

# Gulf Research Center Newsletter

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## “Challenges in Sustaining Economic Expansion in the GCC: Possible Gains from Closer Relations with Asia”

Gulf Research Center, January 30, 2008



The Gulf Research Center (GRC) and professors of the University of Kobe, Japan, discussed GCC-Asia economic relations in a joint conference on January 30, 2008. The conference was titled “Challenges in Sustaining Economic Expansion in the GCC: Possible Gains from Closer Relations with Asia” and was held at the Gulf Research Center. It addressed the growing importance of cooperation between the two regions and explored the lessons which could be learnt from each other’s development experience.

In an initial lecture, an economic outlook of the GCC countries and their developmental challenges was given. High oil revenues, continuous diversification drives and developing capital markets were identified as major growth drivers. Energy

cooperation between the GCC and Asia will gain increased significance as demand in emerging markets remains on elevated levels, most notably in the GCC countries themselves, which already consume 18 percent of their own oil production.

The petrochemical industries and other energy intensive industries like those for aluminum and fertilizer have become natural candidates of enhancing the value chain of hydrocarbon production. Furthermore the “Dubai model” of diversification into trade, real estate services and tourism is widely emulated in the GCC with possible dangers of overheating. The development of GCC capital markets and their importance in financing ambitious development plans was discussed.

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The prominent role of Asia and oil exporting nations in financing the US deficit was seen as crucial and precarious at the same time. There was a widespread impression that while the GCC customs union and common market are being implemented gradually, the common GCC currency will most likely not be implemented as scheduled by 2010.

that less developed economies can achieve catch up industrialization by following the trajectory of lead economies and function as a supplier to their more advanced sectors and industries. While the urban agglomeration that has come with East Asian industrialization has undoubtedly led to increased returns to scale, problems such as regional income disparity were

taxes would also open the opportunity to remedy disparities in income distribution in the future.

The realities of GCC-Japan economic relations and the potential for enhanced business cooperation were highlighted in a separate lecture. Trade is largely characterized by Japanese exports of transport and electronic equipment as well as machinery, while the GCC mainly exports energy to Japan. While the GCC's share of Japanese exports is only 2.3 percent, its share of Japanese imports is a whopping 17.5 percent – higher than the US (12.4 percent) or the EU (10.9 percent). A considerable increase in foreign direct investment (FDI) in the wake of expected free trade agreements (FTA) could be achieved – potential market access of Japanese goods to the EU is crucial in this respect. However, for that to happen the business environment in the GCC would need to increase substantially as the costs to open or close a business are high and contract enforcement is often difficult. Competition from other FDI destinations like Eastern Europe and Turkey is also considerable.



Japanese participants remarked that GCC growth rates of 5-7 percent are not that impressive given currently high oil prices and high investment rates. It was discussed whether non-oil investment might be too dependent on global demand and whether an increased local demand for locally produced industries might be advisable. It was pointed out that only 10 countries achieved annual real per capita growth of 3.5 percent or more over longer time periods of which eight have been in Asia. Development of manufacturing, local absorption capacity and exchange rates were regarded as key for the GCC countries in order to avoid the occurrence of Dutch disease symptoms. The Asian experiences in exchange rate management in the wake of the Asian crisis of 1997/98 were juxtaposed with the monetary options the GCC countries are currently facing.

discussed. It was argued that the periphery, though potentially disadvantaged, can overcome unfavorable market access by product differentiation in a broad sense, the export of Kenyan roses to Japan



With a “Flying Geese” analogy, a Japanese perspective on East Asian development was offered. While Japanese development started with labor intensive textiles, once Japan lost competitiveness in this sector due to increased development and wage growth, these industries moved to other Asian countries like Korea and later on China while Japan focused on new “Flying Geese” leading sectors like electronics and cars. The idea behind it is

via Dubai being a case in point. Japan's reliance on land taxes at an early stage of modernization during the Meiji era of the 19th century, the gradual implementation of indirect consumption taxes and finally, the move towards direct income taxation after World War II were put into direct relation with increased economic development and nation building. It was argued that the GCC countries could introduce a VAT tax at an early stage and move to income taxes later as they try to diversify their income sources. Direct

Overall the conference provided a fascinating mix of historic, contemporary and future aspects of GCC-Asian economic relations and the importance of GCC-Japan cooperation was highlighted. After GRC's successful Middle East Asia Energy Summit in Singapore in November 2007 that saw the participation of Sumitomo Chemical's President Hiromasa Yonekura, this conference provided another opportunity to enhance GRC's ties with Asia in general and Japan in particular.

