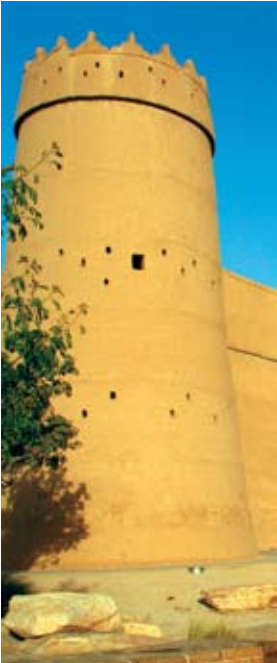


OPPORTUNITY

# SAUDI ARABIA

in malaysia



# 2008

**Saudi - Malaysia Relations: Scaling New Heights**

**Saudi Arabia Moving Ahead**

**Boom in Islamic Finance**

Consultative Council Majlis Al-Shoura

A Spiritual Journey: The Haj

Getting to Know Saudi Cities

Travel Tips



# Congratulations & Best Wishes to the People and Kingdom of Saudi Arabia on your 78th National Day

from



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# Contents



- 03** Publisher's Note
- 04** King Abdullah Bin Abdul Aziz Al-Saud
- 05** HRH Crown Prince Sultan Bin Abdul Aziz Al-Saud
- 07** HRH Prince Saud Al-Faisal
- 08** Ambassador's Message
- 09** In an Interview with The Custodian of the Two Holy Mosques King Abdullah bin Abdul Aziz Al-Saud
- 14** Saudi Arabia-Malaysia Relations scaling new heights



- 16** Saudi Arabia moving ahead
- 17** Consultative Council Majlis Al-Shoura
- 19** Why Invest in Saudi Arabia
- 21** Six Cities, One Vision Economic Cities
- 23** The Boom in Islamic Finance
- 25** A spiritual Journey The Hajj
- 26** Getting to know Saudi Cities
- 28** Travel Tips

OPPORTUNITY

## SAUDI ARABIA

in malaysia

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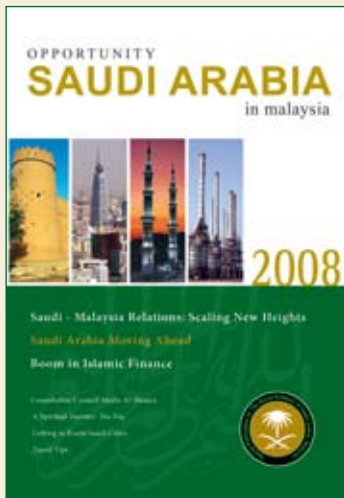
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## Publisher's Note

*Aasalaam Aleikum! Welcome to the Pilot Issue of **Opportunity Saudi Arabia in Malaysia**. Let us extend our heartiest congratulations to the Kingdom of Saudi Arabia on their 76th National Day. Under the leadership of King Abdullah bin Abdul Aziz Al-Saud, the Custodian of the Two Holy Mosques, the friendship and bilateral engagement between The Kingdom of Saudi Arabia and Malaysia has grown by leaps and bounds.*

In 2008, The Kingdom, already one of the largest trading partners with Malaysia within the Organisation of the Islamic Conference (OIC), saw increased investment flows, particularly in the areas of banking and finance, food and beverages, oil and gas and industrial goods and services.

The timing could not be better to invest in The Kingdom as the focus now intensifies on developing The Kingdom into one of the top ten economies by 2010. Massive investments have been made to ensure the creation of a pro-business environment, a knowledge-based society and a climate that is favourable for investment.

There are three crucial initiatives that would ensure the realisation of this vision for the Kingdom by 2010. They include the creation of the Economic Cities, management of the investment environment through institutional work—combined with a measurement of progress based on the criteria of international economic institutions—and a focus on sectors and industries in which the Kingdom has a competitive advantage.

Currently, investments have already started pouring into the Economic Cities. An example of this trend is the US\$4.45 billion investment made by Malaysian

MMC Holdings, a conglomerate, together with China's Chalco and the Saudi Binladin Group in the Economic City of Jazan.

Exciting times lie ahead for The Kingdom. By capitalising on the strategic strengths and competitiveness of the Kingdom and effective national leadership, Saudi Arabia will increasingly, become the investment destination of the world. Once again, let us congratulate the people of the Kingdom of Saudi Arabia for their progress, and look forward to exploring new frontiers in our friendship with the Kingdom.

We would like to take this opportunity to thank H.E. Dr Mohamad Reda Abu Al Hamaye, Ambassador of the Royal Embassy of Saudi Arabia, Malaysia, for giving us the opportunity to bring out this publication. It has been an exciting experience for us at Sun Media to bring this out on behalf of the Royal Embassy of Saudi Arabia, Malaysia.

**Happy Reading!**

**NOMITA DHAR**

Editor-in-Chief

*National Day Celebrations 2008*

# Celebrating with the Nation on its **78<sup>th</sup> National Day**



The Custodian of the Two Holy Mosques  
**King Abdullah Bin Abdul Aziz Al-Saud**



*National Day Celebrations 2008*

# Celebrating with the Nation on its 78<sup>th</sup> National Day



**HRH Crown Prince Sultan Bin Abdul Aziz Al-Saud**

Deputy Prime Minister,  
Minister of Defence and Aviation and Inspector General

# *National Day Celebrations 2008*



**HRH Prince Saud Al-Faisal**  
Minister of Foreign Affairs

## **With World Leaders**





# National Day Celebrations 2008



**MOHAMED REDA ABU AL-HAMAYEL**

Ambassador of Kingdom of  
Saudi Arabia in Malaysia

## Ambassador's Message

*Today we celebrate the birth of our Nation as one. United with one heart and one spirit. We are proud of our pioneering endeavour, our distinction and our unity, which is unique from any others in this world. This National Day is a great day, as is our faith, our leaders, our people and our land. All of us are joined together to become the heart of this prospering country. Words cannot express but a token of what we feel in our heart.*

*In the name of Allah, Most Merciful, Most Gracious*

**Praise be to Allah and peace be upon His Prophet .**

In the name of Allah, who says in the 'Holy Qur'an':

*"Seest thou not how God sets forth a parable? A goodly Word like a goodly tree, whose root is firmly fixed and its branches (reach) to the heavens. It brings forth its fruit at all times by the leave of its Lord. So God sets forth parables for men in order that they may receive admonition."*

Our gratitude and appreciation to the Custodian of the Two Holy Mosques for his grace and kindness. Our greetings and compliments to His Royal Highness Crown Prince, and our recognition towards the Foreign Minister for his grace and kindness. Our gratitude and greetings to the government of Saudi Arabia.

Dear Brothers and Sisters,

*Assalamualaiku warahmatullahi wabarakatuh,*

Today we celebrate the birth of our Nation as one. United with one heart and one spirit. We are proud of our pioneering endeavour, our distinction and our unity, which is unique from any others in this world. This National Day is a great day, as is our faith, our leaders, our people and our land. All of us are joined together to become the heart of this prospering country. Words cannot express but a token of what we feel in our heart.

Truly, it is a National Day throughout the year for us, but today, in particular has a special place in our heart. We find the great people of this Nation clinging strongly to their faith and gathered around their leader year after year. The feeling of love and pride increases each day and each hour in this county. It is a pioneer in all matters and bears on its shoulders the worries of the Arab and Muslim nations.

On this pleasant occasion, I would like to express the best of my greetings and compliments to the Custodian of the Two Holy Mosques King Abdullah bin Abdul Aziz Al-Saud , His Royal Highness Crown Prince Sultan bin Abdul Aziz Al-Saud, to all the royal families, the Government and to all the Saudi people. I pray to Allah that He would continually bless us with peace, harmony and the grace of Islam. May Allah safeguard our Kingdom and all the Muslim nations from all harms.

On this special occasion, the Royal Embassy of Saudi Arabia in Malaysia is pleased to publish the first edition of the Saudi Arabia Magazine. I hope that by the will of Allah this magazine will be a new and a significant contribution for Islam, and the Nation, in order to spread the Kingdom's voice to the entire world. Many thanks to the companies who contributed and participated in the publication of the first edition of this Magazine. Hopefully it will be a special one.

