

Full Transcript: Saudi Deputy Crown Prince Mohammed Bin Salman conducted an interview broadcasted on Al Arabiya TV in parallel with Saudi TV.

Al Arabiya English

May 3, 2017

Q: When Vision 2030 was announced last year it launched two programs: the National Transformation Program and the fiscal balance program. Last Sunday, it launched 10 programs. Why did it start with just two programs and now it launched 10?

Few months after the launching of the Vision 2030 in Ramadan 2016, the outline of the vision was launched and it was clear that the idea was to implement the vision through the programs. The programs are divided into 3 batches; the first is till 2020, the second 2025 and the third 2030. These are executive programs that have clear objectives and methods to achieve the vision. What was launched last Sunday was the rest of the vision programs till 2020. These programs should be achieved during 2017, 2018, 2019 and 2020. Two programs were launched, namely the National Transformation Program and the fiscal balance program because we were racing time, we don't want to be late and at the same time we want to deliver professional outcomes. So the decision at that time was to launch any program that is ready to be launched and the pending ones would follow later. Last Sunday, we decided on 10 programs for 2020. Government bodies and concerned parties will work through the programs' councils led by the ministers of economic affairs and development, to prepare these programs in the next few months. We expect to launch it gradually within six months.

Q: The goal behind the National Transformation Plan was to improve the functioning of government bodies?

True, this is why we included indicators and objectives for 24 government bodies. The second batch will be launched in the next few weeks and we will add to it several others bodies that were not included within the first 24 bodies that were included in the national transformation program.

Q: A year has passed after the launch of the vision 2030. How did it effect development, unemployment and non-oil revenues? How do you see it?

I believe we have done a great achievement. I don't want to say that it was more than what we expected, but a lot of achievements were accomplished. So, if we observe the situation from 50,000 feet, we will find that the budget deficit is less than what local and global experts have expected for 2015, 2016 and 2017. We will also find that non-oil revenues have nearly doubled during these 2 years, from SAR 111 billion to approximately SAR 200 billion. We will also see that the budget has become more accurate; last year, the deficit has dropped from 25 percent or 45 percent, to a deficit that is less than 10 percent. These are obvious achievements that can be spotted from far. Moreover, if we look at the drop in the oil prices in the 80s, 90s and the year 2009, we will notice that the primary financial indicators were affected, like the unemployment rate that increased during the sharp drop of prices, the inflation rate increased severely and the investment rate dropped sharply.

However, during this crisis, the oil price has witnessed an unprecedentedly swift drop in the history of the Saudi Kingdom to the extent that it has reached \$27 per barrel for a short period and the drop lingered for a year or more. Thanks be to God, and with the directives of the King and the work of government bodies, officials and employees, they were able to protect many indicators and rates from being negatively affected. The unemployment rate for instance was protected and did not get affected.

in a major way. The same applies to the inflation rate that did not get effected like before. Also the investment rate did not get effected negatively and the development rate was still positive although it is true that it is not as high as the international rate, but the Saudi economy did not deflate. The impact of these programs that are launched will be clear by the end of 2017. We will see the peak of its impact in 2018 and 2019 on all levels.

Q: Regarding the unemployment issue, from the beginning of this year, with the stagnation witnessed in the local market, people were dismissed from their jobs. How do you see that?

Any reform or transformation in the country there will certainly have side effects. This is very normal especially that the oil price has dropped to \$27 and stayed for a long period of time underneath the \$40. This will have a lot of side effects and it will affect the expenditures of the state. In these 10 programs, there will be different expenditures, whether in investments or government or private sector expenditures, this will strongly promote the creation of employments in the coming years. As we know, the goal of the vision 2030 is to reach a 7 percent rate of unemployment in Saudi Arabia. There is no doubt that these programs will better rates in 2020.

Q: Nowadays, allowances are paid again. Why did the allowances stop and why are they back?

The decision to stop allowances was a temporary one. In the text of the decision, it was stated that the allowances subject should be reviewed regularly. It was reviewed at the right time, after our oil revenues increased. As you know, in the fiscal balance program there were 3 scenarios of oil prices: low (pessimist) \$45, medium (average) \$50 and high (optimist) \$55. This is not according to the Saudi evaluation but it was rather used to arrange our fiscal situation with the different prices.

Sometimes, we go beyond the optimistic scenario at \$55 and sometimes we go slightly below, and this is a positive element.

The other positive point is that our non-oil revenues in the first quarter of 2017 have achieved more than what was expected.

Thus, the decision had to be changed and the allowances issue was reviewed in accordance with the text of the decision.