## “Globalization and the Changing National Security State”

Gulf Research Center, February 12, 2008

Professor T.V. Paul of McGill University in Canada addressed the fate of national security states in light of globalization. In his talk, he analyzed the nature of economic globalization and the effect of globalization on national security states. The relations between such states was further discussed for various classes of national security states. It was

concluded that there is little evidence that globalization has transformed national security states significantly. They still constitute the primary form of organization and are the principal means of interaction. Some global effects and entities were noted but the current situation is that national security states are alive and well.

Professor T.V. Paul is James McGill Professor of International Relations in the Department of Political Science at McGill University, Montreal, Canada, where he has been teaching since 1991. He specializes and teaches courses in international relations, especially international security, international conflict & conflict resolution, regional security and South Asia.



## “India as a Strategic Factor in 21st Century Geopolitics”

Gulf Research Center, March 5, 2008

India, one of Asia’s vibrant democratic states is poised at a great moment of her history. Her soft power advantage especially her huge service-oriented human resources are increasingly reshaping her destiny in the global political economy. Simultaneously, India’s hard power posturing by acquiring nuclear weapons is gradually increasing her stake in global power configuration.

In this light, Mr. Ranjit Gupta, a retired Indian Foreign Service officer, who during his career served in Cairo, New York (Indian Mission to the UN), Gangtok (when Sikkim merged with India), Jeddah, Frankfurt (Consul General) and Kathmandu (Deputy Chief of Mission), gave a lecture and presentation to the Gulf Research Center.

Mr. Gupta argued that India’s relationship with the Gulf region is going to be of crucial importance for the former’s national security and well being, much more so than in the past, for three major reasons: First, India has traditionally depended on this region for almost 80 percent of its oil and gas imports, and this dependence



will continue at these or even higher levels well into the foreseeable future. Therefore, India’s energy security, the essential and unavoidable foundation for its continued economic growth and prosperity, is going to be inextricably linked to its relationship with this region.

Secondly, the importance is due to the impact of the Islamic factor since India has the second largest Muslim population in the world and is geographically contiguous with the region through unstable Islamic States—Afghanistan, Iran, Iraq and Pakistan where Islamic militancy is creating havoc.

Third, this region is witness to a unique aspect of globalization – in 2006, 37 percent of the overall population living in the six GCC countries were non-citizen expatriates. In fact, in four countries the expatriates outnumber the native local populations, a phenomenon which has no equivalent anywhere else in the world or in history. Almost 5 million of these expatriates are from India, the largest national segment of the expatriate community. The Indian expatriates provide an umbilical connection and a unique dimension to the relationship between the region and India. This factor has been a particularly positive aspect of India’s relations with GCC countries but their welfare and continued avenues of employment could conceivably become contentious political issues domestically both in India and within GCC countries and between India and GCC countries. Ambassador Gupta concluded that for the first time in its modern history, India can look forward to the future with confidence. All these attributes make India a potentially attractive strategic partner.

# “GCC Bond Markets - Roadmap for Market Development”

Gulf Research Center, March 9, 2008

This exclusive gathering of bankers, central bankers and regulators discussed how bond markets as an indispensable means of financing and an important asset class could be developed further in the GCC.

Michael Grifferty, the Abu Dhabi based Regional Advisor of the US Department of the Treasury, outlined current developments in global bond markets and their relevance for the nascent GCC bond market. While world capital markets show on average a balanced capital structure of 42 percent debt securities, 25 percent stock market capitalization and 33 percent bank assets, the GCC's balance is heavily skewed towards bank assets (85 percent) with an additional stock market component (12 percent). Debt securities still play a minor role with only 3 percent.

Like in other emerging market countries, there has been a considerable rise in issuance over recent years, as Chavan Bhogaita, Head of Credit Research at HSBC Dubai, pointed out in a lecture about the GCC bond markets. Annual bond issuance rose more than five fold between 2003 and 2006 before there was a slight decline in 2007 due to worsening credit conditions in the wake of the US sub-prime crisis. Still, the market is underpinned by a good macroeconomic environment and fundamental credit quality. Its depth and sophistication is growing and it shows an increased variance of offered structures and maturities.

While some participants hinted at liquidity problems in the secondary market, others argued that this is, in many cases, an unjustified prejudice and that turnover has increased considerably with substantial interest from foreign investors who have entered the market. Current liquidity bottlenecks could fade over time as widened spreads could narrow to post crisis equilibrium, which most likely will be higher than before the sub-prime crisis struck but lower than current elevated levels.

