diabetics, the prevalence of diabetes is also projected to increase to just under 10 percent by 2045. Obesity is a risk factor for developing type 2 diabetes and in Saudi Arabia the incidence of obesity in adults has been reported to around 50 percent. The Diplomat spoke to Dr David Charles Klonoff, Medical Director of Diabetes Research Institute at Mills-Peninsula Medical Center in San Mateo (California), who gave detailed information about diabetes in Saudi Arabia, the United States and across the world. Klonoff also spoke about the prevalence of diabetes, which is expected to grow in most countries because of population growth and an aging population.



According to the International Diabetes Federation, global prevalence number of patients suffering from diabetes is 425 million including 30.1 million patients in the US, 3.9 million in Saudi Arabia, and about 6.3 million in the six-nation Gulf Cooperation Council. According to a recent article by Professor Zahid Naeem from the Family & Community Medicine Department in the College of Medicine at Qassim University in Saudi Arabia, three of the world's top ten countries with the highest prevalence of diabetes (by percentage of the population) include Saudi Arabia (23.9%), Kuwait (23.1%) and Qatar (22.9%).

Referring to the prevalence of diabetes, Dr Klonoff, who is also clinical professor at the Department of Medicine in University of California, San Francisco, said that the prevalence of diabetes is 9.4 percent in the US. Professor Sultan Meo from the Department of Physiology in the College of Medicine at King Saud University in Saudi Arabia has reported a higher prevalence of diabetes in Middle Eastern men from GCC countries than from non-GCC countries, he noted.

Klonoff, who is also editor in chief of the Journal of Diabetes Science and Technology, said that vast majority of diabetes patients worldwide have type 2 diabetes, which generally begins in adulthood. Children with diabetes usually have type 1 diabetes. A few pregnant women without a previous history of diabetes can develop high blood glucose concentrations and this is known as gestational diabetes.

He pointed out that approximately 90 percent of patients with diabetes have type 2 and approximately 8% have type 1 globally. According to a study in the journal, Lancet, that was published in 2016 globally the incidence of diabetes in men has more than doubled from 1980 to 2014 from 4.3% to 9.0% and the incidence in women over the same time span has increased from 5% to 7.9%. This represents almost a quadrupling in total numbers of patients worldwide

over that period from 108 million to 425 million. If this trend continues, then by 2025 the world prevalence of diabetes could reach 700 million.

Asked about losses inflicted by this disease, the American professor said that "according to the Lancet, the worldwide cost of diabetes is \$825 billion per year." According to the IDF, in 2017 expenditures per person with diabetes were \$11,638 and in Saudi Arabia \$1,661. He said that the disease incidence refers to the number of new cases per a given time period, whereas disease prevalence is the proportion of cases in the population at any given time. The incidence of diabetes by 2030 is expected to remain constant or to climb in most countries because of a sedentary lifestyle and the availability of inexpensive high calorie food.

He pointed out that "obesity is a risk factor for developing type 2 diabetes and in Saudi Arabia the incidence of obesity in adults has been reported to around 50%." The prevalence of diabetes is expected to grow in most countries because of population growth and an aging population. The burden of diabetes in terms of the prevalence of diabetes has increased faster in lower-income and middle-income countries than in higher-income countries, he added.

On the question of types of diabetes, Dr Klonoff said that "Type 1 diabetes is caused by a complete absence of insulin. This disease usually begins suddenly in childhood." Patients with type 1 typically have a normal weight before and after the diagnosis is made. Type 2 diabetes is usually caused by a combination of a partial or significant deficiency of insulin along with decreased activity of whatever insulin is present. This disease usually begins in adulthood. Type 2 diabetes is often associated with obesity before the onset of the disease and these people can be identified as having prediabetes for years before the disease begins.

He pointed out that the incidence of severe complications is higher in diabetes than in the general population.

Examples are end stage renal disease requiring dialysis or transplant (10 times higher), cardiovascular disease (2-3 times higher), and amputation (25 times higher). "In Saudi Arabia, diabetes is the leading cause of heart attacks," said Dr Klonoff, adding that health insurance is important for people with diabetes so that they can have affordable access to education, various medications, and glucose testing supplies to treat the disease.