Meanwhile, this is a great achievement for the concerned fiscal, economic and investment parties that were able to save us from this situation in less than 8 months. Huge efforts were deployed in the oil agreement with OPEC countries and non-OPEC countries. This deal was a first in history as we always knew about the deals with OPEC countries only, but this is the first time in history that there is a deal between OPEC and non-OPEC countries and this is what enhanced our position and made it very positive on the level of the government's oil revenues. Moreover, the measures that were taken in non-oil sectors have also helped greatly. Also, the investments and the reorganization of sectors falling under the public investment funds helped in these revenues that enhanced our position and helped in taking such a decision.

Q: Were the allowances influential in reaching a decision to stop them?

When you see that the oil price dropped to \$27 and stayed under \$40 for several months, you cannot know the scenario for the coming 3-4 years. We didn't know if our efforts in the oil agreement will be

rewarding or not. We did not know if our programs regarding our non-oil revenues will be rewarding or not. We did not know if our investments will be remunerating in a short period of time or whether we won't be able to take profits that would help the government budget on the short run. We cannot bargain at the expense of the national economy. It is true that this has happened in the past, in the 1980s and in 1997, but the previous era was different because we took a few months to get back to normal course this time whereas, in previous cases in our history and the history of other countries, things used to take years to return to normal.

Q: I mean the amounts and volumes were influential?

That's sure. If you want to close the taps you own, you must take all necessary measures to make sure that you are doing well and then, you reopen them properly.

Q: How do you respond to some Western newspapers that said that this decision was due to popular pressure and this represents a step back for you?

This is not true. The deficit dropped by 44 percent in the first quarter; this proves the truth of our words. The deficit falls below our expectation, so why would we carry on the austerity measures.

Q: What are the most prominent steps that have helped in lowering the budget deficit?

- 1- Oil revenues are the most important factor and the main reason for the oil agreement.
- 2- Non-oil revenues with some action that have been undertaken in the last 2 years.
- 3- Public Investment Fund revenues; for the first time the Public Investment Fund generate tens of billion for the treasury in 2015, 2016 and God willing more than that in 2017.

These are 3 most important factors that made the deficit fall by 44 percent.

Q: What if the price of oil falls below \$30?

We expect the deficit in the second, third, and fourth quarters not to be less than 44 percent, because we have raised our expenditures again.

Q: What if the price of oil fell again below \$30, would we return to austerity measures?

There is no doubt that if we go through a critical stage again, we will return to the austerity measures. However, what we are working on today and the current initiatives will make us stronger in facing shocks. If our initiatives succeed we will be good with oil prices below \$50. This will allow us to face crises in a stronger stance without taking action to tighten the belt.

Q: After the return of allowances, people started thinking that the Citizen's Account will not be completed?

The unified Citizen's Account is to compensate the citizens for any rise in the prices of energy, water and similar services, so that the price does not affect citizens with middle income. The impact would be just on the rich citizen or foreigners. Today we want to redirect the financial support toward citizens. The average income or the limited income citizens can spend the money that they had previously spent on energy, water, oil or other goods, or reduce their consumption and spend that amount on other things.

Q: Almost 12 million citizens registered their information. Have you started benefiting from it?

Now we believe that those who need support are less than 10 million, or nearly ten million; the competent authorities are working to determine the final form.

Q: Do these 10 million include the poor and the average?

Sure. We are trying to be as generous as possible, and we are trying to include the largest possible categories, even if they were slightly above the average in a way that does impact Saudi citizens. Until now the details have not been finalized and competent authorities will still be working on it for the next few months.

Q: How will you deal with future unemployment? Do you have figures related to it?

You can notice that in the 10 programs that were launched it is required from each program in the next six months to measure the impact of each program on the main economic indicators, including the unemployment index. In the next six months we will see the impact of each unemployment program. The percentage will affect unemployment. In the next six months, we will see the impact of each launched program on unemployment and how it will create jobs. We expect that the impact of these programs will be very strong and will reduce the unemployment rate. I cannot give you an exact figure before the time of the announcement of each program.

Q: In your opinion, what is the expected rise in public debt between 2017 and 2018?

As announced in the fiscal balance program, the public debt will not exceed 30 percent. We target the public debt on 30 percent of GDB and so far we have not reached the 30 percent. There are expectations that we might go below 30 percent in 2020 and a public debt of 30 percent is not a problem. All the countries in the world have GDB and some of them have a 50 percent, 60 percent and even 200 percent GDP, including G20 countries. If we look at the big countries and the 5 biggest economies, we will see that their public debt is above 30 percent. It is healthy for the Saudi economy to have debt because it would mean that we have developmental programs opportunity, on which we are spending money. We have 2 options: We can either spend, support development and create jobs in the private sector, or stop spending. However, the public rate is falling slightly and this is a push for us to reach international rates and carry on with our spending.

Q: How do you see the future of the Public Investment Fund over the next three years? Will the investments be internal or internal and external?