Bond market associations can play a major role in developing and administering a market by raising awareness among the public, articulating the needs of the market before regulators, issuers and the treasury and also by agreeing on conventions

and implementing best practices among participants, as the examples of Australia and other countries have shown.

Similarly, the Asian Bond Market Initiative has brought together all relevant parties to promote a coordinated approach in the Asian region, resulting in deeper and more liquid markets. With these examples in mind the possibility of forming a bond market association at the national or GCC level was raised and steps towards the inauguration of such an organization were discussed. GRC chairman Abdulaziz Sager offered GRC's help by producing a related strategy paper that could be discussed at future meetings and brought to the attention of regulatory institutions and central banks in the GCC.



# Russian-Iranian Security Links/Possible Consequences of a Military Attack on Iran

Gulf Research Center, April 30, 2008

Mr. Ingmar Oldberg from the Swedish Defense Research Agency (FOI) visited the GRC and gave two presentations. The first presentation looked at political and economic as well as military-economic relations between Russia and Iran. In addition, it addressed the Iranian nuclear

issue as well as potential areas of conflict.

Mr. Oldberg started off by highlighting the characteristics and political, military and economic importance of Russia in the world, making it an important actor to consider in international politics and

more precisely in the Iranian crisis. He then detailed the nature of the political relationship between both countries, emphasizing their “strategic partnership” which he carefully distinguished from an alliance. Mr. Oldberg went on to analyzing the nature of the economic and military

relations existing between Russia and Iran, not ignoring the limitations to such ties.

The second presentation discussed the possible local and global consequences of a military attack on Iran. The findings presented there were a result of a research project led by a team of researchers of FOI. The study concluded that in case of

a surgical air attack on Iran, with little casualties and environmental impact, Iran would be weakened as it would become even more isolated internationally. However, such event would likely result in a surge of Iranian patriotism and indirect retaliation against American interests in Iraq and Afghanistan. The study suggested that that Israel would very likely

not intervene in the conflict, and that, unlike before the war in Iraq, they expect a unified European front opposing any European military intervention is to be expected. Finally, whereas such an attack would probably stir the anger among some Muslim extremists, the study does not expect a surge of terrorist attacks in the West.

## “The EU and the GCC: Challenges and Prospects under the French Presidency of the EU”

Paris, May 21, 2008



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Given the impending French presidency of the European Union, the Gulf Research Center together with the Chair for Middle East and Mediterranean Studies at Sciences Po, Paris and the Policy Planning Staff of the French Ministry of Foreign Affairs organized a one-day workshop on the challenges and prospects for cooperation between the member states of the Gulf Cooperation Council (GCC) and the European Union. The purpose of the meeting was to outline an agenda for GCC-EU relations and focus on specific policy steps that could be implemented under French leadership. The meeting brought together a number of policymakers, government officials, academics and businessmen in order to discuss key questions that should be considered with regard to developments in the Gulf region.

Opening the workshop, Mr. Christian Nakhlé, Middle East Officer, Policy Planning Staff of the French Ministry of Foreign Affairs, emphasized the fact that it was now a favorable time for reinforcing ties with the GCC states as the two regions share economic and security interests. France itself is aware of the available

opportunities and committed to provide greater coordination. Similarly both Prof. Gilles Kepel of Sciences Po and Abdulaziz Sager, Chairman of the GRC, noted in their initial statements that it was time to move GCC-EU relations to a higher level and focus on substantive cooperation that goes beyond the economic arena.

The workshop discussion subsequently concentrated on four specific areas that form the core of GCC-EU relations: politics and security; education and culture; economics, trade and investment; and energy issues. Each session was introduced by an EU and a GCC speaker. In the first session on politics and security, it was mentioned that while there is a broad level of cooperation at the bilateral level, the same cannot be said for the multilateral level where cooperation remains very limited. Relations are not what could be expected. This is despite the fact that as far as the GCC states are concerned, there exists both a desire and a need to work closely together with the EU on various issues. For example, while France has conducted an open dialogue with different GCC countries and has negotiated solid

security issues, the attempt at multilateral negotiation with Iran through the EU-3 has not produced any tangible results. Similarly, the drawn out negotiations between the EU and the GCC on the Free Trade Agreement are seen as a stumbling block in the multilateral relationship.

