AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA CONCERNING THE DEVELOPMENT OF TRADE AND INVESTMENT RELATIONS

The Government of the United States of America and the Government of the Kingdom of SaudiArabia (individually a "Party" and collectively the "Parties"):

1) Desiring to enhance the historical bonds of friendship and spirit of cooperation between the two countries;

2) Desiring to develop further both countries' international trade and economic interrelationship;

3) Recognizing the importance of fostering an open and predictable environment for international trade and investment and economic cooperation;

4) Recognizing the benefits to each Party resulting from increased international trade and investment, and that trade-distorting investment measures and protectionism would deprive the Parties of such benefits;

5) Recognizing the essential role of private sector investment, both domestic and foreign, in furthering growth, creating jobs, expanding trade, enhancing economic development, and improving technology;

6) Recognizing that foreign direct investment confers positive benefits on each Party;

7) Desiring to encourage and facilitate private sector contacts between the two countries;8) Recognizing the desirability of resolving trade and investment problems as expeditiously as possible;

9) Acknowledging prior bilateral Agreements signed by the Parties, including the Provisional Agreement Between the United States of America and the Kingdom of Saudi Arabia in Regard to Diplomatic and Consular Representation, Juridical Protection, Commerce and Navigation, signed November 7, 1933 and the Joint Statement on Saudi Arabian-United States Cooperation signed June 8, 1974;

10) Noting that this agreement is without prejudice to the rights and obligations of the Parties under the agreements cited in the precedent paragraph 9;

11) Recognizing the increased importance of services in their economies and in their bilateral relations;

12) Taking into account the need to eliminate non-tariff barriers in order to facilitate greater access to the markets of both countries and the mutual benefits thereof;

13) Recognizing the importance of providing adequate and effective protection and enforcement of intellectual property rights and the importance of adherence to international intellectual property rights standards;

14) Recognizing the importance of protecting and enforcing worker rights in accordance with each nation's own labor laws and of working toward the respect and promotion of internationally recognized core labor standards;

15) Desiring to ensure that trade and environmental policies are mutually supportive in furtherance of sustainable development; and

16) Considering that it would be in their mutual interest to establish an additional bilateral mechanism between the Parties for encouraging the liberalization of trade and investment between them.

To this end, the Parties agree as follows:

Article One.

The Parties will seek to:

1. Expand trade in goods and services between them, within the framework and terms of thisAgreement.

2. Take appropriate measures to encourage and facilitate the exchange of goods and servicesand to secure favorable conditions for long-term development and diversification of tradebetween the two countries.

3. Promote an attractive trade and investment climate between the two countries and facilitateexpanded contacts between their respective private sectors.

Article Two.

Without prejudice to the work of the United States-Saudi Arabia Joint Commission on Economic Cooperation, the Parties shall establish a United States-Saudi Arabia Council on Trade and Investment ("the Council"), which shall be composed of representatives of both Parties. The SaudiArabian side will be chaired by the Ministry of Commerce and Industry, and the U.S. side will be chaired by the Office of the U.S. Trade Representative ("USTR"). Both Parties may be assisted by officials of other government entities as circumstances require. The Council will meet at least once a year and at such times as agreed by the two Parties.

Article Three.

The objectives of the Council are as follows:

1. To monitor trade and investment relations, to identify opportunities for expanding trade and investment, and to identify issues appropriate for negotiation.

2. To hold consultations on specific trade and investment matters of interest to the Parties.

3. To identify and work toward the removal of impediments to trade and investment flows.

4. To facilitate expanded contacts between and seek the advice of the private sector in their respective countries on matters related to the work of the Council, where the Parties deem it appropriate. Private sector representatives may be asked to participate in Council meetings whenever both Parties agree it is appropriate.

5. To promote an attractive trade and investment climate between the two countries as a means of furthering growth, creating jobs, expanding trade, enhancing economic development, and improving technology.

Article Four.

For the purpose of further developing bilateral trade and providing for a steady increase in the exchange of products and services and promoting an attractive investment climate in the two countries, the Parties shall consider whether further agreements relating to trade, intellectual property, investment, vocational training, labor, environmental issues, and any other matters agreed upon by the Parties would be desirable.

Article Five.

1. Either Party may raise for consultation any trade or investment matter between the Parties. Requests for consultation shall be accompanied by a written explanation of the subject to be discussed and consultations shall be held within 60 days of the request, unless the requesting party agrees to a later date.

2. Each party shall endeavor to provide for an opportunity for consultations before taking actions that could affect adversely the trade or investment interests of the other Party.

Article Six.

This Agreement is without prejudice to the rights and obligations of either Party under its domestic law or under any other agreements, conventions, or other instruments to which either country is a party. This Agreement may be amended through an exchange of notes between the Parties through diplomatic channels.

Article Seven.

This Agreement shall enter into force on the date of its signature by both Parties.

Article Eight.

This Agreement shall remain in force unless terminated by mutual consent of the Parties or by either Party upon six months written notice to the other Party.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective governments, have signed this Agreement.DONE at Washington this 31st day of July 2003, in duplicate in the English and Arabic languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

ROBERT B. ZOELLICK

UNITED STATES TRADE REPRESENTATIVE

FOR THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA:

MINISTER OF COMMERCE AND INDUSTRY

HASHIM A. YAMANI