In some cases, patients with diabetes, compared to members of the general population, are charged more for insurance and in some cases, they are charged the same. In the US there are various types of insurance plans that are available for people with diabetes. The US government is currently exploring legislation to make coverage for diabetes even more available. He said that diabetes is usually diagnosed by an elevated blood glucose level, which can be drawn as a one-time test, as a random-time-of-day test or as part of a glucose tolerance test where a person drinks a sugary liquid and has glucose tests drawn afterward.

Each of these three types of tests has its own range of normal and abnormal results, explained the American expert. Another popular test that can diagnose diabetes is an elevated blood concentration of Hemoglobin A1c, which is a chemical in the blood that is present in increased amounts when the blood glucose level is chronically elevated. Each test has advantages and disadvantages. "I am interested in why some groups of people have higher concentrations of Hemoglobin A1c than other groups, even when they have the same average glucose levels", said Dr Klonoff.

"I believe that having certain types of hemoglobin in the body (the material in blood that gives blood a red color) affects the accuracy of using Hemoglobin A1c for making a diagnosis of diabetes," he observed. Speaking about the management of diabetes, he said that





In Saudi Arabia, diabetes is the leading cause of heart attacks,” said Dr Klonoff, adding that health insurance is important for people with diabetes so that they can have affordable access to education, various medications, and glucose testing supplies to treat the disease.

three promising new technologies that are widely available for people with diabetes are: 1) the continuous glucose monitor (for people all type 1 or type 2) medications on the glucose levels in the body; 2) the closed loop artificial pancreas system (for people with type 1 diabetes) which measures the glucose level continuously and then then delivers an appropriate ever-changing dose of insulin through a pump worn on the body to maintain the glucose level within a target range; and 3) coaching software for smartphones that can provide information and encouragement to have a healthy lifestyle (for people with prediabetes who are trying to avoid developing actual type 2 diabetes). Asked about the new technology in the management of diabetes, Dr Klonoff said: “Thanks to mobile applications (or apps) patients can now use wearable, carryable, or implanted sensors that automatically collect information about glucose levels, cardiovascular status, food intake, exercise, and location that is now being automatically uploaded into the cloud.” This data can be analyzed

remotely and turned into treatment recommendations or else nudges to encourage healthy behavior or adherence with prescribed treatment, he noted.

He pointed out that telemedicine is now becoming more widely available. This means that thanks to smartphones and new systems for delivering healthcare, it is increasingly possible to communicate with a doctor or other healthcare professional in real time without having to travel to a remote office or hospital for communication and care. He said that new technology for managing diabetes is becoming available in every country these days.

In some third world countries where it might be difficult to travel to a doctor’s office, telemedicine and mobile apps will be particularly useful. In some of these countries, if there is a shortage of healthcare professionals, then it will soon be possible for people to have access to personalized treatment plans developed through artificial intelligence and delivered by wireless communication through mobile apps that will be very useful in many cases.

Referring to the future Beta Cells, which will cure disease; the American expert said: “I am hopeful that beta cells will eventually become widely available to cure diabetes. Many advances are being made to create functioning beta cells for this purpose at leading universities, such as by Matthias Hebrok, PhD at the University of California at San Francisco.” The difficulty is overcoming immune system rejection of these introduced beta cells. “I hope that we will soon see a biological cure that requires no ongoing monitoring or fine tuning, and that we will see patients with type 1 use this cure to automatically manage glucose levels,” he added.

“Until a cure is available, however, I see technology as offering a bridge to that cure by helping people to know the right amount of treatment that they need and to deliver that treatment automatically,” said Dr Klonoff, while referring to Artificial Pancreas and Bionic Pancreas.

He said: “I have been a believer in the benefits of artificial pancreas and bionic pancreas systems ever since I was the lead investigator for the first randomized controlled multicenter trial of an outpatient artificial pancreas product, whose results were successful and published in the New England Journal of Medicine.”