The Public Investment Fund is one of the most important pillars of Vision 2030. We have an opportunity to develop the size of the Public Investment Fund through:

- 1- Unutilized assets; many assets we introduced, some of which have been held or announced to the Public Investment Fund. These will be reflected in the size of the fund, its value and its profits.
- 2- We have heard that the state needs some of the reserves that are not financial so, SAR 100 billion were transferred to the Public Investment Fund several months ago. There is also a restructuring of the public investment fund companies so that their performance, growth and profits are better than the

before. All of these factors will enhance the Public Investment Fund (PIF), and on top of these is Saudi Aramco.

Q: What about Aramco?

As we mentioned, Aramco will provide a large cash flow to the Public Investment Fund and will help target many sectors in and outside Saudi Arabia. One of the most important sectors that Aramco will fund inside Saudi Arabia is the mining sector.

According to the survey of the 1970s, which was re-examined last year, I think that there are opportunities in mining (amounting to \$1 trillion and \$300 billion), which is the value of the minerals in Saudi Arabia: the gold alone amounts to \$240 billion, and it requires a very large investment. It is always difficult for foreign and local investors to take risks in a new sector like the mining sector. Hence, the investment must be made through the Public Investment Fund, and part of Aramco's cash flow will enable the fund from investing in this new sector that has used less than 3 percent. We have another very important goal, that is the goal of the local content: today the amount of Saudi Arabia's purchases outside Saudi Arabia on goods or activities, etc., is up to \$230 billion. The goal of the vision 2030 is to have half of this spending inside the Kingdom. When we take the most important items of local content (\$230 billion), we find that the military production varies between \$50-70 billion per year, with slight variations, as we are third largest country in the world to have 99 percent of the military armament spending outside the Kingdom. This is a huge opportunity to find large industries within the Kingdom and find jobs and development. It is important to note that the decision is taken 100 percent by the government; today, the government has taken a decision requiring that any industry should be linked to local content (i.e, I only buy from you if you have a certain percentage of local contents).

There are types of industries like technical industries that are not highly sensitive and in this case other countries would not mind transferring it completely to Saudi Arabia, such as light weapons, ammunition or everything that can be listed under it from parts or structures, etc. There are industries that are of medium technicality; some of the country would be somehow sensitive about it so we try to get out of the deal with a certain percentage of local content and we can reach a percentage of 70 percent, 50 percent or 20 percent of local content at times. Also, there are complex industries that countries refuse to transfer to Saudi Arabia, thus, we ask for the main material to be through Saudi Arabia and this will indirectly impact the local content of Saudi Arabia. Saudi Arabia has now imposed a condition that no weapons deal will be done if there is no Saudi content that aims to completely transfer the production to inside Saudi Arabia. If we do not succeed, we must reach at least a 50 percent of local content by 2030. This would mean that half of the 50 percent (\$70 billion) is spent inside Saudi Arabia in 2030, and will gradually increase. Today there are a series of armament deals that will be announced in the coming period, and we will know in each deal how much content is local and how many job it will create. The armament is the largest sector for the local content; the second largest is the automotive industry, with a value of 30 billion dollars spent yearly to buy cars. The positive element is that \$13 billion of these purchases are for the Saudi government. So we can start first by providing the Saudi government with cars through Saudi manufacturing companies that the Saudi government is contributing to. This will get us to 40 percent or 43 percent in 2030 in terms of automotive industry.

Q: Will there be a localization of the automotive industry?

We will not try to provide the citizen with cars in the next 10 years as it will be very difficult to compete in terms of prices and it will also be difficult to convince him of the quality. However, we can ensure that

these deals are handled by the government until finding a passage for this industry within Saudi Arabia. The third important sector in terms of local content is the entertainment and tourism (22 billion dollars are spent annually outside Saudi Arabia on entertainment and tourism). This is the most difficult sector because the decision is fully taken by the Saudi citizen and not linked in any way to the Saudi government. Thus, it is difficult to invest in a sector that will require the Saudi citizen to be convinced to spend the money inside Saudi Arabia rather than abroad. We are aiming to transfer 50 percent of the spending on this sector to the Saudi Arabia in 2030. Many sectors and items are listed under the local contents because we are aiming to transfer 115 billion dollars from the 230 billion that are spent abroad annually, to be spent inside Saudi Arabia. After 2030, the amount will gradually increase.

So, from now until 2030, these will be our challenges and profitability. They might not be successful and might be risky and the only investor would be the public investments fund until we succeed, then, it will be privatized and sold in the stock market so that the fund regains its moneys and get into other opportunities. This is the second sector targeted by the public investment fund after the mining sector. The third sector is the logistics sector: we have 3 very huge opportunities in logistics and we are seriously working on them. The most important opportunity is the Red Sea, with 13 percent of world trade passing through it and Saudi Arabia does not offer anything in return (zero services), and here we have huge opportunities to work along the Red Sea dealing with many of the exports and imports. We have already started working with many countries, the most important of which is China and we are currently preparing a huge initiative with China in the industrial city of Jazan; there are also other countries who are joining gradually.

