

FOR the last two decades, Saudi Arabia has been one of the largest donors of aid to at least 70 developing nations of the world. A report by the United Nations Conference on Trade and Development (UNCTAD) stated that official Saudi aid between 1973 and 1981 averaged 7.7 per cent of the Kingdom's GNP, and for the period from 1981 to 1987, the percentage was 3.16 per cent of the GNP. This exceeds by far the 0.07 per cent of GNP officially set by the United Nations as the average amount of development aid by donor nations.

About such liberal donations, The Custodian of the Two Holy Mosques King Fahd Bin Abdul Aziz says that the donations are given not to seek praise but 'to fulfill our Islamic obligations'. Of the 70 nations which have benefitted from Saudi Arabia's assistance, 38 countries belong to Africa, 25 countries in Asia, and 7 countries in other regions of the world.

The facts stated above shows that while pursuing the development of its own industry, economy, education, health and social services for the welfare of its citizens over the past two decades Saudi Arabia has not been unmindful of the needs of the less-privileged developing countries.

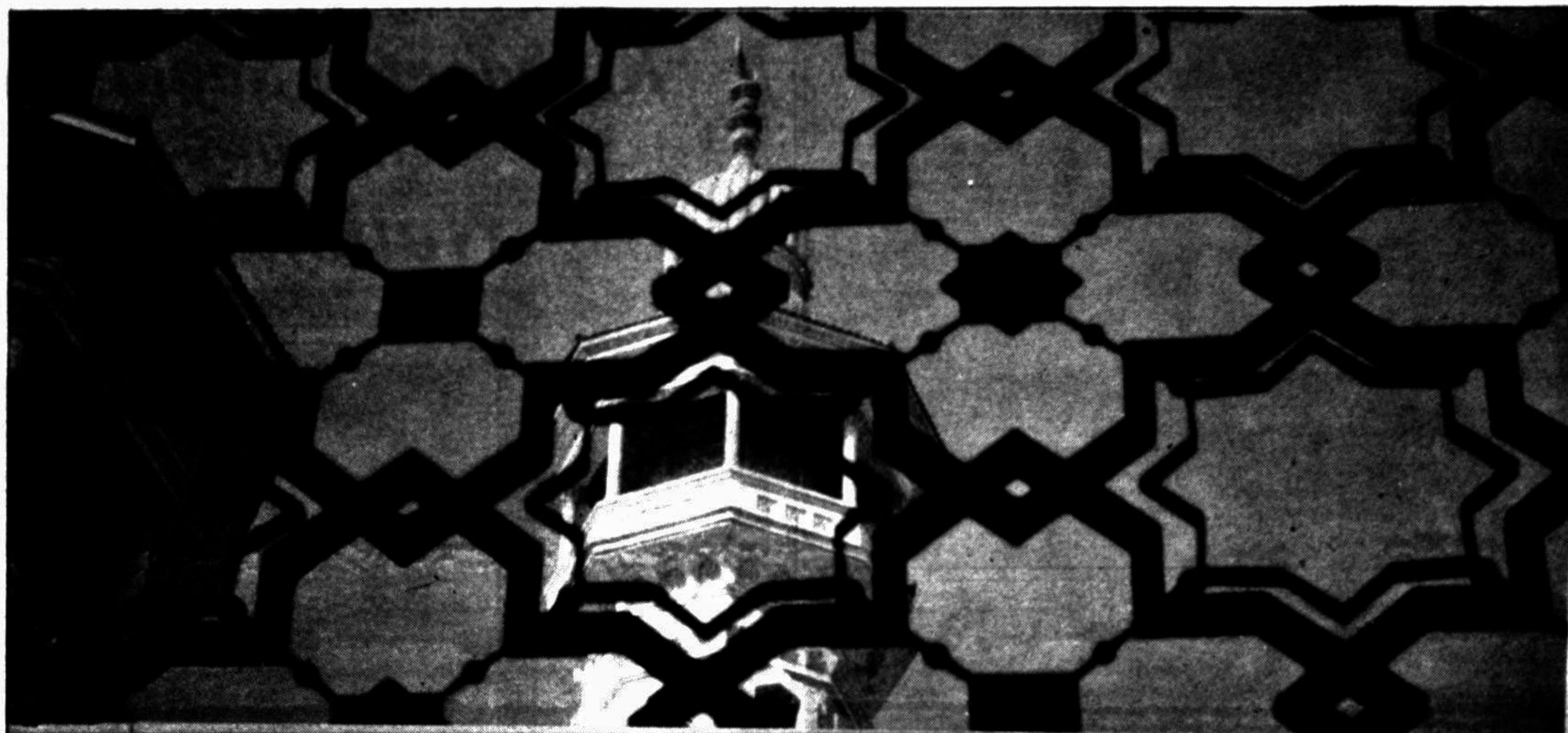
Assistance offered by the Kingdom of Saudi Arabia to developing nations between 1973 and 1989 in the form of grants and easy development loans through bilateral, regional and international channels amounted to 59.47 billion US dollar, representing 5.45 per cent of the Kingdom's Gross National Product (GNP). Out of that total, 34.38 billion dollars was given as grants, representing 58 per cent of the total amount of assistance.