“I believe that artificial pancreas and bionic pancreas systems that are currently available and under development are a significant advance for delivering correct doses of insulin,” he explained. In many patients these systems can improve patients’ average glucose levels without causing frequent low blood glucose reactions. These systems are revolutionizing the treatment of type 1 diabetes. They might eventually be used in type 2, also.

Referring to the need of diabetes and lifestyle awareness program, he said that “diabetes and prediabetes lifestyle awareness programs have been shown by the US Centers for Disease Control and Prevention (CDC) and many international research centers to prevent or delay diabetes onset in large at-risk populations”. “Given the expense of caring for large numbers of diabetes patients, I think that investing in such programs would be a prudent decision by the government of any country with a high incidence of diabetes,” he stressed.

Such programs will probably: 1) save money for the sector responsible for paying for healthcare (which is usually the government if the patient becomes disabled from a complication of diabetes); and 2) decrease suffering in the general population from diabetes and its complications. At some universities or diabetes centers a diabetes patient can find a comprehensive diabetes treatment and prevention program in a single location. If a patient can see many specialists all at one time, then the patient is likely to schedule themselves for and to receive many types of important preventative treatments all in the same day.

The best programs offer individual attention by physicians, educators, dieticians, podiatrists, as well as by ophthalmologists to check for signs of diabetic retinal disease. The best university programs also offer multi-day diabetes education classes specifically for: 1) type 1 patients using multiple daily injections of insulin; 2) type 1 patients using a pump or a closed loop system 3) type 2 patients; or 4) prediabetes patients so a patient can learn in a group setting with others. Often, when one patient in a group asks a question, then everyone else in the group also benefits from hearing the reply and patients can encourage each other to take on healthy behaviors.

Asked about the possibility of including a lesson on diabetes or similar diseases in school/university curriculum, he said: “I am not aware of such a plan, but it is an excellent idea to include a lesson on diabetes and obesity within a class on health.” “I am not aware of a large-scale program like you are inquiring about. A future large-scale joint US-KSA program for mutual collaboration to minimize the burden of diabetes and promote education could be beneficial for both countries. The US has developed many hardware, software, and remote communication technologies that could be deployed in both countries to decrease this burden.

On the question of the role of Diabetes Technology Society (DTS) to control the disease, he said that the mission of Diabetes Technology Society (DTS) is to promote the development and use of technology to help people with diabetes. “We have been focusing on five main technologies applied to diabetes: hardware, software, closed loop control, digital health, and cybersecurity,” he noted. “We present meetings (including the world’s first artificial pancreas meeting, the world’s first diabetes technology meeting, and the world’s first diabetes digital health meeting),” he added.