In the final session, the priorities of the French Presidency to the EU were elaborated upon. This includes ensuring the ratification of the Lisbon treaty by January 2009 and setting the stage for the European Parliament election scheduled for the spring of 2009. In terms of issues, energy and the environment, immigration, defense and agriculture were identified as key areas. In particular as far as energy, environment and defense are concerned, a close dialogue with the GCC was seen as important. The Union of the Mediterranean would, of course, also be at the center of cooperation with the Gulf region as there is a desire to incorporate more governance from all parties involved. Finally, it was mentioned that European policy was important with regard to Iran and that here the French presidency would certainly be active.

**May 28, 2008**



Dr. Christian Koch chaired a panel discussion on GCC-EU relations within the framework of the annual conference of the Near and Middle East Association (NUMOV) entitled “The European Union as a Partner of the Middle East.”

**May 28, 2008**

Abdulaziz Sager, Chairman of the GRC, Dr. Christian Koch, Director of International Studies, and Dr. Eckart Woertz, Program Director of GCC Economics, participated in the annual meeting of the Near and Middle East Association (NUMOV) in Berlin, Germany.

**May 28 and 29, 2008**

Abdulaziz Sager, GRC Chairman, and Faryal Leghari, Head of the GCC-Pakistan Relations Program participated in a roundtable organized by the World Security Network on “EU-GCC Friendship Fund: What the Europeans can do in the Tribal Areas (FATA) in Partnership with the Gulf Cooperation Council to support Pakistan and Afghanistan” in Berlin

**May 27, 2008**

Dr. Christian Koch held a meeting with Dr. Hardy Ostry, Head for Middle East and North Africa at the Konrad-Adenauer Foundation in Berlin, Germany.

**May 27, 2008**

Abdulaziz Sager, Chairman of the GRC, and Dr. Christian Koch, Director of International Studies, participated in the meeting of the German Orient Institute and German Orient Foundation in their capacity as members of the Board and Board of Trustees, respectively.

**May 26 and 27, 2008**



The Chairman of the GRC, Abdulaziz Sager, participated in a

Guest program of the Federal Republic of Germany related to the issue of Maritime Security, in the Gulf region.

**May 21, 2008**

Dr. Eckart Woertz, Program Manager Economics at GRC, participated in a roundtable discussion about Sovereign Wealth Funds from the Gulf and their investments in Germany. The roundtable was held in Dubai and comprised German and Emirati participants. The German delegation was headed by German Minister of Finance, Peer Steinbrück.

**May 19, 2008**

Dr. Koch, Prof. Giacomo Luciani and Marie Lillo held a meeting with Fabrice Pothier, Director of the European office of the Carnegie Endowment of Int’r Peace, in Brussels.

**May 8 -11, 2008**

Dr. Christian Koch participated in the seventh Tswalu Dialogue in South Africa organized by the Brenthurst Foundation in a panel discussion on “What can be learned from conflict resolution in the Middle East?” The theme of the dialogue was “Towards Conflict Resolution Best Practice” and the event was organized in conjunction with the Commission on African Union, the Royal United Services Institute for Defence and Security Studies, the African Centre for Strategic Studies, the Rajaratnam School of International Studies, the Dayan Centre for Middle Eastern and African Studies, the Konrad-Adenauer Foundation and the Institute for Security Studies and Business Leadership, South Africa.



**May 7, 2008**

Dr. Christian Koch gave a presentation on “What about enlarging the MD-ICI to other countries: An ICI Perspective,” at an International Research Seminar of the NATO Defense College in Rome, Italy entitled “What Future for NATO’s Mediterranean Dialogue and Istanbul Cooperation Initiative.”

**May 7, 2008**

Dr. Eckart Woertz, Program Manager Economics at GRC, gave an assessment of the GCC economies at the Citigroup



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# Gulf Research Center Premium Membership

The GRC's Premium Membership is designed for companies and organizations that wish to improve their understanding of key regional and international issues in fields including Politics, Security and Terrorism, the Environment, Economics and Energy. It is a source of indispensable information that analyzes the Gulf region objectively, provided by specialists who live and work in the region. Members can add invaluable depth to their knowledge about the region and its challenges in the 21st Century. Each Premium Member may nominate two representatives who will each receive:

1. Full and privileged access to the members' area of the GRC website, including research program portals, resource materials, Gulf in the Media, alerts, expert opinions and breaking news.
2. Free admission to the GRC Annual Conference (excluding air tickets and accommodation).
3. Free participation in two corporate members' lectures or group briefings (GRC premium members may also request individualized face-to-face meetings with our specialists).
4. Priority to attend additional selected GRC events.
5. A full paper copy set of the latest GRC publications as they are published, including books, research and analysis papers, newsletters, research bulletins and Araa magazine.
6. 10% discount on purchases of additional paper copies of GRC publications and much, much more...

