

Saudi Arabia is a highly conservative Kingdom where the Muslim faith is universal. The majority of Saudis are members of the Wahabi religious sect, which is strict in its social and religious requirements. The country's role as guardian of the holy places is taken most seriously. Strict adherence to Muslim and Wahabi strictures requires that women be secluded, not share work premises with men and devote their lives to families and children. Women are now permitted to work as nurses and practice medicine but are not considered part of the generally employable Saudi population.

Competition for skilled Saudis remains stiff. It is expected, however, that once the construction of infrastructure projects begins to fall off, this employment problem will be resolved. For example, Jubail requires a labour force of 8,000 to operate industries in contrast to a required construction work force of 40,000; thus, it will be early in the 21st century before Saudis predominate the labour force. Under the Third Plan, the objective is to reduce the growth of expatriate manpower to 7 per cent a year from 12 per cent.

Availability of water and housing are major concerns for Saudi planners. Approximately \$16 billion has been set aside for water resource development. The housing market prefers permanent houses to the "villa development" form -- the past approach of mass housing. Internal transportation remains high in the priority development. Some \$375 million will be spent on upgrading the existing Damman-Riyadh railway line and considerably more will be spent on roads.

The problem of port congestion has been eliminated under the Second Plan. However, port improvement, road construction, air operations and telephone installation will continue to be a priority under the Third Plan.

Although Saudi Arabia has averaged an annual growth rate of 10 per cent, the rural migration to cities is cause for concern. To improve the quality of life, health and social services will receive approximately \$16.4 billion for improved health care and social development programs.

To provide greater focus and solutions to the problems of rapid economic and social development, the Gulf states of the United Arab Emirates, Kuwait, Saudi Arabia, Bahrain, Qatar and Oman formed together to establish the Arab Gulf Co-operation Council (AGCC) in May 1981. Common interests are the basis for this new organization, where gulf security is at the forefront of discussions. To capitalize on the close ties of kinship and culture, the AGCC will encourage greater economic linkages within the group. Co-operation will be increased in the areas of immigration, security