The DTS, he said, has launched the

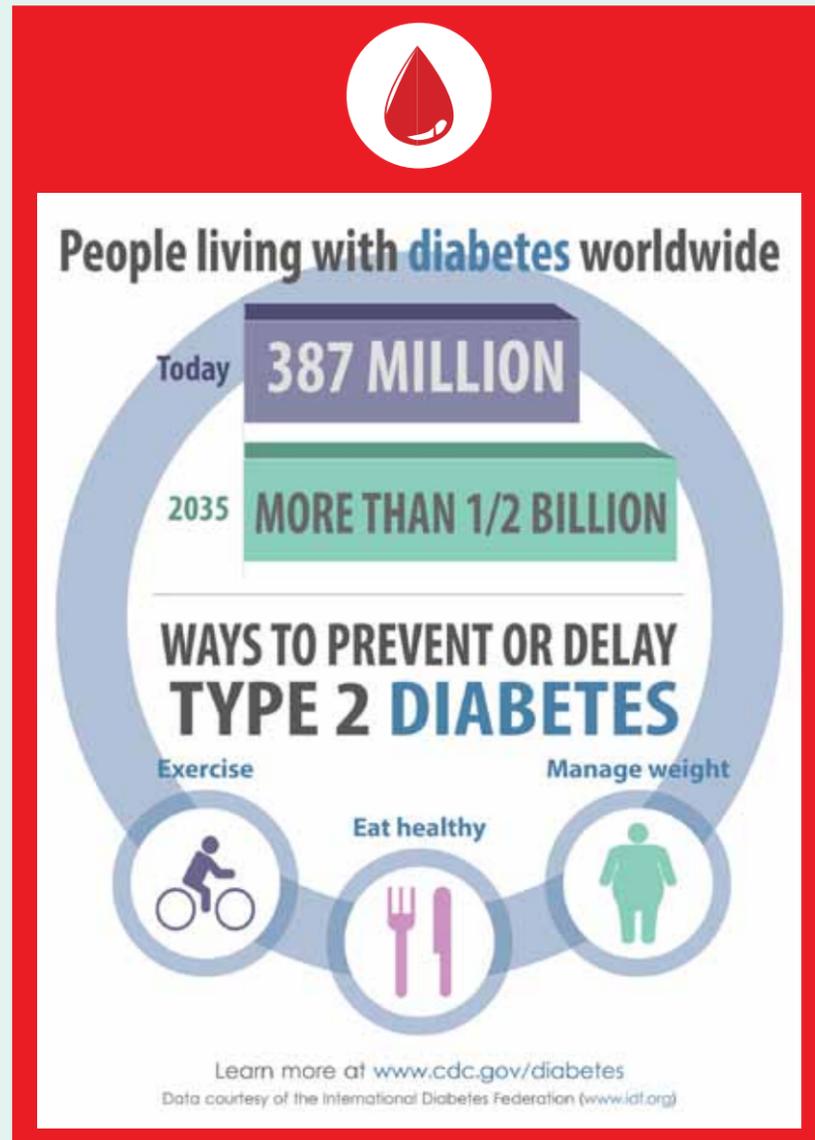
world’s only two diabetes technology scientific journals (one of which was the world’s first purely electronic diabetes scientific journal and both of which are in the US National Library of Medicine database called PubMed). “We have worked closely with the US Food and Drug Administration (FDA) to establish standards, including the world’s most up-to-date and only crowdsourced clinical accuracy standard for blood glucose monitoring, the world’s only two technical standards for continuous glucose monitoring, and the world’s only two consensus cybersecurity standards for diabetes devices,” he added.

He said “We also developed consensus standards for insulin pumps and continuous glucose monitors to be used in a hospital setting.” DTS co-presented, with CDC, the Sticking for Safety campaign for safe blood glucose testing. On the of private sector to control diabetes in the Kingdom, he said that there are many opportunities for the private sector in every country to create products and services to reduce the burden of diabetes. In most countries there are pathways for the private sector to determine the best practices developed by academia and enjoy public funding to deliver these practices to large populations. There are many new technologies being developed to diagnose, monitor, treat, and prevent diabetes and its complications.

Many of them are cost-effective and some of them are cost saving. Digital health interventions that use a smartphone to communicate with someone who has diabetes or is at risk of diabetes are popular in the US. They are scalable, which means that the cost of adding new participants to receive electronic communication is very low, unlike programs that provide traditional goods and services and have a fixed cost for each new program participant. “I think that any country with a rising incidence of diabetes should consider



I believe that artificial pancreas and bionic pancreas systems that are currently available and under development are a significant advance for delivering correct doses of insulin



collaborating with the private sector to fight this trend in order to: 1) decrease governmental spending on diabetes and its complications; and 2) improve the health and well-being of the public," said Dr Klonoff.