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Investors conference on the sidelines of the annual meeting of the Asian Development Bank in Madrid.

## **May 6- 7, 2008**

Dr. Mohamed Raouf of the GRC Environment Program gave a presentation titled "Assessment of the Media Role in Environmental Issues in UAE" at the Environmental Thinking Forum organized by the Federal Environment Agency. The event was hosted by the Emirates Center for Strategic Studies and Research (ECSSR).

## **April 28-29, 2008**

Dr. Mohammed Raouf participated in the first conference on "Water Policy and Associated Technological Challenges in Arid Dynamic Environments: The Special Case of Arabian Gulf Countries - Bridging the gap between water science and policy making" which was organized by The University of Texas (Center for International Energy and Environmental Policy) in collaboration with Schlumberger Water Services.

## **April 23-25, 2008**

Chairman Abdulaziz Sager spoke on "NATO - Gulf relations in the framework of the Istanbul Cooperation Initiative", as part of a conference entitled "NATO-Bahrain Relations and the Istanbul Cooperation Initiative", in Manama.

## **April 23, 2008**

The GRC Chairman was a speaker at the workshop "Challenges 2009" and the Swiss Ambassador's Award Ceremony, hosted by the Swiss Embassy in Abu Dhabi.

## **April 19-20, 2008**

The GRC Chairman attended the "Current Situation in Iraq" workshop hosted by the Institute for Diplomatic studies, Riyadh and Oxford Research Group, UK.

## **April 15, 2008**

Dr. Mohamad Raouf took part in the "Carbon Emissions Trading in the Gulf Region" workshop organized by "EcoSecurities" at the Dubai Creek Golf and Yacht club.

## **April 1 - 3, 2008**

Dr. Mustafa Alani participated in the workshop on "Armaments and Security in the Middle East as Reflected in the SIPRI Yearbook," organized jointly by SIPRI (Stockholm International Peace Research Institute), the Swedish Institute in Alexandria and Arab Thought Forum (ATF - Jordan).

## **March 25, 2008**

Dr. Mohammed Raouf delivered a lecture titled "Environmental Accounting and Costing: Concept and Case Study" at a public seminar organized by the environment program of the School of Science at the American University of Sharjah for students from various schools.

## **March 17, 2008**

Dr. Eckart Woertz, Program Manager Economics at GRC, participated in a panel discussion about "The State of Middle East Equity Capital Markets" at the 3rd Middle East IPO Summit in Abu Dhabi.

## **March 7-9, 2008**

GRC Chairman Abdulaziz Sager participated in the Investor Conference organized by Abraaj Capital, Dubai.

## **March 6, 2008**

Dr. Eckart Woertz, Economics Program Manager spoke on "The Economic Importance and Political Stability of the Gulf Region" at the Federal College for Security Studies in Berlin, Germany.

## **March 2 - 5, 2008**

Dr. Mustafa Alani participated in a workshop on "Security and Development in the Arab World - The Case of Egypt" organized by the Arab Reform Initiative in Cairo.

## **February 26, 2008**

GRC Chairman Abdulaziz Sager and Dr. Mustafa Alani participated in the "Riyadh Meeting 2008" on "Avenues for Dialogue: Driving Discourse toward Peaceful Goals" organized by the Ministry of Interior, Saudi Arabia.

## **February 24-25, 2008**

Dr. Mohamad Raouf gave a presentation titled "Climate Change and Clean Development Mechanism in the Gulf Region" on Environmental Day 2008 organized by School of Science of the American University of Sharjah.

## **February 24, 2008**

Dr. Christian Koch participated in the planning meeting of the Dubai School of Government and the Social Science Research Council entitled "The Transformation of Higher Education and Social Science Research in Asia: The Gulf Region and beyond," held in Dubai.

## **February 20, 2008**

At the IMD Business Forum "Managing Your Brand: Opportunities for Africa and Middle Eastern Enterprises" in Johannesburg, South Africa, Abdulaziz Sager, GRC Chairman, spoke on "The Gulf and Africa: Searching for Greater Complementarity." Mr. Sager specifically addressed the potential role of South Africa as an investment hub for Gulf investors who are interested in investing in Africa at large and laid focus on the mining, tourism and construction industries.

