

Directorate of
Intelligence

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*Saudi Arabia Tightening
Restrictions on Foreign
Workers*

Riyadh this week revoked special exemptions long granted Yemeni, Palestinian, and Jordanian workers. Expatriates who formerly could get an entry visa at the border must now apply through Saudi Embassies in their own countries. Foreign workers must also obtain sponsorship of a Saudi national, and foreign entrepreneurs are no longer exempted from Saudi sponsorship and investment laws. Exemptions from residency taxes have also been revoked and four-year residency permits suspended. Foreign workers have three months to comply with the new regulations. (C-17)

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Yemen and Jordan obtain as much as

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a third of their foreign exchange earnings from Saudi Arabia. The PLO, which taxes all Palestinians in the Persian Gulf, also stands to lose substantial revenues. Meanwhile, President Mubarak's support for Saudi Arabia against Iraq has earned for Egyptian workers widespread Saudi good will and trust. Egypt's large and varied labor pool could replace the mostly unskilled workers from Yemen as well as generally better trained Palestinians and Jordanians. ~~(S)~~

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