Q: Will this include ports development?

Yes, developing ports and participating in industrial cities along the Red Sea. We are also working on another opportunity that is Saudi and Gulf exports to Europe; we aim to send 40 percent of the exports of Saudi Arabia and the Gulf to Europe, especially that Gulf countries extend from the Persian Gulf to the Strait of Hormuz and from the Arabian Sea to Bab al-Mandab, the Red Sea, the Suez Canal and the Mediterranean Sea. This step will take time and it will be costly and risky. We can provide them with a passageway through Saudi Arabia, directly to the north of Sinai through the King Salman Bridge that was announced last year, reducing time and cost; the security guarantees will be much higher than those in the areas that it already passes through.

Q: Are you still working on the King Salman Bridge project?

Sure. There will be many industries and businesses in Saudi Arabia linking roads, connecting power networks, linking gas and oil pipelines and connecting railways to the North of Sinai. The aviation is the third opportunity falling under the logistics section. Today, our brothers in the UAE and Qatar have done a very good job in the aviation in the Middle East, although they do not have a strong local market to rely on to get into and control the Middle East markets. Saudi Arabia has the largest domestic aviation market and Saudi Airlines should have a much larger stake in Middle East today.

Q: What are the reasons behind the lack of achievement in Saudi aviation? Is it due to weak airports?

It is due to the lack of strategy. We do not have a strategy or vision regarding the airports; we were working randomly and this is why we reached the stage we have reached today. If we had set a goal and plan to reach this goal, we would have achieved it with 100 percent, 50 percent or 30 percent results. In brief, the Fund is the main engine for the major sectors in Saudi Arabia.

The Fund will have a very large cash flow from Aramco and at least 50 percent up to 70 percent of this cash will be used in new sectors inside Saudi Arabia (mining, local content and logistics). After covering the opportunities within Saudi Arabia, the remaining 50 percent or 30 percent will target the promising sectors outside Saudi Arabia, which we would be leading in ten years. The details of all of these things will be announced during the accurate and detailed launch of the Public Investment Fund Program.

Q: Questions have been raised regarding housing projects as a priority. What is your take on that?

We are working on many fronts and if one party has done an achievement we cannot say that the other party is delaying the process. This is why we cannot disrupt the work of the entire government. All parties should support, encourage and make achievements, and the one that causes delays should be helped in the causes and solutions to the delay. This is on one side; on the other side, the government is not the one behind public investment fund; we spend from the assets of the fund that are owned and were not exploited. In the past, it was giving us a 1 percent to 2.5 percent profit at best, and was including bonds and funds outside Saudi Arabia. Today we are transferring these funds to Saudi Arabia and we are investing in sectors that can reward us with more than 1 percent or 2.5 percent profitability. It develops main sectors and contributes to the local content.

Ultimately, there will be profits for the Fund, which will be transferred to the State Treasury and consequently, the state will become stronger and will be able to cover more than housing expenses and others needed by the state. It will create many jobs that will solve many problems for Saudi citizens, and will also contribute to the development of the private sector.

Q: Will the fund help galvanize the housing sector?

The Real Estate Development Fund is certainly one of the major factors influencing the development of the housing sector. There are three types of housing- there is free housing and these are hundreds of thousands and I cannot provide a final number. Then there is housing supported by the Real Estate Development Fund and housing that's supported through the major investor which is the government that facilitates it for Saudi citizens to buy houses for reduced prices. This is a very long-term loan as its profit to the fund does not exceed 3 percent. Citizens can own the house on the second day and pay for years without affecting his major income. This is in addition to free units with the biggest size possible and we will give these to citizens who cannot cover the costs of the housing programs.

Q: When do you expect the program to be launched?

It should be within six months. I do not think it is going to be one of the first programs to be launched because it is very complicated and involves high expenditure. I expect it to be launched in the third quarter of 2017.

Q: Your Highness, some economists fear for Aramco and think it's state-owned and must not be listed for an IPO. What do you think?

I think this tends to be close to the socialist communist approach where everything is owned by the state, even a bakery must be owned by the state. According to the documents based on which Aramco was established in the era of King Abdulaziz – may he rest in peace – there were plans to sell shares at the time. Today, you have a company with a very high value. You can keep this company in Saudi Arabia

and keep its influence in Saudi Arabia and make it develop in Saudi Arabia while benefitting from its value by motivating other sectors that are not in Saudi Arabia. The amount of money we will make through Aramco will help us seize many opportunities, like we said at the beginning of the interview. If Aramco is not put for IPO, it means it will take us 40-50 years to develop the mining sector. It will take us 40 years until we develop the local product and it will take us long years to develop logistical services just like we wasted 40 years in the past while trying to develop these sectors. When we offer part of Aramco's stock and take this cash money and establish new and strong sectors in Saudi Arabia, economy will develop, jobs will be available and the revenues of the government and the fund will improve. This is in addition to other benefits. All this will happen while Aramco is still in Saudi Arabia.