## **February 19-20, 2008**

Dr. Christian Koch, Director of International Studies, gave three presentations upon the invitation of the Institute for Cross-Cultural Studies at Kobe University, Japan.

1. “The Future of International Relations in the Gulf region with a look at the implications for Japan and Asia” on February 19, 2008 at the Foreign Press Center in Tokyo, sponsored by the Middle East Research Institute of Japan.
2. “The Shifting Gulf Security Environment: The Role of Europe” on February 20, 2008 at the JIME Center, Institute for Energy Economics in Tokyo.
3. “Towards Security and Conflict Prevention in the Gulf Region,” at the Faculty of Cross-Cultural Studies at Kobe University as part of the research workshop entitled “What are the effective strategic methods or policies to deploy preventive diplomacy and prevention of conflicts in the Middle East with special emphasis on the Gulf?” The workshop was part of the research project on Preventive Diplomacy in the Middle East (MEP) sponsored by the university.

## **February 14 - 15, 2008**

Dr. Mustafa Alani participated in the “Indian Ocean Naval Symposium Seminar 2008–IONS ” on “Contemporary Trans-national Challenges – International Maritime Connectivities” organized by the Indian Navy and National Maritime Foundation in New Delhi.

## **February 10 -15, 2008**

Dr. Mohammed Raouf co-organized the conference “Mountains of the World-Ecology, Conservation and Sustainable Development,” held in Muscat, Oman. The event was organized by the Center for Environmental Studies and Research (CESAR) at Sultan Qaboos University in association with the Ministry of Regional Municipalities, Environment and Water Resources (MRMEWR).

## **February 7-8, 2008**

GRC Chairman Abdulaziz Sager spoke at the Development Forum held in Bahrain.

## **February 3, 2008**

GRC Chairman Abdulaziz Sager participated in the Shell-GRC workshop in Doha and spoke about: “Outlining the Challenges Faced by the GCC States.”

## **January 28, 2008**

GRC Chairman Abdulaziz Sager spoke at the NATO Conference, Doha, Qatar.

## **January 17-19, 2008**

GRC Chairman Abdulaziz Sager participated in the 11th Kronberg Talks Conference, of the Bertelsmann Stiftung entitled “The Middle East in 2008 between Conflict

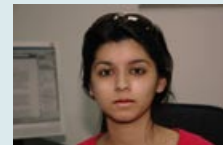
Management and Conflict Resolution: Which Role for Europe?”

## Interns

Ms. Zeenath Bint Jaleel, Singapore Management University School of Information Systems, IT department.



Ms. Aruba Khalid, International Studies senior at the American University of Sharjah.



Mr. Jingzhong Chan, Singapore Management University School of Social Sciences, Double majors in Political Science and Management.



Ms. Faith Hu, Singapore Management University, School of Business (Marketing), and Social Science (Psychology).



## Visiting Researchers

Dr. Daniel Roh (Head of East Asia Peace Investment Program) Seoul



*May 29, 2008*



Ms. Mashair Ahmed Alamin and Ms. Rihad Hussain Shabo from the Society Studies Center in Khartoum, Sudan, visited the GRC. Talks about potential cooperation between the two institutions in the areas of training and research were initiated. The meeting was especially relevant as the GRC has launched its GCC-Africa research program and is organizing the Gulf-Africa Strategy Forum in Cape Town in February 2009.

*May 22, 2008*

A group of Macquarie Capital Securities and other Australian fund managers visited GRC for a briefing about the GCC economies.

*May 20, 2008*

Nader Habib, Henry J. Leir Professor of Economics of the Middle East at Brandeis University in Massachusetts, visited GRC to discuss future joint projects.

*May 15, 2008*



Fifteen final year students from the Department of Political Science at UAE University in Al Ain visited the Gulf Research Center and received a comprehensive briefing on international politics.

*May 15, 2008*



GRC received two guests from the Sultan Haji Hassanal Bolkiah Institute of Defense and Strategic Studies in Brunei

Darussalam – Mr. Hamzah Sulaiman, Director and Capt. Erwan Haji Ibrahim, Scholarship and Training Officer. Possible avenues of future cooperation were discussed.

*May 8, 2008*



Mr. Mvuleni Geoffrey Qhena, Chief Executive Officer of the Industrial Development Corporation of South Africa, visited the GRC. Information on different investment opportunities in the Gulf and Africa were exchanged.