*Wassalamualaikum warahmatullahi wabarakatuh .*

# In an Interview

## with The Custodian of the Two Holy Mosques King Abdullah bin Abdul Aziz Al-Saud



*During the 20th century, Saudi Arabia emerged as a unified nation and became a socioeconomic and political world leader. Guided by a foreign policy that focuses on Arab unity, Islamic solidarity and peaceful coexistence, Saudi Arabia is, in the new millennium, a strong advocate of peace, security and constructive cooperation throughout the world. We bring you **King Abdullah** in an interview with La Repubblica on the eve of the World Conference on Dialogue in Madrid*

What prompted you to call for convening the Madrid Conference on Dialogue of Religions, and to invite believers of different religions and cultures from all over the world? What are the results you hope for? What makes you so concerned about the fate of humanity in this world?

The need for dialogue between believers of different religions and cultures is called for by the current world conditions, and the many crises faced by human communities. Also, the growing challenges that threaten to worsen existing economic, political and social problems and to deepen human suffering. Such conditions prevail at a time characterised by widespread injustice, corruption and immorality, and the breakup of the family – the basic unit of all societies. Humanity is moving away from noble values and principles that form the essence of all religions and beliefs.

We are part of this world. We influence and are influenced by it. We are a nation of a sublime mission and deeply rooted cultural heritage. Our religion urges us to embrace the principle of dialogue and call upon us to cooperate and coexist in peace with others, and promote understanding, peace, accord and good values among all humankind. My optimism stems from the broad positive response to the call for dialogue on the part of many circles, both inside the Muslim world and at all level of various religious and cultural levels around the world.

You have organised an International Islamic Conference in Makkah. Do you see that conference as one that provided an opportunity to improve relations between Muslim countries, as well as those between Sunnis and Shiites? You entered the Conference Hall holding the hands of the Grand Mufti of Saudi Arabia, and the former Iranian President Hashemi Rafsanjan. Does this picture symbolise better understanding between the two countries and the two states?

We always look forward to establishing accord and peace, not only among Muslims with their various sects, but also between the peoples of the world with all their beliefs. Muslim scholars did not encounter difficulties in their Islamic Conference in Makkah in terms of stressing the principle of dialogue, since dialogue is an integral part of our Islamic teachings. God ordered us to have dialogue in the Qur'an, and Our Prophet (Peace Be Upon Him) also urged us to do the same. The policy of Saudi Arabia is also based on these principles.

What is the current status of dialogue with the Vatican, after your historic visit with Pope Benedict XVI? Do you expect the coming dialogue to help heal the deep wounds suffered by both sides, and allay Muslims' fear of new crusades, and Christians' fear of extremists who threaten values and cultures of the West? What is your response to Al-Qaeda's denunciation of the dialogue among religions?

We can remove mistrust and suspicions from our minds through the principle of dialogue, one that underscores human commonalities that find their expression in all religions, beliefs and cultures. They all call for good in all its forms and reject evil in all its manifestations. We will then realise that the values and principles that unite us are more than those dividing us.

The differences that exist between cultures and societies in general are a matter of course and an eternal fact of the universe. But it is the forces of extremism, injustice and darkness that often seek to exaggerate and exploit these differences for the purpose of instigating conflicts and wars, thus bringing about chaotic situations around the world. That is why we find them always in a panic, when they feel that there is an effort to engage in dialogue and promote understanding instead of confrontation and rivalry. These same forces know that dialogue is the effective way to abort their evil plans that are contrary to all religions, human beliefs, and inherent human nature.

**The G-8 met after the Jeddah Energy Forum in an attempt to resolve the crisis of hiking prices of crude oil. But expectations are not optimistic and prices are continuing to rise. What bothers you most about the consequences of this international crisis? And what are, in your opinion, the main reasons for the continuous rise in oil prices?**

Stability of the world oil markets is the common goal of both the producers and the consumers, and we are striving hard to reach it. In spite of the fact that the Kingdom and a number of oil producing countries have raised their production capacity, we have not detected a positive response on the international oil market. This demonstrates the extent of the effect of other causes and factors on the market prices outside the framework of supply and demand; most importantly, speculations in the international oil market and the imposition in many oil consuming nations of additional taxes on imported oil. Saudi Arabia called for a meeting of oil consuming and producing countries in Jeddah to discuss the current situation of the oil market. We believe that strengthening cooperation between the parties in tackling the global oil situation with all the variables that influence and impact the price of oil to the consumer is the guarantor to stabilizing international oil market.

We followed up closely the meeting of the G-8 and the resulting resolutions, including a call for dialogue between producers and consumers. It may be important to note here that a World Energy Forum has already been established, with Riyadh hosting its secretariat-general to achieve the goals of dialogue and to coordinate between producers and consumers. In the context of our endeavour to protect the environment and address global climate change, Saudi Arabia established the King Abdullah Center

for Oil Research and Studies in order to seek technology that would preserve the environment on one hand, and contribute to global economic growth on the other. These efforts include a fund for energy, environment and climate change, as initiated by the Kingdom, and announced during the third OPEC summit in Riyadh. Saudi Arabia contributed US\$300 million to this effort. I might add that this program will fund research in many areas including carbon emissions. We urge the G-8 to support these existing programs and projects rather than make duplicate efforts in similar programs.

**Food shortage is the second crisis affecting the world after the oil crisis. What is the scenario, which you see, that would occur in the future regarding the scarcity of food and causes of food shortage? Will Saudi Arabia follow the example of China and invest in fertile lands in other countries to ensure food security in the future?**

The world has to put this crisis on the top of its list of priorities. It must double the effort internationally to address the food crisis because it has a direct bearing on the life of every human being. Saudi Arabia has dealt with this crisis at three main levels:

First: It has supported the World Food Program (WFP) with US\$500 million in response to the global appeal to cope up with the increase in global fuel prices and food commodities.

Second: It is pursuing a medium-and-long-term strategy to launch agricultural investment initiatives aiming at development and enhancement of agricultural products in countries that have the prerequisites for agriculture. The Kingdom of Saudi Arabia has agricultural experience, technology, and capital to invest in this area. The initiative is not only limited to buying land or even leasing it, but it also includes technology transfer and exchange of experience, and development of agricultural companies, and other steps that would contribute to increasing agricultural crops and providing food to the world in order to alleviate the crisis.

Third: We have been working to strengthen international cooperation to solve the crisis through our call at the Jeddah Conference to launch the “energy for the poor” initiative to enable developing countries to meet the increasing energy costs. We called on the World Bank to hold a meeting as soon as possible for donor countries and regional and international financial institutions to discuss this initiative and put it into effect. We proposed to the Council of Ministers of the OPEC Fund for International Development to meet and consider the adoption of a parallel program and allocate US\$1 billion to it. Saudi Arabia announced its readiness to financially contribute to these programs within the framework to be agreed upon. Also, we have allocated



# King Abdullah bin Abdul Aziz with World Leaders



The Custodian of the Two Holy Mosques King Abdullah Bin Abdul Aziz with U.S. President George Bush.



With Malaysian Prime Minister Abdullah Bin Ahmad Badawi.



With the Emir of Kuwait Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah.



With General Amru Mousa, Arab League Secretary.



With King Abdullah II Ibn Al-Hussein of Jordan.



With Egyptian President Mohammed Hosni Mubarak.



With Indian Prime Minister, Dr. Manmohan Singh and former President Dr.A.P.J Abdul Kalam.



With Emperor Akihito of Japan.



With South Korean President Roh Moo-hyun.



With Malaysian Prime Minister Abdullah Bin Ahmad Badawi.



With Chinese President Hu Jintao.



With Minister Mentor Lee Kuan Yew of Singapore.

US\$500 million for low-interest loans through the Saudi Development Fund to finance projects that help developing countries obtain energy and initiate other development projects. Undoubtedly these objectives require efforts from all countries of the world.

The continuation of the Arab-Israeli conflict poses a third challenge. In the case of failure of the Annapolis Conference, the only remaining peace plan on the table is

the Arab peace initiative presented by you in 2002. What made you put forward this peace initiative? Is this peace plan still in place and implementable? Sixty years after the establishment of the state of Israel, is it closer to living in peace with its Arab neighbours?

