



## Speech by Mr Jacques CHIRAC, President of the French Republic on the occasion of the Franco-Saudi Economic Meeting organised by the Council of Saudi Chambers of Commerce and Industry

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Riyadh Saudi Arabia, March 5th, 2006

Presidents,

I would first of all like to say how touched I was by the warm words extended to myself and to France. They are very encouraging and I thank you for them.

The invitation made by His Majesty, King Abdullah, Custodian of the Two Holy Shrines, grants me the opportunity to convey my dedicated friendship toward him and, at the dawn of his reign, to affirm France's support for the political direction that he has given the Kingdom. This visit is part of a regular and genuine dialogue that His Majesty and I have entertained for many a long year; a dialogue to which I attach the utmost importance. It also attests to the close ties that bind Saudi Arabia and France.

As a key player on the international stage, not only because of its own sway, but also because of its role as a moderator in a troubled region, Saudi Arabia represents, for France, a major partner in the face of the new challenges posed by a world undergoing profound change.

My discussions with its leaders have shown me the Kingdom's economic orientations, its ambitious plans for reform and its will to determinedly follow through with the necessary diversification of the Saudi economy. I am also delighted to meet with those who represent the Kingdom's driving force. It was my wish that this happen in the presence of French business leaders from some of the most prestigious enterprises, who have been kind enough to accompany me.

So I thank you for your welcome.

As an economic power in full expansion, well respected for its essential and stabilising role in the oil markets, Saudi Arabia has all the assets required to meet this century's economic challenges.



## PRESIDENCE DE LA REPUBLIQUE

Along the way, you are going to reap the benefits of the momentum recently gained through the Kingdom's joining of the WTO. It means that your market will witness the arrival of many foreign competitors, be they industrial investors, merchants or even service sector companies.

It is indeed a challenge. But I am convinced that Saudi businesses will prove capable of adapting to this new environment.

Already, the market liberalisation initiatives undertaken by the Saudi government, at the behest of His Majesty, are encouraging for business. I am thinking in particular of the accelerated privatisation process or indeed the overhaul of the main texts governing the capital market, the labour market or foreign investment.

All these developments have created a climate of confidence, which has been welcomed by international observers.

Given these successes, I believe that the time has come for our economic relations to be commensurate with our excellent political relations. Our bilateral relations are longstanding and noteworthy: Saudi Arabia is France's second-largest trading partner in the Middle East. And the considerable development of our trade in 2005 shows that we are on the right track. But the relative weakness of French exports and investment in the Kingdom, and the as yet under-diversified nature of our trade, indicates that there is still some way to go.

This is the message that I bring to you today: a message to encourage French firms to further their involvement in the Saudi Arabian market; to convince our Saudi friends of the excellence of France's know-how, and of our desire for closer cooperation.

French firms are at the cutting edge of knowledge and innovation. They can pride themselves in the many examples of successful skill transfers that they have achieved, both in the Kingdom and in other countries in the region.

When it comes to aeronautics and defence, our two countries have succeeded in forging strong and lasting ties. French companies such as Thalès, Dassault, and Eurocopter are ready to share their expertise with Saudi Arabia.

We also hope to intensify our partnerships in the energy sector: the expertise of Total, or of the French Oil Institute (IFP), is at your disposal.

In terms of infrastructure, French firms, as you know, possess unparalleled expertise and are able to meet your every need. You will have heard of names such as Alstom for energy and transport, Vinci for large projects, Vøolia and Suez for water and sanitation, Alcatel for telecommunications networks: these companies, along with many others, anticipate contributing to the fruition of your ambitious investment programmes.



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France, home to Europe's second-largest industrial base, has many and varied areas of expertise: the agro-food industry, with Danone and Lactalis; electrical material, with Schneider; advanced materials, with Saint-Gobain.

The financial sector is yet another very promising area for cooperation. With Calyon, which has invested in Banque Saudi Fransi (BSF) since 1977, and whose very name attests to the friendship that exists between our two countries. With BNP Paribas, Axa and numerous others, France, which can pride itself on having some of Europe's most successful financial corporations, hopes to deepen its relations with Saudi Arabia.

The same goes for the service sector, which is at the heart of the Saudi economic diversification strategy being undertaken by your authorities. In this area, France boasts such firms as Sodexo, Casino and Accor, whose expertise is well renowned.

Our shared objective is to heighten the presence of French companies in Saudi Arabia as well as broaden their field of activity. Sixty French firms are already present here; they employ over 12,000 people. We can and must do much better than this, so as to contribute to Saudi Arabia's spectacular development, and to take full part in a priority that we see as crucial for Arabia's future: the nation-wide drive to create employment for the youth of Saudi Arabia.

My wish, then, is for this growth to continue and lead to a greater French presence, be it in the form of industrial investments, the formation of joint enterprises or the development of trade partnerships.

France, which has opted for an open economy, would naturally like to welcome Saudi investors in great numbers. The quality of France's labour force and technology, the strength of its internationally-minded and modern economy, its choice to adopt the euro – a strong, stable currency: these are all reasons to look toward France as an investment option.

I know that I can count on Arabia's network of Chambers of Commerce and Industry to support this ambition, as well as on the Franco-Saudi Affairs Council, designed to be an instrument of dialogue and exchange. Placed under the aegis of the Council of Saudi Chambers of Commerce and Industry and of the French Business Confederation (MEDEF), and under the dynamic leadership of its President, Mr Abdulaziz Al-Sheikh, the Franco-Saudi Affairs Council is to play an ever greater role in developing our exchanges and in strengthening our bilateral trade relations.

Presidents,

Allow me to finish by sharing a message of friendship with the Saudi people; a message from myself, from my accompanying delegation and from the French people. Economic projects may be bound to serve the interests of both parties, but they also offer our dialogue and our partnership a whole new dimension.



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Indeed, they contribute to exchanges among people, and therefore to greater understanding and to the dispelling of misapprehensions that stem from distance and ignorance.

Both of our peoples have ancient and prestigious cultures which can enrich one another, given that we approach our differences in a spirit of curiosity, tolerance and respect. So these differences, rather than driving us apart, will bring us closer together, creating fresh solidarity between us. At a time when more and more incomprehension is apparent in a world that is ever more open and interdependent, it is up to us to promote this call for dialogue and respect for one another's convictions, which lies at the heart of our cultural traditions.

Thank you.

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