*April 29, 2008*

Dr. Ewald Boehlke and Gerhard Mattrisch of the Daimler Society & Technology Research Group in Berlin visited GRC to discuss issues of GCC transport and social developments.

*April 27 to 29, 2008*

Amb. Cheong Yip Seng, the Ambassador designate of the Republic of Singapore to Qatar visited the GRC accompanied by Mr. Dilip Nair the Consul-General of the Republic of Singapore, Dubai, UAE and Mr. Stephen Lim the Assistant Director, Middle East, North Africa and Central Asia Directorate in the Ministry of Foreign Affairs, Singapore.

*April 27, 2008*

Dr. Geoffrey Kemp, Director of Regional Strategic Programs of the Nixon Center in Washington DC visited the GRC to discuss a workshop on the growing role of Asia in the Middle East.



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- Gulf-Asia Research Bulletin* ◀
- GCC-EU Research Bulletin* ◀
- Gulf Monitor* ◀



*April 24, 2008*



As part of a Business Study Mission to the Gulf region, a group of 30-plus students from the School of Social Sciences division of the Singapore Management University (SMU) visited the GRC where they were briefed about the political, economic and security dimensions of the Gulf region. The delegation was led by Dr. Caroline Yeoh, Associate Professor of the Lee Kong Chian School of Business of SMU, and was accompanied by two representatives from Raffles Junior College.

*April 23, 2008*

Dr. Jürgen Brücker, Associate Dean for International Relations and CEMS Academic Director of the University of St. Gallen, Switzerland talked about cooperation between the University of St. Gallen and the GRC in terms of academic programs and Gulf student participation.

*April 21, 2008*



Ms. Wendy Luhabe, Chairman of the International Marketing Council and of the Industrial Development Corporation in South Africa and Chancellor of the University of Johannesburg, visited the GRC. As the GRC has just launched the GCC-Africa research program, opportunities for long-term cooperation were discussed.

*April 16, 2008*

Thomas Hazard, Director of the Naval Postgraduate School (NPS) in Monterey, California along with Mr. Walter Christman, Liaison for the US Department of Defense talked about collaboration between the GRC and the NPS.

*April 14, 2008*



Dr. Adel M. Abdel Kader, Regional Coordinator, Division of Early Warning and Assessment, UNEP- West Asia office, visited GRC to discuss possible cooperation in environmental activities especially the potential UNEP GEO Gulf Region Environmental Assessment research project.

*April 13, 2008*



A delegation from the China Institute of Contemporary International Relations (CICIR) visited the Gulf Research Center. The delegation consisted of Cui Liru (President), Li Xin, (Deputy Director, Department of International Exchanges), Dr. Yuan Peng, (Research Professor, Director Institute of American Studies), Li Rong (Research Professor, Director Institute of Asian and African Studies) and Tian Wenlin, PhD. (Associate Research Fellow).

The main theme of discussion was the current and future perspective on China-GCC relations with regard to oil supplies from the region and possible implications of China's enhanced presence in the MENA region. The delegation recognized the "limited capabilities" of China's engagement in the region and stressed the interdependence of its relations with the USA. Recognizing the complicated nature of China-USA relations in the past, the bilateral relationship was described to develop positively, particularly since 2001. CICIR's representatives stressed the Chinese "model of mutual cooperation" in Middle Eastern Affairs and substantiated China's role as a mutual benefactor, particularly in view of China's engagement in Africa. The Chinese delegation shared a keen interest on the

future of the “Dubai Model”, the region’s nuclear future and on perspectives of renewable energy in the Gulf. A further aspect of the discussion was the free trade agreement (FTA) negotiation process between China and the GCC. The fruitful exchange also envisaged enhanced cooperation between GRC and CICIR in the future.

*April 8, 2008*



His Excellency Sergey Krasnogor, Consul General of Russia in Dubai and Professor Vladimir Naumkin, Deputy Director of Moscow State University visited the GRC. They were briefed about relations between the GCC States and Russia, as well as the current situation of Gulf Security. They also discussed possible future cooperation between the two institutions.

*March 27, 2008*



Dr. Eckart Woertz, Program Manager Economics at GRC, briefed a delegation of the Committee on Transport, Building and Urban Affairs of the German parliament about the GCC transport sector. The delegation was headed by the chairman of the Committee Dr. Klaus W. Lippold. Dieter Kaden, Chairman and CEO of the German Air Navigation Services was also present.