The comprehensive Arab Peace Initiative reflects the overall sincere and serious Arab will towards achieving a just, lasting and comprehensive peace in the Middle

East on the basis of international legitimacy and laws. The Arab initiative is regarded as one of the main points of reference in the peace process, which the Riyadh Arab Summit re-emphasised.

In addition to the Arab initiative, there are several international initiatives aiming at advancing the peace process in the region. But all these efforts and initiatives are still colliding with an Israeli policy of rejection and of continuous seizure of more Palestinian land, building new settlements, expanding existing ones, and imposing all kinds of unjust restrictions and sieges on the Palestinian people in clear defiance of all international laws and ethical principles. Whenever the Arabs and the world make a step forward towards peace, Israel embarks on policies of injustice, aggression against the Palestinian people. Therefore, the international community is urged, more than ever, to deal seriously with the Israeli intransigence, so that the longest crisis in modern history would find its way to solution.

**Are you concerned about Iran's strengthening its power in Iraq and presenting its new strength in the region?**

Iraq is in dire need of being free from external interference in its internal affairs by any party so that it can move forward in its efforts to achieve security, stability and prosperity, and maintain its national unity, sovereignty, and territorial integrity. The Iraqi people are capable of achieving these objectives with a sincere and serious national will and a full sense of one country among all Iraqis, regardless of ethnic background and political and religious affiliations.

**Has Iran the right to continue its nuclear program? What is the extent of damage caused by President Ahmadinejad's statements concerning the elimination of Israel? Israel has recently conducted military exercises simulating an attack on Iran. What are the results of such an attack?**

Nuclear proliferation in the region does not serve its security and stability. We hope that all countries of the region follow the policy of the GCC and the Arab League to make the Middle East and the Gulf region free of all weapons of mass destruction and nuclear weapons. As regards the Iranian nuclear issue, we call for abandoning the language of tension and escalation, and for adopting diplomatic solutions to this issue. As long as diplomatic efforts are still active and ongoing, I do not think there is room for discussing other options. The responsibility about statements made by certain countries lies in the countries making these statements.

**Some people believe that the United States has lost its traditional influence in the region, because of its policies and because of the emergence of other competitors looking for a role. What do you think of this? Has it become difficult for America's friends to continue defending it?**

We think that the situation in the region requires every possible international effort in light of the difficult crisis it faces. Whether this effort is American, Russian, European, Islamic or Arab, we will not hesitate to support it as long as it is sincere and serious in dealing with these crises, and as long as it aims at achieving regional security and stability and prosperity, including the legitimate rights of the people of the region. Our international friendships are based on the defense of those rights and interests of the region and its peoples and nothing else.

**What has been achieved so far in Saudi Arabia in combating terrorism? Do you think that you have defeated Al-Qaeda and rid the country of its supporters? Or is there a need for more efforts to be exerted in this context? Is the world making enough effort to fight terrorism?**

Observers of the Saudi efforts in fighting terrorism must feel the significant achievements we have made in fighting this scourge and sedition over the past years. These achievements would not have been possible without the blessing of God, the courage and sacrifices of the security forces, and the Saudi people standing united in confronting this phenomenon extraneous to their religion, society and culture.

Since the beginning of recent terrorist attacks in the Kingdom, we adopted a comprehensive strategy to fight it. This strategy does not depend on its security side only, but also it includes fighting financing of terrorism and dealing with its intellectual roots through the adoption of an integrated program for defying the deviant thought and rehabilitating its followers and giving counseling and advice to them.

In this regard we called for an international conference to combat terrorism, which was convened in Riyadh. The conference called for the establishment of a counterterrorism center for the purpose of prompt exchange of information and the adoption of preemptive measures to prevent terrorist action. However, the proposed center has yet to be established in spite of the support of many members of the world community.

In addition we are working assiduously towards closer regional and international cooperation to confront the phenomenon. We are continuing with our efforts in this strategy till completely eliminating this phenomenon and drying up its sources, and the deviant thought leading to it. We still believe that the international community can exert better efforts in close cooperation and coordination to tighten the noose on terrorist networks wherever they exist and deprive them of any safe haven that could be used to threaten the international community.

Source : [www.repubblica.it](http://www.repubblica.it)





## Saudi Arabia-Malaysia Relations scaling new heights

*The friendship between the Kingdom of Saudi Arabia and Malaysia, established since the early sixties, has always been based on mutual respect and a desire to work with each other in the development of all fields. This special bilateral partnership continues to scale new heights in all areas.*

**T**he ties between Saudi Arabia and Malaysia date back to the historical interactions between the Malacca Sultanate and Arab traders in the fifteenth century; the post-Malacca Sultanate and since the period of the early 20th century to the Malayan independent era. The diplomatic relations between the two nations were formally established in 1961 and are based on mutual respect and cooperation in various fields.

This special relationship continues to flourish between the two countries at all levels. The Kingdom enjoys considerable respect, particularly among officials, popular circles and Islamic gatherings. Another factor contributing to the strong ties is based on 'Qiblat' - the unity of religious and spiritual belief of the two nations. The political relations between the two countries aim at creating a climate of understanding and mutual respect.

During the sixties to seventies, the relations between the two countries witnessed a great deal of distinction. Around this time Malaysia played a distinct role as a result of the 'Alaqa fire' and in establishing the 'Organization of Islamic Countries' (OIC). This culminated in the Royal visit of His Majesty King Faisal Bin Abdul Aziz Al-Saud (May Allah's mercy be upon him) to Malaysia in June 1970.

With the turn of the century, the ties have further intensified; this is reflected by frequent exchange of high-level visits of leaders and officials. In October 2000, His Royal Highness Crown Prince Sultan Bin Abdul Aziz Al-Saud, Deputy Prime Minister and Minister of Defence and Aviation visited Malaysia. In 2003, The Custodian of the Two Holy Mosques and His Royal Highness Crown Prince Sultan met the then Prime Minister of Malaysia, Dr Mahathir Mohammed on the sidelines of the Economic Forum meeting hosted by the Ministry of Planning in Riyadh. In addition, the official visit of the Custodian of the Two Holy Mosques King Abdullah Bin Abdul Aziz Al-Saud to Malaysia took place from 14 to 15 October 2003, prior to the Islamic Summit in Kuala Lumpur. There is no doubt that all these movements and contacts have accelerated the growth of relations at all levels and in all directions.

In January 2006, the Custodian of the Two Holy Mosques King Abdullah Bin Abdul Aziz Al-Saud, undertook a tour of Asia that brought him to China, India, Malaysia and Pakistan. This heralded a new chapter in Saudi Arabia's 'Look East Policy'. The objective of the visit was to deepen interaction in all fields and it has been successful in doing so, as momentum of economic relations between the two



# KING'S VISIT TO MALAYSIA, 2006



King Abdullah arrives in Malaysia



King Abdullah receives honorary doctorate



Kingdom signs accords with Malaysia





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King Abdullah, being received by King Tuanku Syed Sirajuddin and Malaysian Prime Minister Badawi, at the Kuala Lumpur Airport

countries has increased. During the visit, six agreements were signed and talks are on going between the two nations on five agreements. Eight Memorandums of Understanding have also been signed.

There has also been a substantial amount of growth in the volume of trade exchange between the two countries. In the year 2006 the trade grew by 36.3 per cent, that is, from RM 7.65 billion in year 2005 to RM 10.43 billion. The Kingdom's total import from Malaysia was RM 1.94 billion and its total exports to Malaysia is RM 8.49 billion. The Kingdom was Malaysia's third largest export destination in West Asia 2006. The volume of Saudi imports from Malaysia has increased by 8.5 per cent that is, from RM 1.79 billion in 2005 to RM 1.94 billion in 2006.

Saudi Arabia's imports from Malaysia are mainly electronic and electrical products, metals, machinery, appliances and parts, wood products as-well-as processed food. The Kingdom remained the biggest exporter to Malaysia in the West Asian region. Its exports to Malaysia represent 42.3 per cent of the region's total exports to Malaysia. The Kingdom's exports to Malaysia have increased by 44.9 per cent whereby it registered RM 8.49 billion compared to RM 5.86 billion in year 2005.

