perspective, the outlook was still grim - weaker states like Spain, Greece and Ireland would continue to suffer, and other member states could follow. Global equities were also likely to take a hit, as they were now overvalued, so investors should prepare for an adjustment of around 10-15%.

Deteriorating currency exchanges, of particular value to the expatriate community, would most likely improve by 2011 as the global recovery spread, but until then we should expect some weakness in the Euro, and further decline in Sterling values. The Yen would not recover until overheated inflation, bringing with it the risk of deflation, was stemmed. The dollar on the other hand, was likely to fair well on the back of other "sick currencies", and of course the continuing peg was good news for the Gulf. On the issue of a single regional currency, punters should not be misled - even if it did actually materialise, it was unlikely to bring significant change in the short term.

Dr John looked a little further afield, and highlighted that as old traditionally dominant economies continued to recalibrate, new jobs and opportunities from Asia were on the rise. In Saudi this was most clearly evidenced by the recent surge in Chinese labourers and contractors (25-30,000) to have won positions in the massive infrastructure development projects that were now well underway in various parts of the Kingdom. As many influential leaders were saying, the balance of Power was likely to continue shifting in favour of the East as the pioneering nations of the 20th century succumbed to crippling debt burdens - our greatest liability - while Saudi Arabia, with a national debt to GDP ratio at an all-time low of 12%, would continue to grow and develop.

Back in the Kingdom, there were some areas of concern – a growing and very young population, in many cases inadequately trained to meet the needs of this country's rate of expansion, and a job market insufficiently evolved to wean off expatriate support and offer educated skilled Saudis with placement prospects. Saudi Arabia also needed to look more closely at non-oil sector development. Other administrative issues including fund management and inflation also needed close watch, and international scrutiny called for greater transparency. However, sector spending was not lacking, and the Saudi Arabian Monetary Authority (SAMA) continued to encourage banks and other institutions to lend and support burgeoning sectors including SME, education et al. Saudi Arabia had not fallen into recession, and had no credit exposure or real estate bubble to worry about. Due to lack of quarterly indicators and statistics, Saudi macro economic performance was difficult to forecast, but with strong oil prices and the current rate of development, the Kingdom continue to remain a safe haven and centre of opportunity for the foreseeable future. Dr John concluded by praising UK companies for their success in terms of local market penetration. Through commitment, persistence and offering consistent, high level products and services, they were winning market share from our cousins!