As for the actual size of assistance, the Kingdom occupies the second place of donor nations after the United States. In the period from 1982 to 1986, the Kingdom ranked fourth among the donor nations in the world. In terms of percentage of donations to the GNP, the Kingdom ranks first.

Among members of the OPEC, Saudi Arabia is the largest provider of assistance to developing nations. Saudi assistance represents 79 per cent of the total OPEC aid

Sharing Wealth with Developing Nations

The Kingdom Fulfils Its Islamic Duty



Centre of the Islamic world : One of the seven minarets of Masjid Al-Haram at Makkah.

package in the period from 1980 to 1987. In 1989, the ratio rose to approximately 90 per cent.

The Less Development Countries (LDCs), which numbered 42 according to UN classification, have been given special attention by the Kingdom in view of the harsh economic conditions they face. The Kingdom's aid policy emphasises that assistance to these nations be in the form of 'grants'. The development loans given to these countries are given on very easy conditions with terms reaching 25

years and a grace period of up to 10 years.

The volume of direct Saudi loans amounts to approximately more than five billion dollars, benefitting 26 developing nations. Since most the beneficiary countries are classified as LDCs suffering from chronic economic problems, the Kingdom, in response to requests from these nations, agreed to postpone payments due on these loans. Accordingly, loans totalling 610 million dollars were rescheduled in the period 1981-89, benefitting 10 nations.

**Saudi Arabia's assistance to African nations totalled more than US\$17.4 billion in the period 1973 to 1989, of which \$10.114 billion was in the form of grants, representing 59 per cent of the total aid to these nations.**

Loans made by the Saudi Development fund amounted to 7.34 billion dollars from 1976 to February 1989, benefitting 60 nations and financing development projects for social, health and human services, such as roads, water, railways, education, culture and other infrastructure projects. Besides, the Kingdom is a principal contributor to the resources of a large number of regional and international development organizations, contributing no less than 20 per cent of the capital of 12 of these organizations, notably the OPEC International

Development Fund, the Islamic Bank for Development, the Arab Bank for Economic Development in Africa, the African Development Bank, the African Development Fund, the Arab Fund for Economic and Social Development, and the International Fund for Agricultural Development.

While maintaining its growing contribution to the World Bank and the International Monetary Fund, Saudi Arabia provided large amount of loans in the few years to these two important financial institutions, adding to their

ability to respond to the growing needs of the developing nations and helping them to expand their different programmes. Saudi Arabia thus made it possible for many developing nations to acquire assistance to implement programmes of economic reform and adjustment. Saudi Arabia also decided to participate in financing the programmes of structural reform undertaken by the IMF. Saudi Arabia contributed 200 million dollars to provide additional financing to the poor nations.

Saudi Arabia also contributed to the programmes and organizations of the United Nations, enabling them to carry out their various human, social and development programmes. In addition to its direct contributions to the resources of these organizations, the Kingdom provided about 47 per cent of the funding for the Arab Gulf programme of aid to the UN development agencies.

Saudi Arabia's assistance to the African nations totalled more than 17.4 billion dollars in the period 1973 to 1989, of which 10.114 billion dollars was in the form of grants, representing 59 per cent of the total aid to these nations. The remaining 7.3 billion dollars was offered in the form of very easy loans with no conditions attached. Saudi Arabia was at the top of the list of nations that rushed with the helping hands to lessen the sufferings from the drought problem that has plagued Africa since 1981. The Kingdom contributed a total of 430 million dollars as 'grants' to be used for drilling wells in rural development in the Sahel countries in Africa. The Kingdom has also committed to contribute another 100 million dollars to the World Bank programme in the countries of Africa below the Sahara. Saudi Arabia's assistance to 34 non-Arab African states during the past decade totalled 3,500 million US dollars.

شكرًا من الشعب السعودي  
خادم الحرمين الشريفين الملك فهد بن عبد العزيز آل سعود



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