Refined petroleum products and crude oil constitute 90.4 per cent from total exports to Malaysia. Major Saudi exports to

Malaysia are refined petroleum products, crude oil, chemical products, clothes, textiles and steel products. Malaysian companies have implemented a number of construction projects in the Kingdom since 1995. At present, Malaysian companies are involved in a number of projects in the Kingdom for example building of drainage network project in Jeddah, the construction of Al Faisal University campus and the Jabal Omar project as well as the AlShueibah Water and Energy Project.

A recent development in the relationship is the growing number of Saudi students in Malaysia. In 2006, about 250 students had enrolled at their own expense in various Malaysian institutions for training in information technology, engineering, pharmacy and medicine. The Custodian of the Two Holy Mosques, following his visit to Asia also announced a scholarship scheme for Saudi students; the first batch of these scholars came to Malaysia in 2007. The number of Saudi students was 500 students at the end of 2007 and is expected to increase to 2000 at the end of 2009.

Malaysia has become a significant tourist destination for Saudis. The number of Saudi tourists who came to Malaysia in 2005 was 53,682 tourists and in 2006, the number increased to 67,679 Saudi tourists. In 2007, the number exceeded 70,000 Saudi tourists. This figure is expected to increase this year. This is facilitated by the availability of direct flights between the two countries.



# Saudi Arabia moving ahead

*The best indicator of Saudi Arabia's economic growth is the increase in the Gross Domestic Product (GDP) from US\$20 billion in 1970 to an expected US\$378 billion in 2007. Saudi Arabia's economy is the largest in the Middle East. The Kingdom ranked 35<sup>th</sup> out of 131 countries in the Global Competitiveness Report for 2007-2008.*

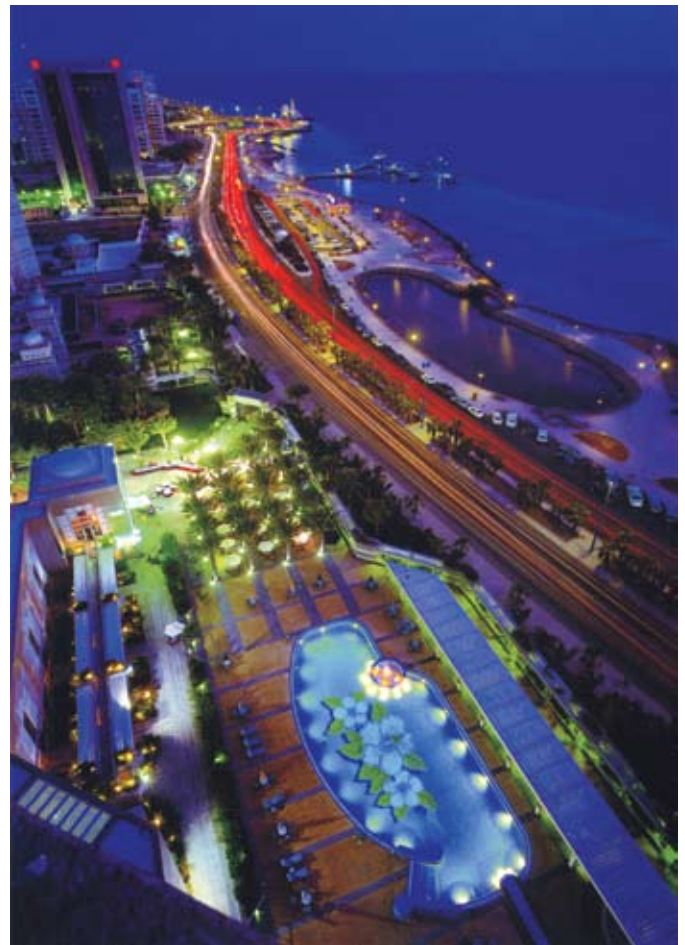
**T**he Government of Saudi Arabia has implemented a number of political and economic reforms to encourage political participation, promote economic growth, increase foreign investment and expand employment opportunities. The Kingdom is updating and modernising its academic curricula, and monitoring its religious schools. It held municipal elections as part of a comprehensive streamlining of local government. In addition, the Kingdom is promoting its free market economy by privatising major state enterprises, establishing regulatory authorities to carry out reforms, improving foreign investment laws, revising a broad range of commercial laws and implementing intellectual property rights to foster innovation. It also became a member of the World Trade Organization (WTO) in December 2005.

## ECONOMIC INDICATORS

The best indicator of Saudi Arabia's economic growth is the increase in the Gross Domestic Product (GDP) from \$20 billion in 1970 to an expected \$378 billion in 2007. Saudi Arabia's economy is the largest in the Middle East. The Kingdom ranked 35<sup>th</sup> out of 131 countries in the Global Competitiveness Report for 2007-2008. The Report was released on October 31, 2007, by the World Economic Forum (WEF).

In December 2007, Moody's Investors Service assigned long-term local and foreign currency issuer ratings of A1 to Saudi Electricity Company (SEC), with a positive outlook. In April 2007, Moody's also gave the Saudi Basic Industries Corporation (SABIC) a long-term local and foreign currency rating of A1, with a stable outlook. In July 2007, Standard & Poor's raised the Kingdom's foreign and local currency long-term sovereign credit ratings from A+ to AA-. The ratings previously achieved an A to A+ upgrade in 2006 on the basis of excellent financial performance.

Also in 2006, international ratings agency Fitch Ratings upgraded Saudi Arabia's foreign currency and local currency Issuer Default ratings from A to A+. Fitch also



upgraded Saudi Arabia's Country Ceiling rating from A to AA-. Saudi Arabia ranks the 19<sup>th</sup> largest exporter and the 20<sup>th</sup> largest importer of goods in the world. In 2007, trade between Saudi Arabia and the United States was estimated at almost US\$40 billion.

Saudi Arabia is the world's largest oil exporter and has the largest proven oil reserves, and the largest spare production capacity. The Kingdom has utilised oil revenues to expand and diversify the Saudi economy to reduce its dependence on oil, which has resulted in impressive gains in the non-oil sector. In 2007, the non-oil industrial sector is estimated to have grown by 8.6 per cent; the construction sector by 6.9 per cent; the electricity, gas, and water sector by 4.4 per cent; transportation and communications sector by 10.6 percent; and wholesale, retail, restaurants, and hotels sector by 6 per cent in real prices.

In 1970, Saudi Arabia had about 199 industrial plants with overall investments estimated at US\$622 million. By 2005, the total number of factories in the Kingdom exceeded 3,748 with a total investment of more than US\$71 billion.



## Consultative Council

# Majlis Al-Shoura

*The Consultative Council, or Majlis Al-Shoura (established by Royal Decree No. A/91, dated 27-8-1412) marked a significant move towards the formalization of the participative nature of government in Saudi Arabia. The Consultative Council was inaugurated by King Fahd himself in December, 1993.*

**T**he announcement of the establishment of the Council, which coincided with the tenth anniversary of the accession of King Fahd and which was accompanied by details of a new "basic law", clearly marked the first steps towards a more broadly based involvement in the Kingdom's political processes.

The primary function of the broadly-based Majlis Al-Shoura is to provide the King with advice on issues of importance in the Kingdom.

The term of the Majlis Al-Shoura is set at four years (Hijira Calendar), with a clear stipulation that, when a new Shoura Council is formed, at least half of those appointed must be new members. (The setting of fixed terms in this instance may indicate a shift away from past policy of indefinite tenure of political office.)

The scope of matters on which the Council may deliberate was very widely defined. The members of the initial Council were chosen to represent a wide mix of clan and religious leaders, business and professional men, as well as

government officials. Academics formed the largest group, however, and there is an impressive number of members with advanced degrees.

In practice, members of the Council are able to initiate legislation and review the domestic and foreign policies of the government. Any government action not approved by the Council will have to be referred back to the King.