Q: What will be its value and the percentage?

There are two major factors to specify the percentage of offering.

Q: What will we sell? The service or the wells or what?

We're selling the value of the company. The wells are owned by the government. Only the company has the right to benefit from these wells. This was the case in the past and it's the case today and nothing has changed. The size of the share, which will be sold, is linked to two factors. The first one is demand. Is there demand or not? The second one is what do we have on the pipeline, like investments inside or outside Saudi Arabia. There was demand. However, cash is what we need because we don't have a sector to invest in in Saudi Arabia or contain this investment so why sell an Aramco share. However if there is demand and there is a sector that needs this amount to invest in the day after, then we will immediately sell. These two factors are what specify how much we will sell from Aramco but it's certainly won't be far off 5 percent.

Q: When will Aramco shares be sold?

2018

Q: Are you working now on paperwork and authorizations?

Yes

Q: If Aramco shares are sold who will specify the production ceiling of Aramco?

The Saudi government will do that. It will specify the production ceiling. It is in the Saudi government's interest to increase production according to the price that suits the company. Part of the government's returns is the tax on the oil (50 percent) that's sold or produced. There are also taxes it takes from Aramco. The government's interest is to increase Aramco's profit. This means that the government will not take a decision that goes against its interests or with Aramco's interests regarding the production rate.

Q: Your Highness, considering the vision and the economic situation, will production be liberated from political decisions?

Production is not a political decision. Production is an economic decision. It has never been a political decision in the past. To specify a suitable production price is an economic interest. This is governed by

supply and demand and coordination with OPEC countries and non-OPEC countries in order to coordinate the quantity of supply and demand so there is no collapse or confusion in oil prices.

Q: One of the programs launched last Sunday was the investment project to motivate 100 companies so they become regional or international. What kind of companies will be upgraded?

I cannot name companies now. Some companies are in the stock market and others are not. We seek more than 100 companies that have a chance to transform from a local company to a pioneering regional company and we also seek companies that have the chance to transform from a pioneering regional company to a pioneering global company. There is a group of companies that can achieve such a transformation. This will have great influence and it will be reflected on the Saudi economy. This requires easy procedures, facilitations and agreements with other countries to facilitate their sale and their expansion.

Q: Will the government negotiate on behalf of companies and look after their interests?

Certainly. We noticed that all governments in the world do that. We have seen this most recently. Few days ago, the German chancellor was here and the most prominent company directors in Germany were here. She negotiated as if the companies are owned by the German government. She was engaged in all details to help these companies succeed. The Saudi government must perform its role to help Saudi national companies succeed. This will turn 100 Saudi companies from pioneering local companies to regional and from pioneering regional companies to global. We will thus have the experience in how to transform these companies into huge companies as after 2020 we will do programs that target a wider range of these companies.

Q: Does this mean that the government may extend loan to them?

This is possible and will depend on what will be announced in the program.

Q: The private sector is now complaining about rising operating costs and thinks this will harm the industry and commerce. What do you think of this and of the increase in prices and the shrinking economic condition?

I do not think this is accurate but programs which will be executed will strongly motivate the work of the private sector and will strongly increase sales to the private sector. If hundreds of billions are spent in a short period of time this will certainly positively influence the private sector. I will give you an example. In the past, we only depended on the government's capital expenditure. In the next years, we will have a high government capitalist expenditure. This is one. Two: there will be expenditure from the reserves mentioned in the financial balance program, 200 billion riyals to develop the private sector. This is another expenditure that's different from the capital expenditure we got used to. Thirdly, and this is important, is the expenditure of the public investment fund. The public investment fund will spend inside Saudi Arabia after Aramco offers over SAR 500 billion in just 3 years. Imagine this expenditure in the military industry or in manufacturing cars or providing entertainment and creating tourism and other industries. Imagine the influence on all of the private sector. This will strongly motivate their sales in all sectors whether in retail or transport or services sector etc.

Q: Will you impose taxes on the companies' income?

No, this was not mentioned and it was not mentioned in the financial balance program. We mentioned there will be no taxes on incomes.

Q: With regard to companies coming to Saudi Arabia, are efforts being made to attract foreign investments?

Yes. Today, the ministry of commerce is working on screening the work of the investment commission and our work in a different way. We used to wait for companies to make the request but today we seek the companies that we want for them to work in Saudi Arabia. There is a very long list of companies which the investment commission must seek every year and bring into the Saudi market.

Q: Is there someone who wants to enter the market but makes complains about the procedure here?