Asked about the plan to ban advertisements for fast food in Saudi Arabia and any similar move in the US, he said that there has not been a national movement in the US to ban advertising for fast foods or sugary drinks. A few attempts in various US cities to ban new fast food restaurants from opening

have not yielded consistent benefits because consumers are still free to choose unhealthy foods from grocery stores and older restaurants that have a large selection of foods. For example, in the Southern part of Los Angeles a ban on fast food restaurants in 2008 was associated with a subsequent increase in the rate of overweight/obesity rates and consumption of fast-foods. To prevent diabetes in the US, urban planners are redesigning cities to have more car-free public spaces, which encourages more walking. ■

Saudi Arabia Playing a Pivotal Role in the Region from page 64

The UN Secretary-General welcomed the successful Saudi mediation between Ethiopia and Eritrea and praised the two countries' vision of opening a new chapter in their relations and on the same time thanked Riyadh for facilitating the agreement. "These developments represent a historic milestone and have far-reaching positive implications for the Horn of Africa and beyond" said by members of the UN Security Council.

The Kingdom also has been at the forefront of nations giving aid and relief supplies to different countries. Within the past three decades, Saudi Arabia has provided humanitarian assistance to 81 countries around the world, while hosting almost 12 million people of various nationalities. The Saudi aid since 1996 and until 2018, has reached more than 86 billion dollars. Dr. Al-Rabeeh said that Saudi aid to Yemen exceeded \$12 billion since 2015.

Many political leaders and international analysts appear to have emphasized the Kingdom's central role in maintaining regional security and stability in view of its regional and international status. For instance, as part of the policy of supporting and maintaining peace, Saudi Arabia usually plays an active role in alleviating the suffering of many conflict-torn countries, including Afghanistan, Iraq, Syria, Yemen, Myanmar, Sudan, and many others. Not only that, the Kingdom's efforts to stabilize the global economy have been recognized as a safety valve in the region and the world. So, it has been affirmed that any subversive attempt to target Saudi Arabia must be dealt with seriously and strongly by the international community to avoid any negative impact on global stability.

Iran's hostile policy does not seem to really recognize Saudi Arabia's international importance, so there have been global condemnations of Iran following its attacks caused by drone and missile on the Saudi oil facilities at Abqaiq and Khurais two months ago. The kingdom announced it will respond with necessary measures to protect its rights, especially that Prince Mohammed bin Salman in a previous interview with him, has categorically confirmed "We will not wait until the battle is in Saudi Arabia but we will work so the battle is there in Iran and not in Saudi Arabia".

There is no doubt that Saudi Arabia's abstention in a direct armed confrontation with Iran represented a wisdom of the Saudi leadership which has emerged in wasting the opportunity on Iran, which wanted to turn the region into a destructive area of all civilized gains. Actually Riyadh has always taken advantage of the available opportunities and proceeded to take all necessary steps to reduce the violence and military escalation in the region.

The Kingdom has been closely working with several nations with the sole aim of restoring peace, security and economic stability. Nowad

RQWays, the United States and Saudi Arabia enjoy a strong economic relationship, as the United States is Saudi Arabia's largest trading partner. Saudi Arabia is also closely working with many other countries including Russia, China, France, UK, Japan, Pakistan and India. Saudi Arabia's main oil market has gradually shifted from west to east, with China and India, along with Japan and South Korea, which import more than 50 percent of it. The Kingdom also participates in a number of international organizations, including the United Nations, International Monetary Fund, World Bank, and World Trade Organization, beside its membership of the elite club of G20 nations.

It should be emphasized that if Saudi Arabia carried out a military strike against Iran in response to the Iranian sabotage attack in Abqaiq, even if the strike was partial, it would inevitably trigger a regional war, in addition to having far greater implications against the international security and stability. It would be also an opportunity for international powers to intervene in the affairs of the countries of the region, and the whole region will be affected by long-term destructive crises. So, it must be finally said there is no Saudi's interest at all to reach this bleak scene for the future of the region, despite its military ability to engage in a conflict with Iran. Finally, the Saudi leadership believes in peaceful authority in the conduct of foreign affairs, it considered it appropriate to abide by the rules of international law that urge reinforcing the principles of security and stability, and this is the big difference between Saudi Arabia and Iran. ■

Saudi Arabia Playing a Pivotal Role in the Region



Dr. Khalid Al-Ali
Prince Saud Al Faisal Institute
for Diplomatic Studies

Many researchers and those interested in international affairs assert that Saudi Arabia has developed over the past decades a concrete interactive capability not only in the Middle East but also as an active player in the international arena. Saudi Arabia found itself at the heart of Middle East events, which in turn has been directly reflected in the nature and scale of the Kingdom's political and security interactions. For instance, several countries in the region have been negatively affected by security instability, yet the visionary Saudi leadership managed to maintain the Kingdom's security and stability in most of the crises that have passed in the region.

