

8-30-2007

Costa Rica Leads Region In Courting Closer Ties With Middle East

Mike Leffert

Follow this and additional works at: <https://digitalrepository.unm.edu/noticen>

Recommended Citation

Leffert, Mike. "Costa Rica Leads Region In Courting Closer Ties With Middle East." (2007). <https://digitalrepository.unm.edu/noticen/9540>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in NotiCen by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.

Costa Rica Leads Region In Courting Closer Ties With Middle East

by Mike Leffert

Category/Department: Costa Rica

Published: 2007-08-30

Costa Rica has re-established relations with Lebanon as a step in a process that will, said Foreign Minister Bruno Stagno, "allow for a better political and diplomatic approximation with the Arabic and Islamic world in general and open commercial relations with these markets." It is the latest step in normalization that has in the past year included Jordan, Egypt, Kuwait, Bahrain, and Yemen.

Costa Rica and Lebanon broke relations in 1984 when the Islamic League Conference called on Arab states to break with Costa Rica because of its decision to maintain its Israeli Embassy in Jerusalem. President Oscar Arias changed his mind about being the only country in the world other than El Salvador to have its embassy in the Israeli-occupied city and announced moving to Tel Aviv on Aug. 16, 2006 (see NotiCen, 2006-08-24). At that time, Arias said the move was needed to bring Costa Rica in line with international law and mend relations with Arab nations. "It's time to rectify a historical error that damages us internationally and deprives us of any friendship with the Arab world."

Costa Rica benefits from substantial investment from Middle Eastern countries and anticipates more. On Aug. 11 Prince Alwaleed bin Talal, chairman of the Saudi state Kingdom Holding Company, visited the country and stopped in on Arias to discuss a number of social issues, as well as his personal investments in the country, which are substantial. Alwaleed has a majority stake in the chain that owns the Four Seasons Resort, a 153-room hotel with private residences and two beaches in Guanacaste. On this visit, he committed to financing at least six new hotels.

Prospecting elsewhere

Alwaleed is looking to spread his considerable wealth he is the 13th-wealthiest person in the world through other Central American countries, stopping in Panama and Guatemala, where he met with President Oscar Berger to discuss establishing diplomatic relations. This is a particularly sensitive situation because of the special relationship between Guatemala and Israel that began with Guatemala's casting the deciding vote on partition in the UN that permitted the creation of Israel.

Finalizing Guatemala-Saudi relations will be left to whoever succeeds Berger, whose term ends in January 2008. Some finesse will be required. Israel is heavily invested in both the public and private sectors of the country. Israel's Solel Boney International Ltd. won a contract in April to build the strategically important Transversal del Norte, a 330-km road that is a key piece of Plan Puebla Panama (PPP). This is a US\$672 million deal that will take three years to complete. The contract also calls for 10 years of maintenance.

The new president will negotiate new Saudi and perhaps other Arab opportunities, while major business with Israel is ongoing. In the meantime, the Prince said he was considering some tourism

investment in the country. At present the prince's only investment in Guatemala is as a stakeholder in Citigroup, a recent entry into the country's financial market.

-- End --