Easy procedures greatly contribute to the work of these companies. For instance, I'll tell you a recent incident that happened during the German chancellor's visit. German companies had a problem that our licenses in Saudi Arabia for only for one year while their strategies and investments are based on four years. In this case, a change is made and the license will last for five years. Easy procedures greatly motivate the work of foreign companies in Saudi Arabia.

Q: On privatizing the healthcare sector, the minister was quoted as saying during a seminar that hospitals will be privatized. Then it was said they will be turned into companies owned by the state. Where do we stand on this?

In successful countries healthcare sector is privatized. If we look at the US for example, the American government does not own hospitals. Each hospital is co-owned by the private sector and the non-profit sector. The government's role is to guarantee free treatment of Saudi citizens. Instead of operating a hospital and spending on it and having a quality that does not please citizens, we privatize them. Companies will thus own them and we take care of an insurance policy for each citizen. The citizen chooses the hospital where he wants to be treated whether it is owned by the private sector or the non-profit sector. This will create high competition among hospitals owned by the private sector and they will provide good services to attract citizens who have insurance policies and make more profit. This will create a much better healthcare sector that provides the best services with much less corruption because interests are now between stakeholders. This will also reduce the Saudi government's burden related to management and decrease high costs that the Saudi government incurs on the healthcare sector. This money will be spent in other sectors that need this expenditure.

Q: When will this begin?

It is a very complicated project. We expect things to be clearer during the current year.

Q: What are the other sectors that can be privatized in the near future?

Municipal sectors and transportation, mainly airports, airlines and ports are the major sectors that we target in the current phase.

Q: Your Highness said the number of those who want to perform Umrah and Hajj will increase by preparing the Two Holy Mosques and improving facilities. However Muslims in Pakistan for example or of other countries or Muslims who reside here think that fees will have an effect and turnout will be

lower so instead of having a person perform Umrah four times a year, he will perform Umrah once a year.

This is not true, and those who stand behind this propaganda hate Saudi Arabia and hate Saudi interests and are trying to seize any opportunity to make Islamic communities dislike Saudi Arabia. First of all, before this decision, there were fees on Hajj and Umrah visas worth 50 Saudi riyals. The person who comes the first time pays 50 Saudi riyals on Hajj and Umrah visa. Such fees are not only on Hajj and Umrah visas but target all the Saudi government visas and unifies their price. In order to serve pilgrims and people who perform Umrah, the government covered the costs of the first visit that any Muslim does and this visit will be at the expense of the government. If a Muslim wants to perform hajj for the first time, he does not pay for the visa and the Saudi government pays the visa fees. If a Muslim wants to perform Umrah for the first time, the government pays the visa fees. However, regarding the person who comes for a second or third time, first of all, he's draining the Saudi economy and we've served him the first time for free. Second of all, he's taking the spot of other Muslims who want to come and perform Umrah and Hajj.

Q: A minister was removed due to abuse of power. Is this the outcome of the Corruption Commission?

The Custodian of the Two Holy Mosques King Salman bin Abdulaziz – may God protect him – made changes since the first day he assumed power as he realizes the importance of the Corruption Commission's work. He was also not satisfied with the role this committee has played. If fighting corruption is not on the top of the agenda it means the fight is not succeeding and attempts being made to do so will not succeed no matter what you do. I reiterate that anyone who is involved in corruption will not be spared, whether he is a minister, a prince or whoever he is. Anyone whom there is enough evidence against him will be held accountable.

Q: Will social media networks contribute to exposing corruption?

Documents regarding corruption must not be taken from social media networks as we do not know who is forging it and who is not and what is real and what is fake and who has a certain agenda and who doesn't. Any Saudi citizen who has documents that expose corruption or information about corruption can submit them to the relevant authority, mainly to the anti-corruption commission and he must trust the relevant authorities and have confidence they will perform their role.

Q: Your Highness, the war on Houthis in Yemen is going on. Will it go on?

No one wants the war to go on.

Q: What do you think is the future?

There's no doubt that when the war erupted, Saudi Arabia had no choice. It was something we had to do as the other scenario was much worse. First of all militias that are categorized as terrorist militias and which we have had a negative experience with in 2009 staged a coup against legitimacy. Secondly, these militias posed a threat on international navigation and on all of Yemen's neighbors. Thirdly, terrorist activity on the other side south of Yemen became strongly active and exploited these militias' work. If we had waited a little bit, threats would have been more complicated and there would have been threats inside Saudi Arabia and in regional countries and on international borders and crossings. We had no other choice. I think the Saudi armed forces accomplished great achievements. When the operations

began, legitimate powers' control over Yemeni territory was almost 0 percent. Today, legitimate powers control 80 percent or 85 percent of Yemeni lands. There is another coalition in North Saudi Arabia in Iraq and Syria to fight ISIS which controls part of Iraq. The coalition consists of 60 countries that have been led by the US since 2014. This was a year before we formed our alliance and they have not done anything till this day.