*The Consultative Council, when set up, consisted of a speaker and 60 members selected by the King. The Royal Decree establishing the Council made it clear, first and foremost, that the Council was set up and would operate:*

***"in compliance with [the existing system of government in the Kingdom] and in adherence to the Book of God and the tradition of His Messenger."***





The King therefore, remains the final arbiter of state affairs. The King also retains the power to appoint and dismiss both Ministers and Council members and has the power to dissolve the Council, restructure it, and appoint a new one at any time.

In 1997, King Fahd increased membership of the Consultative Council to 90 members. In 2001, the membership of the Consultative Council was again increased, on this occasion to 120. By 1998, the Council was well established and operating effectively. In addition to its defined role in the

of Saudi Arabian government, based on consultation within the context of the tenets and requirements of Islam, can be most effectively expressed in today's increasingly complex and interdependent world.

The reforms can be seen as marking an important new chapter in the life of the Kingdom and King Fahd's desire to hasten the pace of modernisation within the religious and cultural traditions of the Kingdom.

The oil wealth has transformed the economy and infrastructure of Saudi Arabia in the past three decades.



*Members of the new majlis will meet regularly in Riyadh in full session. Council members are expected to devote themselves:*

***"to serve the common interest, preservation of the unity of the people, the entity of the state and the interests of the nation."***

political process, it had established a library containing more than 25,000 volumes, together with 305 periodicals in a number of languages as well as Arabic, and a total of more than 6,000 slides.

In 2005, it was decided the Council should be increased in number to 150 and given more powers designed to mark a significant step in moving the Council beyond its purely advisory role. In grasping the significance of these measures, it is important to understand that the Kingdom's purpose in establishing the Majlis Al-Shoura and in introducing other planned reforms is to provide an institutional framework through which the traditional form

These measures mark the start of a cumulative process facilitating the modernization of Saudi Arabian government. The reforms do not, however, mean that the Kingdom has moved away from its Islamic traditions. King Fahd himself stressed that his reforms were based on Islamic principles of fairness, decency and popular consultation.

In essence, the Consultative Council should be seen, not as a modest move towards Western-style democracy, but as an organic development of the consultative processes on which the Kingdom has been governed since its inception, processes which arose from a tradition that goes back to the life of the Prophet ('peace be upon him').





# Why Invest in Saudi Arabia

*As an investor, if you are looking at the Middle East, consider Saudi Arabia. The Kingdom offers many advantages in some strategic sectors at the regional and global levels, which makes it attractive for international investment. We look at some of the reasons that will aid you in your decision making.*

► The Kingdom is ranked No.1 with regard to prices of energy provided for investment projects. (Saudi energy report link 2007).

► Investment in Saudi Arabia realises high profit ratios for local, foreign and shared projects, with low risk exposures, and a simple form of taxes and property registration fees. Here, the Kingdom, occupies the fifth position with regard to taxes and fourth in property registration costs, according to business performance reports in 2006/ 2007. (issued by the International Bank.)

► A comprehensive study was published by Arab Forbes Magazine's in late 2006, assessing the performance of (1616) joint-stock companies in the Arab world. According to the study, the first three positions went to Saudi companies, and among the best 50, 22 were Saudi, including joint companies. A number of standards, such as operational efficiency, market value, sales, revenues, dividends, return on equity, return on last two year assets (2004 - 2005), in addition to the company expected growth, were incorporated.

► Ten Saudi banks are among the best-growing and profit-realising in the Arab World. These Saudi banks rest comfortably within the list of the biggest 1000 banks in the world, according to the Financial Times. The 3 biggest banks in the Arab world are Saudi.

► The Kingdom of Saudi Arabia is the biggest free economic market in the Middle East. It acquires 25 per cent of gross national Arab product and has the biggest oil reserves in the world (25 per cent). Saudi Arabia is the most ideal environment for projects depending on energy consumption because it provides energy for investment projects at the lowest prices globally.

► There are many natural resources in mining that are supported by the geographical location of the Kingdom, making it easily accessible to European, Asian and African markets. Saudi market has high purchasing power and it continues to expand.

► The Saudi Riyal is one of the most stable currencies in the world. There was no significant change to its exchange value in the last 3 decades. There are no restrictions on foreign currency exchange and outgoing money transfers.

► Inflation rates in Saudi Arabia are very low, and the Kingdom is endeavoring to sign bilateral agreements with an increasing number of countries regarding investment encouragement, protection and arrangement of taxation issues.

► All the above mentioned advantages made Milken International Corporation in February 2007 to classify the Kingdom of Saudi Arabia as No.1 worldwide with respect the over-all economic environment classification, i.e. environment, capability for project management, and financing. Milken Corporation focussed on the low and stable interest rates, low inflation and low taxes, compared with international standards.

► The majority of Saudi Arabia's population is young, with 1-15 years representing about 45 per cent of total population. The Government is actively improving human resources development to include all categories and ages. It provides investors with more opportunities

to select required labour for their projects. Many public and private educational institutions and research facilities have been established in the Kingdom, to meet the demand of a great portion of the Saudi labour market.

► Foreign investment regulation allows foreigners to invest in all economic activities other than those listed in the excepted foreign investment activities. The Kingdom has

committed to reduce that list under conditions of joining the World Trade Organisation agreement. The new Foreign Investment Regulation grants foreign investors the right to having their own, and employees', sponsorship on the licensed projects. Also, foreign investors have the right to possess real estate related to their activities. All foreign investment projects enjoy the same privilege, incentives and guarantees as local projects.

## Incentives for Investors

- Customs duty exemption for industrial commodities, equipments and preferential treatment for national products to secure governmental purchases.
- Possibility of obtaining land in industrial cities with nominal cost.
- Possession of real estate necessary for projects, including employees' residence and housing.
- Privileges available as per the bilateral and collective agreements related to taxes and investment.
- Non expropriation of any investment without court judgment.
- Free transfer of capital and profits out of the Kingdom.
- Free movement of stockholders' shares in the project.
- Foreign investor is allowed to possess the whole project.
- Foreign investors' sponsorship and their expatriate employees' sponsorship is on the licensed project.
- Availability of low priced facilities and services.
- Low cost governmental financing opportunities.
- No.1 in exports and imports size in the Arab world.
- Among the top 7 countries with least inflation rates in the world (IMD).
- The 7th in the world in total local savings (IMD).
- Among the best 8 countries in exchange rate policies (IMD).

- Biggest financial market in the Middle East.
- Within the first 25 countries in total cash savings (index of Economic Freedom).
- Among the top 24 countries offering least cost loans from Saudi Industrial Development Fund.
- Losses carry over facility for coming years regarding profit taxes.
- Provision for assistance and consultancy by the General Investment Authority.
- Within the top 3 countries in the world in proprietorship registration cost.
- Best country in the Middle East in exchange rate index (Doing Business 2006).
- Biggest foreign investment balance in the Arab world for many years (Arab Investment Guarantee Corporation Reports).
- Biggest economy in the Middle East with gross local product exceeding 300 billion dollars, and a growth rate reaching 6 per cent during the last 3 years.
- Within the first 6 countries having the least company taxes in the world (IMD).
- Biggest oil reserve - about 26 per cent of the world's reserve.
- Fourth largest natural gas reserve in the world.
- Wide market serving a population of more than 22 million, and a gateway to markets with 205 million people.



- High incomes and purchasing power.
- Strategic geographical location through which significant international aviation lines pass, linking three continents.
- Non existence of local disputes due to prolonged political stability.
- Non existence of multiple taxation (except profit taxes on foreign companies amounting to 20 per cent, allowing carrying over losses of unlimited investments).
- Within the top five countries in the world having easiest labour recruitment and work hour flexibility.
- Non-existence of work strikes.
- Availability of energy with the least prices in the world.
- A network of advanced banks with high technology and efficiency.
- Best in the world regarding financial solvency index (IMD).



# Six Cities, One Vision

# Economic Cities

*The focus is shifting toward investment in the Economic Cities built to empower the Kingdom in becoming a top global investment destination and competitive economy. Investments, local and international, have already begun pouring in, evidence of the confidence in the massive potential of Saudi Arabia.*

It is 2010 in Saudi Arabia. The Kingdom has officially become one of ten most competitive economies in the world. The energy capital of the world, a bustling metropolis where East meets West and a regional hub are just some of the accolades of the Kingdom. Such is the vision for the Kingdom in two years and, to realise this vision, part of the strategy of SAGIA (Saudi Arabian General Investment Authority) is to develop six Economic Cities.