Indeed, the strategic and geo-economic significance of the Kingdom originates from the nature of its central location in the world, its possession of oil resources, and its massive reserves of natural gas. Much of its security importance is derived from its waterfront of the two most important waterways (the Red Sea and the Arabian Gulf) for global oil supplies, the world's largest oil exporter, and home of holiest two cities for the whole Muslims all over the world.

The Kingdom's growing importance has been recognized by the various world powers that Saudi capabilities should be used to guide the global future of economic development and the international trade movement. Currently, Saudi Arabia is a member of the G20 gathering of world economic powers.

Given the precarious security situation in the Middle East in general, and in the Arabian Gulf in particular, the recent series of developments in the region, most notably the radical policy of Iran and the sectarian conflict in Yemen, have had obvious impacts over the Saudi foreign policy mechanism. That's why one can argue that a fundamental shift from the traditional way of policy of restraint to a proactive foreign policy practically took root from the early 2010s, when King Abdullah bin Abdul-Aziz agreed in March 2011 to participate on GCC military troops led by Saudi Arabia to assist the Bahraini government in suppressing an anti-government insurgency supported by Iran. Moreover, Saudi political activity in the region continued effectively, followed by the decision of the Custodian of the Two Holy Mosques, King Salman bin Abdul Aziz, shortly after the ascension of the throne in January 2015, to launch air strikes on Iranian-backed Houthi rebels. The Kingdom justified this proactive approach to its foreign policy in response to the Yemeni legitimate leadership's call to support Yemen in the face of Iranian ambitions in Yemen. In addition, this Saudi action, with Arab participation, was a necessary effort to force Iran to stop interfering in the affairs of Arab states, stop supporting terrorist movements, and abandon the politics of chaos and destruction in the region. As part of the new policy, Saudi Arabia plays a pivotal role in the region, in its neighborhood and around the world to ensure international peace and security.

Although the Kingdom has a moderate and coherent foreign policy, it often plays pivotal roles in ensuring world peace and security by adopting multiple vital goals, including: vigorous efforts to jump-start the country towards advanced civilization levels of modernization, the consolidation of sustainable development, and Promoting generous humanitarian initiatives, combating extremism and international terrorism, all these lofty aspirations gained new momentum and great qualitative weight during the reign of King Salman and Crown Prince Mohammed bin Salman. This has led many world leaders to appreciate the pioneering and effective role played by King Salman and Crown Prince Mohammed bin Salman in promoting security and stability in the region and protecting the interests of Arab countries and friendly countries amid ongoing challenges and threats. The UN Security Council has highly valued the patronage of Saudi King Salman bin Abdul-Aziz for the comprehensive peace, friendship and cooperation agreement signed by Eritrean President and Ethiopian Prime Minister, on September 2018, and the meeting of President of Djibouti with his Eritrean counterpart.

A World of Infinite Luxury



الرجبة Robb Report

Celebrating the heritage and tradition of the world's finest products while simultaneously reporting first on innovations that enhance living life to fullest.

Robb Report Arabia approaches the subject of luxury with intelligence and refinement guided by a keen sense of the elegance and good taste cultivated by active, successful affluents who wear their wealth well.

Published and distributed monthly by Content Specialized Media,
a subsidiary of Saudi Specialized Publishing Company,
by Permission and License of Curteo Robb Media, LLC, USA.

Advertising: Saudi Specialized Publishing Company

Tel: 0096614412555 ● Fax: 0096614401466

advertising@sspc.com.sa

Subscription:

subscriptions@sspc.com.sa

Tel: 00966 11 2128005 ● Fax: 00966 11 4401367