Meanwhile, we are only 10 countries in the region and we managed to make achievements in a lesser time-frame compared with operations, which were launched in Iraq and Syria. This is an achievement for Saudi armed forces, Yemeni forces and the coalition forces.

Q: As they have regained control over territories in Yemen, why doesn't the legitimate authority move to Yemen?

The legitimate authority is always moving between Yemen and Saudi Arabia and it was in Aden for a long time. They always avoid having the president and the vice president both present in Yemen in order to decrease the threat of eliminating them. This is how they plan their work.

Q: There are talks about differences between Saudi Arabia and the UAE regarding Al-Islah and their role in the war and the future of Yemen. How accurate is that?

There are many rumors and enemies certainly want to spread as much rumors as possible among allies.

Q: Why are areas that are under the control of Houthis more secure and stable, like Sanaa, compared to areas controlled by the legitimate power, like Taiz and Aden?

I want [to know] your source of information. I completely doubt this.

Q: Some reports said the coalition's intelligence information is not efficient and it is proved by the fact that Houthis and Saleh still have stock of weapons.

We can eliminate Houthis and Saleh in few days. We can mobilize Saudi ground troops and in only few days we can seize control of all areas and of the 15 percent which Houthis and Ali Abdullah Saleh control but as a result thousands of our troops can fall victims. There will be funerals in all Saudi cities. Yemeni civilians will also fall victims. There will be huge losses. Time is on our side. Being patient is in our interest. We have the supplies and we have the logistics and high morale. The enemy does not have supplies and funds and is impatient. Time is on our side and we will exploit the time to serve our interests. If we do not do so, it means we will have served the enemy.

Q: There have been frequent offers made by Ali Saleh. Isn't it possible that this is the way to isolate Houthi?

Ali Abdullah Saleh has a huge dispute with Houthis and we know that he is currently under the control of Houthis and under his guardianship. If he is not under the control of the Houthi guardianship, his stance will certainly be completely different. If Ali Abdullah Saleh exits Sanaa to another area, his stance will be completely different compared to his stance today. Today, he may be obliged to adopt many of the stances.

Q: He suggested an initiative when his son came at the beginning of the war and you rejected it?

That's true. We were trying to execute a political initiative that makes us avoid war and we were open to discussions during that phase on the condition that they do not come near Aden because if they do, it will be very difficult to discuss a political solution when Houthis are expanding in Yemen. Unfortunately, what we hoped for did not happen and we had to engage in the operations.

Q: Your Highness, regarding powers that are affiliated with the legitimate government in Yemen, and not with the rebels, why doesn't the kingdom open lines of communication with them?

All lines are open whether for powers affiliated with the legitimacy or with powers affiliated with Ali Abdullah Saleh or even if they are affiliated with neither. More are encouraged every day.

Q: Regarding tribes in Yemen, it looks as if they did not adopt neutrality. You met the tribes, how do you see them today?

They were very enthusiastic as they hate the Houthis group a lot and want to get rid of it as quickly as possible so that they can work on projects to develop Yemen.

Q: I will go back to Egypt. Relations with Egypt were excellent then the Egyptian media began to hint that relations are about to be severed. What's going on?

You mean the Egyptian Muslim Brotherhood media? The media that criticizes Saudi Arabia or Egypt-Saudi relations is the same media that criticizes President Sisi. Egypt-Saudi relations are strong and solid. Relations with deep roots do not get affected in any way whatsoever. In the history between Egypt and Saudi Arabia, the two countries have always stood with each other during all circumstances and during all times and this has not changed. No negative stance has been made by the Egyptian government toward Saudi Arabia. The Saudi government did take a single negative position against the Egyptian government. Egypt was never late to help Saudi Arabia and Saudi Arabia was never late to help Egypt. There is a solid conviction between the leaders of the two countries or rather between people of the two countries. There is no doubt that the enemies of Saudi Arabia and Egypt will try to create rumors one way or another either through Iranian propaganda or Brotherhood propaganda as they want to create a rift in Egypt-Saudi relations. The leadership in both countries do not pay attention to these.

Q: Your Highness mentioned the King Salman Bridge between Egypt and Saudi Arabia. Do you bet on it?

True. After the bridge was approved expert teams began working in offices and not in front of the media. The plans will be announced in detail when the foundation stone is laid. The foundation stone will certainly be laid before 2020.

Q: Islands, have you finalized the issue related to islands?

As for the islands, there was never a problem related to them.

Q: According to Egyptian media reports, this issue is in the courts.