In conceptualising the Economic Cities, over a thousand of the world's free zones were surveyed. In-depth research and studies were conducted on the sixty most successful free zones to determine key success factors. These success factors were then integrated and implemented in the blueprints of the six cities. Drawing on a unique partnership between the public and private sectors, these cities are "comprehensive, fully integrated developments featuring a "live, work and play" design".

The objectives of the Economic Cities are to:

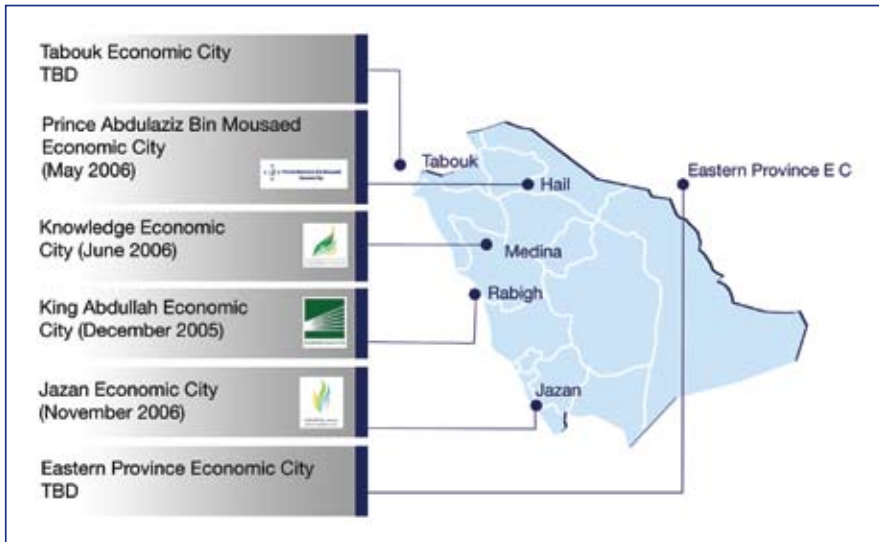
- 1. Promote balanced regional development**
- 2. Achieve economic diversification**
- 3. Create jobs**
- 4. Upgrade competitiveness**

To date, SAGIA, under the direction of the Custodian of the Two Holy Mosques and the Crown Prince, has launched a total of four integrated Economic Cities, one each in Rabigh (King Abdullah Economic City), Hail (Prince Abdul Aziz bin Mousaed Economic City), Madinah (Knowledge Economic City) and Jazan (Jazan Economic City). A launch of two more Economic Cities, one in Tabuk and one in the Kingdom's Eastern Region is planned later this year. More

specifically, SAGIA's vision for the Economic Cities is to contribute between a quarter and a third of the aspired national growth rate, to create over a million jobs, and to become home to 4-5 million residents by 2020.

Massive investments have been pouring from both local and foreign companies to further develop the cities and to tap into the huge potential and array of opportunities present. In 2008, interesting developments include:

1. Memorandum of Understanding agreement signed between Emaar, The Economic City (Emaar E.C), the Tadawul-listed company developing King Abdullah Economic City (KAEC), and EMAL International, the joint venture of Mubadala Development Company and Dubai Aluminium Company (DUBAL) to establish a greenfield aluminium smelter complex in KAEC. The project will have an initial direct investment of R18.4 billion (US\$5 billion) and first phase production design capacity of 700,000 tonnes.
2. Memorandum of Understanding agreement signed between MMC International Holdings Ltd, Aluminium Corporation of China Ltd (Chalco) and Saudi Binladin Group (SBG) for a joint aluminum project in Jazan Economic City. The project, to cost US\$4.5 billion will have an annual production capacity of 1 million tons.
3. Emaar, The Economic City (Emaar.E.C), the Tadawul-listed company developing King Abdullah Economic City (KAEC), has awarded Freyssinet Saudi Arabia the contract for design and construction of the first phase of the Business Park within Bay La Sun Village – an integrated residential community - in KAEC. The contract is worth R348 million (US\$92 Million).



Lifestyle is a crucial pillar of the economic cities too, with sea resorts, luxurious apartments and world class education infrastructure in the blueprint. For example, the King Abdullah Economic City's resort area has 2.5 km of pristine beachfront that will accommodate sea sports, boutique hotels and golfing resorts. The list of options goes on. By capitalising on the Kingdom's value proposition and effective national leadership, SAGIA is confident in fulfilling its vision for the Kingdom, creating one of the ten best investment destinations in the world, and six of the world's most competitive Cities.

Sources: [www.kingabdullahcity.com](http://www.kingabdullahcity.com), [www.sagia.gov.sa](http://www.sagia.gov.sa), [www.jazanecity.com](http://www.jazanecity.com), [www.madinahkec.com](http://www.madinahkec.com)



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# The Boom in Islamic Finance

*East Asians, especially the Hong Kong Chinese, the Japanese and the Singaporeans, are taking Islamic finance seriously as a valid and worthy alternative system of financial management and investment. They are opening up to Islamic finance in a big way.*

**A**gainst a backdrop of an increasingly uncertain global financial environment, underlined by a credit crunch due to investments in dodgy sub-prime US mortgages, which has already impacted badly on the housing sector and is threatening recession in the industrialised economies, the Islamic financial system is indeed “well-positioned” as a form of financial intermediation, stressed Dr Zeti Akhtar Aziz, governor of Bank Negara Malaysia, the central bank.

While analysts are trying to make sense of how exactly the conventional global financial system sleepwalked into this latest global financial chaos, financial regulators from Muslim countries at the 5th Islamic Financial Services Board (IFSB) Summit in Amman, Jordan, few days ago, were only too aware of the need to focus on the implementation of global prudential standards and sound risk management practices in Islamic financial institutions to ensure financial stability and the integrity of the financial system. “According greater mutual respect to global Shariah views for Islamic finance would also contribute to the orderly global development of Islamic finance, thus sustaining the overall viability and soundness of the Islamic financial system as it becomes an integral part of the international financial system,” advised Dr Zeti.

She added that with the increasing globalisation of Islamic finance comes interdependence, both with each other and with the wider global financial system. The emergence of new challenges, of more diverse Islamic financial institutions and complex structured financial instruments have contributed to the increasing complexity of the risk profiles of Islamic financial transactions. However, the

“intrinsic features of Islamic finance,” explained Zeti, also contribute to its overall resilience, which is derived from the Shariah principles, the key pillar of Islamic finance... which require that Islamic financial transactions be accompanied by an underlying productive activity resulting in a close link between financial and productive flows.

She appealed for mutual respect in Shariah rulings relating to Fiqh Al-Muamalat through the application of mutually recognised principles and processes to deduce the Shariah rulings and views. There has always been a strong culture of mutual respect among Muslim jurists with the multiplicity of Shariah opinions. The jurists from different madhabs (schools of law) had high regard for differing views expressed by other jurists even in matters of ibadah (worship).

Indeed, the Islamic Financial Services Board prior to the summit had two public hearings in Amman on Exposure Drafts on Islamic Collective Investment Schemes (ICIS) and on Capital Adequacy Requirements for Sukuk Securitizations and Real Estate Investments. According to IFSB Secretary-General Professor Rifaat Abdel Karim, it is hoped that the two exposures would be adopted as standards before the end of the year by the IFSB Governing Council.

These developments come at a time when Islamic finance is once again coming under pressure in the US and Europe. In the US, the Treasury has reportedly stressed that there will be greater scrutiny of the Islamic finance sector by US officials, as if they have been lax in a post-9/11 era and the advent of President Bush’s so-called “financial war on terror.”

More disturbing is the vicious attack by the secular US neocons on Shariah finance, which one senior proponent in a recent article termed “financial jihad”, and where he desperately tried to link it to terrorism, without offering credible evidence of any such connection or conviction in any court of law. In the UK, ironically, it is the liberal left that is trying to smear Islamic finance as an attempt to consolidate the dominance of men in financial matters over women and secular Muslims. In contrast, it is East Asia, especially Hong Kong, Japan and Singapore, that is taking Islamic finance seriously as a valid and worthy alternative system of financial management and investment. Not surprisingly, they are opening up to Islamic finance in a potentially big way. Hong Kong, Singapore and Malaysia even had country showcases on Islamic finance as pre-summit events, which attracted much attention.

