

Saudi Arabia's foreign aid expenditures will be reallocated to more closely reflect foreign policy goals and demonstrate a reaction against earlier cheque-book diplomacy that paid few rewards in Jordan, Yemen and among the Palestinians.

Economic Repercussions of the Gulf War

Large infrastructure projects and labour contracts for reconstruction will continue to expand. The government will be looking to expand the private sector to become more the engine of the economy as part of the current 2 year plan. Investment flows into the kingdom, which has largely dried up since last August, will resume. Saudi Arabia is the largest foreign investor in the Gulf, and would an apparently oil price boom in the Gulf be mirrored by a rise in once again activity in the jobs in the kingdom as the recovery in the West is more seriously felt. On issues of business activity in the region will be the rebuilding of Kuwait in which Saudi companies will play a role and provide support.