What happened around a year ago was demarcation of maritime borders. Islands are registered in Egypt as Saudi islands are registered as Saudi islands. In international institutions, they are also registered as Saudi islands. What was finalized was demarcating maritime borders. Egypt did not give up an inch of its

lands and Saudi Arabia did not up give an inch of its lands. Borders were demarcated for reasons related to economic benefits that may be made after demarcating borders or after King Salman Bridge is built or that may be made through oil supplies, gas supplies, energy supplies or the train or roads, which will target the port to be built in North Sinai and the Gulf's exports to Europe.

Q: Can we see a direct dialogue with Iran in the future despite what it is doing in the region?

How do you communicate with someone or a regime that's completely convinced that its system is based on an extremist ideology that relies on texts in its constitution and in Khomeini's legacy and that stipulates that it must control Muslims in the Islamic world and spread the Twelver Jaafari sect in the Islamic world so Imam Mahdi comes. How do I convince these of anything? What interests are there between me and them? How do I communicate with them? When there's a problem between me and another state, we begin by solving it. For example, if there's an economic problem, we communicate and I see what you want and you see what I want and we understand how to address the problem. If, for example, it is a political problem, like the case is with Russia and how we communicate regarding Syria, we discuss what their interests are and what my interests are. How do we communicate on Yemen? We discuss interests. But with Iran, how do we communicate? Their logic is based on the notion that Imam Mahdi will come and that they must prepare the fertile environment for his arrival and they must control the Muslim world. They deprived their own people of development for more than 30 years and put them through starvation. The people have bad infrastructure because the regime only wants to achieve this aim related to Imam Mahdi. The regime will not change its mindset overnight; otherwise, its legitimacy inside Iran will come to an end. The mutual points, which we can agree on with this regime, are almost non-existent. This regime was tested during more than one phase, like during the time of Rafsanjani and everything turned out to be mere charades. The strategy of expansion was adopted after the Khomeini revolution happened. When the world got angry, they brought a peaceful leader and at the time it was Rafsanjani. They did that to gain the trust of the world and our trust. They gained our trust. After that they got to another phase of providing a good environment, an extremist leader was assigned so the expansion resumes. This is what we saw during the reign of Ahmedinejad and we saw how they expanded in Iraq, Syria and other areas. Then they'd assign another leader to maintain the gains and satisfy the rest of the world. Then they'd again assign an extremist leader to resume expansion. This will not happen. This is over. A believer is not bitten from the same hole twice. We were bitten once. We will not be bitten again. We know we are a major target for the Iranian regime. Reaching the Muslims' qibla is a major aim for the Iranian regime. 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.

Q: What do you think of a solution in Syria?

There is no doubt that the situation in Syria is very complicated. There's no doubt that former American President Barack Obama wasted many significant opportunities which he could have seized to achieve great change in Syria. Syria has today become an international conflict. Russia is present there as a superpower. A superpower like the US is present. All five superpowers are present there and any friction between these superpowers may create a crisis that's much bigger than the Middle East crisis. The situation is very complicated. Today, we are trying to come out with the biggest amount of gains in the interest of Saudi Arabia and the interests of the Syrian people and the region's countries.

Saudi Deputy Crown Prince: Iran is trying to control the Muslim world

Al Arabiya English
May 2, 2017

Saudi Deputy Crown Prince Mohammed Bin Salman said in an interview broadcasted on Al Arabiya TV in parallel with Saudi.TV that Iran is trying to control the Muslim world.

"The regime is based on an extremist ideology, so how can it be understood?" he added, while stating that Saudi Arabia is a key target of the Iranian regime.

Egypt

The Deputy Crown Prince said that, "Saudi-Egyptian relations run deep," and that the Muslim Brotherhood is trying to promote differences between the two nations.

He added that specialized teams are working on the King Salman bridge, linking Saudi Arabia to Egypt's Northern Sinai, and that the stone foundation should be complete before 2020.

Yemen

The Saudi prince said that the war in Yemen was not an option for Saudi Arabia, pointing out that if the Arab coalition forces did not intervene, the alternative would be "much worse."

He stated that the Houthi militias were a threat to international shipping and neighboring countries to Yemen. Terrorist activity in Yemen have also begun to exploit the work of these militias.

"If we waited longer, the danger would be inside Saudi territory," he added.

"We can stop the Houthis and Saleh loyalists in a few days, but we do not want civilian casualties," he asserted.

He emphasized that the Saudi armed forces achieved a great victory explaining that at the beginning of the operations the legitimacy controlled zero percent of the territory while today they have regained over 85 percent of the land.

Prince Mohammed bin Salman hinted that the international coalition, which includes more than 60 countries, has been fighting ISIS and was only able to recover one third of the territory of Iraq and Syria since 2014. While the 10 countries led by Saudi Arabia achieved a major accomplishment in just a short period of time, which in itself is a major achievement for Saudi Arabia.

Syria

The Saudi prince said that the situation in Syria "very complex" and that former US President Barack Obama missed important opportunities to make changes there.

"Escalated tensions between major powers in Syria could lead to international crisis," he added.

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