In late 2007, a local Hong Kong bank launched the first Islamic Fund off the Dow Jones Islamic Market China/Hong Kong Titans Index, which attracted some US\$50 million at inception. Last December, the Hong Kong Mortgage Corporation signed an agreement with Cagamas Berhad, the Malaysian national mortgage corporation, to set up a joint venture to develop mortgage guarantee business in Malaysia including in the Islamic mortgage space. It has been confirmed that the Hong Kong

authorities are looking at a report aimed at potentially introducing legislation or amendments to existing laws, which would create a level-playing field in tax and other reliefs for Islamic financial products compared with equivalent conventional products.

If the US regulators continue to let nefarious political and emotional agendas cloud their policy toward Islamic finance, US firms, traditionally the pioneers in structuring Islamic financial transactions, will inevitably lose out to the East Asians and the Europeans. This has already happened in the post-9/11 era and in the wake of the three Patriot Acts legislation, which has shielded legitimate Muslim investors away from the US, albeit that some of them are now slowly returning to that market.

As Hamad Al-Sayyari, the governor of the Saudi Arabian Monetary Agency (SAMA) stressed in Amman: “In the last two decades, the world has seen a rapid growth in financial services, including the Islamic financial services, essentially a system of financial intermediation. Hong Kong, Singapore, South Africa and the UK have all recognised Islamic finance as an acceptable form of financial activity. However, despite its rapid expansion, Islamic finance is still in its infancy and comprises only one per cent of global financial assets.”

*Written by: Mushtak Parker, Source: Diplomat*

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# A Spiritual Journey The Hajj

*The Hajj, a combination of piety, passion, obedience and duty, is an obligation that must be carried out at least once in their lifetime by every able-bodied Muslim who can afford to do so. It is an expression of the unity and solidarity of all in the Islamic Faith and a symbol of humility and submission.*

The pilgrimage occurs from the 10th to the 15th day of Dhu al-Hijjah, in the 12th month of the Islamic calendar. The Islamic calendar is a lunar calendar, eleven days shorter than the Gregorian calendar used universally. The Gregorian date of the Hajj is eleven days earlier from year to year. In 2007, the Hajj was from December 17 to December 21; in 2008 from the first week of December.

The Hajj has roots dating back to the period to the time of Abraham, around 2000 BC, before Prophet Muhammad in the 7th Century. Muslims believe that the Prophet Abraham was ordered by God (Allah) to leave his wife Hagar and his infant son Ismael alone in the desert. When he was away, the child grew thirsty and Hagar ran back and forth seven times searching for water. The baby cried and hit the ground with his foot and water miraculously sprang forth. This source of water is called the Well of Zamzam today.

In performing the Hajj, a Muslim walks counter-clockwise seven times about the Kaaba, the cube-shaped building which acts as the Muslim direction of prayer; runs back and forth between the hills of Al-Safa and Al-Marwah; drinks from the Zamzam Well; stands in vigil at the plains of Mount Arafat; and throws stones in a ritual Stoning of the Devil. The pilgrims then shave their heads, perform an animal sacrifice, and celebrate the four day global festival of Eid al-Adha.

To successfully complete the pilgrimage, a Muslim needs to be in a special state of ritual purity.

A pilgrim first declares his or her intention to perform the Hajj, wearing special white clothes and obeying certain rules.

During the Hajj, pilgrims are not allowed to:

- Engage in marital relations
- Shave or cut their nails
- Use cologne or scented oils
- Kill or hunt anything
- Fight or argue
- Cover their faces (for women), even if they would do so in their home country
- Wear clothes with stitching (for men)



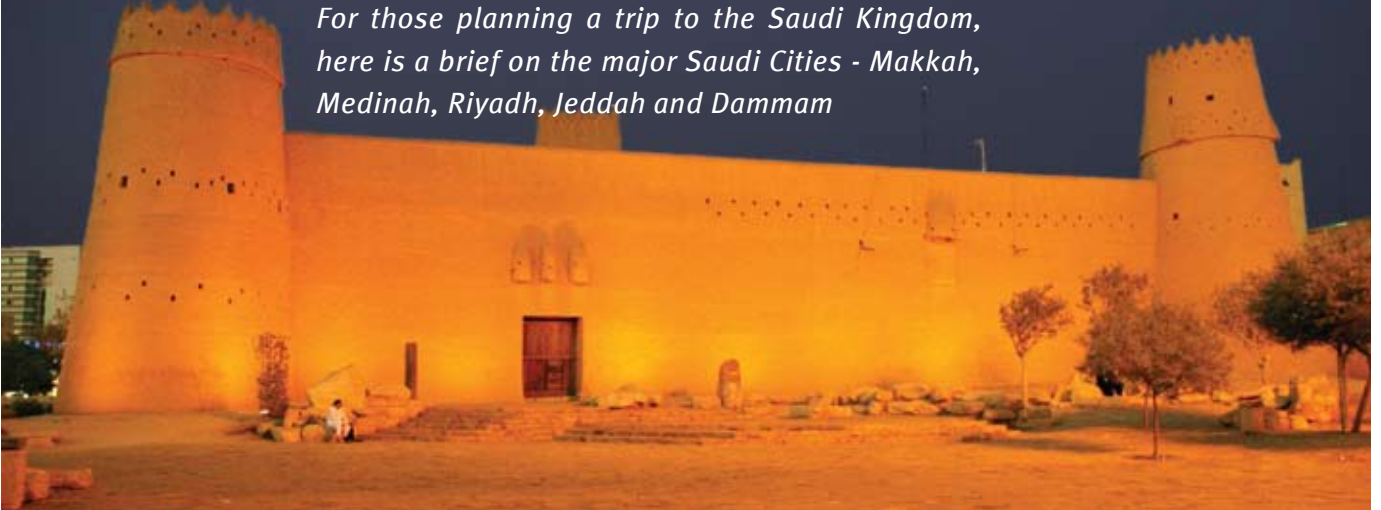
The Kingdom of Saudi Arabia plays host to the two million Muslim pilgrims who come to Mecca every year. Mindful of their responsibilities as custodians of the holy place, measures have been introduced over the years to improve crowd control and

emergency response. It is the aspirations of the Kingdom that Muslims from all over the world come to complete the pilgrimage safely.

Every year, about two million Muslims converge on Makkah - the holiest place in Islam - to take part in an event which combines piety and passion. Many Muslims save for years in order to perform the pilgrimage. They often have to travel thousands of miles. Then, once they arrive, they must brave vast crowds and the fierce heat of the desert as they perform the Hajj rituals.

# Getting to know Saudi Cities

*For those planning a trip to the Saudi Kingdom,  
here is a brief on the major Saudi Cities - Makkah,  
Madinah, Riyadh, Jeddah and Dammam*



## THE HOLY CITY OF MAKKAH

The Holy City of Makkah, which lies inland, about 73 km east of Jeddah, was the birthplace of the Prophet Muhammad, peace be upon him, the place where God's message was first revealed to him, and the city to which he returned after the migration to Madinah in 622 AD. Makkah is the holiest city on earth to Muslims. Five times each day, the world's one billion Muslims, wherever they may be, turn to the Holy City of Makkah to pray. And at least once in their lives, all Muslims who are not prevented by personal circumstance perform the Hajj, the pilgrimage to Makkah. Thus, each year, the Holy City of Makkah is host to some two million Hajjis (pilgrims) from all over the world.

## THE HOLY CITY OF MADINAH

Madinah, which lies 447 km north of the Holy City of Makkah, is the second holiest city in Islam. It was to Madinah that the Prophet Muhammad, peace be upon him, and his followers, faced by the hostility and persecution of the Makkhan merchants, departed in 622 AD – and, when the citizens of Madinah asked the Prophet to live amongst them and to arbitrate in their affairs (an invitation taken to mean their rejection of polytheism and submission to the will of the one God, Allah), it was in Madinah that the Islamic era began. Madinah is then the city of the Prophet. As the place in which the Holy Qur'an was compiled and from which the Prophet's companions administered the affairs of the Muslim community, it was the seat of the first Islamic state. From Madinah, armies, spreading the word of the Prophet, were dispatched to Egypt, Persia and Syria. Madinah is also the place in which the Prophet, peace be upon him, was buried.





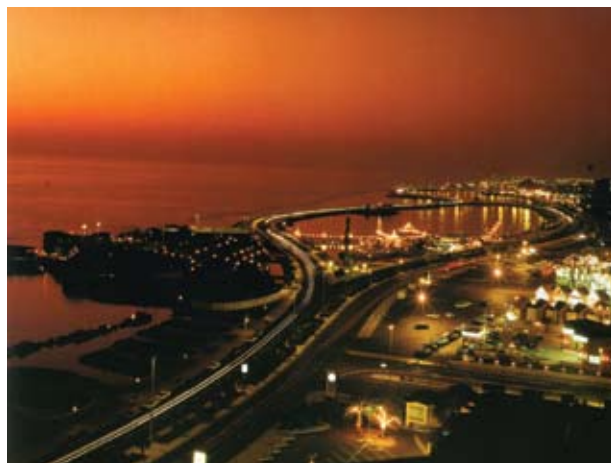


## RIYADH

Riyadh is the capital city of the Kingdom of Saudi Arabia and now rivals any modern city in the world in the splendour of its architecture. Broad highways sweep through the city, passing over or under each other in an impressive and still growing road network. The name Riyadh is derived from the Arabic word meaning a place of gardens and trees ('rawdah'). With many wadis (a former water course, now dry) in the vicinity, Riyadh has been, since antiquity, a fertile area set in the heartland of the Arabian peninsula. Top among the Kingdom's developmental achievements, Riyadh is, from the moment one lands at the King Khalid International Airport - itself a marvel of design - a wedding of the traditional Arab style with the best of modern architecture, in a happy marriage of spacious practicality.

## JEDDAH

The Red Sea port of Jeddah, located mid-way along the western coast of the Kingdom, is a bustling, thriving city and seaport. Its location on the ancient trade routes and its status as the seaport and airport for Hajis visiting the Holy City of Makkah have ensured that Jeddah is the most cosmopolitan of all Saudi Arabia's cities. By the end of the 1970s (1391 AH), the population of Jeddah was estimated to be close to one million. By 1986 (1406/07 AH), the estimated population was 1.4 million. With an estimated growth rate in excess of 10 percent, the population by 1993 (1413/14 AH) had passed the two million mark. The extraordinary growth of Jeddah, demanded by the Kingdom's development programmes, has been achieved in a remarkably short period. (The expansion of the sea port's capacity is a case study of what can be achieved if the will, the management and the resources are available.) At the same time, aesthetic considerations have not been ignored. Jeddah now boasts some of the most beautiful examples of modern architecture in the world. Tree-lined avenues and the generous distribution of bronze sculptures attest to the success of the city's beautification program.



## DAMMAM



In the Eastern Province, the golden triangle of Dammam-Dhahran-Khobar, present an interesting mix of the various landmarks of modern Saudi Arabia. Two decades ago, the three were small towns. Today however, they have been transformed into technological, economic and modern centres of international trade and business. Dhahran is home to Saudi Aramco – the world's largest petroleum company. Also here is the King Fahd Petroleum and Minerals University, the home of advanced technology, which churns out specialists in engineering, applied engineering, science, industrial management, environment design and several post-graduate subjects. Dammam, the capital of the province has become one of the Kingdom's leading economic centres particularly in the industrial, trade and agricultural fields. In Dammam, there are two

distinguished landmarks: The King Abdul Aziz Port on the Arabian Gulf, and the Dammam – Riyadh Railway Station. Established in the thirties to meet the requirements of oil prospecting activities, the port is among the Kingdom's largest and most important. An important catalyst in the development of the Eastern Province, the King Abdul Aziz Port also serves the capital city of Riyadh and is considered one of the gateways for the country's imports and exports.

# Travel Tips



**Geography:** The Kingdom of Saudi Arabia lies at the tip of south-western Asia. It is bordered to the west by the Red Sea, the east by the Arabian Gulf, United Arab Emirates and Qatar, the north by Kuwait, Iraq and Jordan, and the south by Yemen and Oman. The Kingdom occupies about 80 per cent of the Arab Peninsula, with a total area exceeding 2,250,000 square kilometres. Along the Red Sea, lies the Tihama Coastal plain. To the east of this plain lies a chain of mountains called Sarawat. Several large

valleys slope from Sarawat, such as Najran Valley, Tathleeth Valley and Fatima Valley. To the east of the chain stands the Najid Plateau. The Plateau stretches northward from the Najid Plains to the borders of Iraq and Jordan. The Empty Quarter, the southeastern part of the Kingdom, is composed of sand hills and lava fields. The eastern coastal plain consists of large sand areas.

## Key Facts

### OFFICIAL NAME:

Kingdom of Saudi Arabia

### POLITICAL SYSTEM:

Monarchy

### HEAD OF STATE:

King Abdullah Bin Abdul Aziz, The Custodian of The Two Holy Mosques.

### NATIONAL DAY:

23 September

### TERRITORIAL ORGANISATION:

The Kingdom is divided into 13 administrative regions. Each region is composed of "Mohafaza". There are 43 Level A Mohafaza and 61 Level B Mohafaza.

### CAPITAL:

Riyadh

### MAIN CITIES:

Riyadh, Jeddah, Damman, Makkah, Madinah and Taif.

### OFFICIAL LANGUAGE:

Arabic, but English is commonly used.

## Currency & Banking

The Currency of the Kingdom is Saudi Riyal (SR), divided into 100 halas. there is no restriction on the amount of currency which traveller may take into or out of Saudi Arabia.

## Calendar

There are two calendars in use in the Kingdom, the Gregorian and the Hijra or lunar calendar, the official one, which dates from the migration (Hijra) of the Prophet Muhammad and his followers from Makkah to Medina in AD 622. There are 12 lunar months of almost equal length. A sighting of the new moon marks the beginning of each month. There is a difference of about 11 days between the Gregorian and Hijra.

### Working Week / Time

The working week in Saudi Arabia runs from Saturday to Wednesday. Government and other offices are closed all day Thursday and Friday. But most private businesses operate on a five and a half day week, closing after Thursday lunchtime. During Ramadan, most enterprises open in the evening after sunset. The work timings are

#### GOVERNMENT OFFICES:

7:30 am - 2:30 pm

**BANKS:** 8:30am-12pm and 5pm-7pm (Saturdays to Wednesdays). The Kingdom is three hours ahead of Greenwich Mean Time.



## Fly Malaysia - Saudi



### From Kuala Lumpur into Riyadh

#### Saudi Arabian Airlines

- Flies twice daily from Dubai into Riyadh
- Flies from Kuala Lumpur to Riyadh at least once a week

#### Malaysia Airlines

- Flies out of Kuala Lumpur into Dubai 5 days a week
- Flies out of Kuala Lumpur into Jeddah 4 days a week

#### Emirates

- Flies out of Kuala Lumpur into Dubai at least thrice a week
- Flies from Dubai into Riyadh once daily (Except Sundays)
- Flies from Dubai into Jeddah at least once in week

#### Gulf Air

- Flies from Kuala Lumpur into Bahrain at least once a week
- Flies from Bahrain into Riyadh daily

## Travel Information

### Currency Conversion Rate:

1.00 Malaysian Ringitt (MYR)  $\approx$  1.1249 Saudi Riyal (SAR)

**Distance between Kuala Lumpur and Riyadh:** 6,342 kilometers

**Approximate travel time from the King Khaled International Airport (Riyadh) to the City by taxi:** 30 minutes

**Number of International Airports:** 4

**Number of Regional Airports:** 6

**Number of Passenger Terminals at the King Khaled International Airport (Riyadh):** 3 Terminals

**Busiest periods of the year:** The month of Hajj and Ramadan





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- Management of Tanjung Group

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