*March 19, 2008*

On a panel with Dr. Günther Beckstein, the Bavarian Minister-President, Emilia Müller, Bavarian Minister of Economy and Dr. Peter Göpfrich, Official Delegate of the German Commerce and Industry in Dubai, Dr. Eckart Woertz, Program Manager Economics at GRC, briefed a delegation of German business people from the German state of Bavaria and Dubai about contemporary economic issues in the Gulf.

*March 19, 2008*



On the occasion of the visit of Dr. Thomas Goppel, State Minister for Science, Research and the Arts in the Free State of Bavaria, Germany, the Gulf Research Center and the University of Erlangen-Nürnberg signed a Memorandum of Understanding in the area of scientific cooperation and joint research projects. The MoU was signed by Prof. Dr. Karl-Dieter Gröske, Rector of the University Erlangen-Nürnberg and Abdulaziz Sager, Chairman of the Gulf Research Center. Accompanied by a delegation of dignitaries from Bavaria, including several University Presidents.

The memorandum seeks to further the GRC’s objective to collaborate with universities, think-tanks and research organizations in order to promote solid academic work on the GCC states and the Gulf region. This agreement will allow the GRC and the University of Erlangen-Nürnberg to cooperate on event organization as well as staff and student exchange.

Prof. Dr. Gröske underlined that both institutions share common values and opinions on the matter and he emphasized the need and desire to cooperate with the GRC not only on educational issues but specifically in research. He also emphasized the long tradition of the university in relations to Middle Eastern studies. GRC Chairman Abdulaziz Sager mentioned that this is a great opportunity for the GRC to look into integrating further technology and applied sciences to the four core areas of research pursued by the GRC including politics and security studies, energy and economics, as well as education and the environment.

State Minister Dr. Goppel highlighted that both Bavaria and the Gulf are regions attached to their traditions and values which they should preserve but also allow to grow. Through determinant partnership such as the one signed between the GRC and the University Erlangen-Nürnberg, better understanding and knowledge as well as educational and economic opportunities will be promoted and expanded.

In addition to Dr. Goppel and Prof. Dr. Gröske, the delegation also included Dr. Hartmut Wurzbacher, director of the research, planning in higher education and international affairs department in the Bavarian Ministry; Prof. Dr. Alf

C. Zimmer, President of the University of Regensburg; Prof. Dr. Marion Schick, President of the University of Applied Sciences; Munich, Prof. Dr. Reinhold Baumstark, General Director of Art Collection of the State of Bavaria; Prof. Dr. Heidrun Stoeger, Chair for School Education at the Universität Regensburg, School Research and School Development; and Thomas Boehm, Director of the German Academic Exchange Service in the UAE (DAAD).

### *March 2, 2008*

Heinz Dürr - Chairman of the Supervisory Board- Dürr AG, Stuttgart, Dürr Systems GmbH, Stuttgart, ADC Krone Deutschland, Berlin.

### *February 25, 2008*

Muna Ahmad Ali, Environment Specialist in Dubai, Aluminum Company (Dubal), visited GRC to discuss future cooperation between GRC and Dubal in environmental activities, training and research.

### *February 20, 2008*



Sen. Jon Kyl (R-Arizona), Rep. Jane Harman (D-California) and Dr. Sidney Harman, Executive Chairman of Harman International Industries, Inc visited the GRC. The delegation was accompanied by US Consul General Mr. Paul Sutphin and staff members.

### *February 20, 2008*

Prof. Helen Siu, Yale University and Founder, Hong Kong Institute for the Humanities and Social Sciences, visited GRC and discussed GRC work programs and possible cooperation.

### *February 13, 2008*



H.E. Talmiz Ahmad, Indian Ambassador to the UAE visited the GRC and held talks with the Chairman.

### *February 13, 2008*



H.E. Manuel Pineiro, Spanish Ambassador to the UAE, to discuss current issues with regard to GCC-Spain relations.

### *February 12, 2008*



Vice Admiral Kevin J. Cosgriff, Commander, U.S. Naval Forces Central Command and Commander of the U.S. 5th Fleet held talks at GRC with the Chairman and staff.

## Making Headlines...

Unrest stalls economic progress in Yemen

*Macleans.ca, May 11, 2008*

Why Al Qaeda in Yemen is wooing the Saudis

*Khaleej Times, May 10, 2008*

'Food price rise axe to fall on poor'

*Gulf Today, May 8, 2008*

Experts to bring Euro perspective to Gulf

*Arabian Business, May 4, 2008*

US Navy changing the rules of engagement in the Gulf

*Khaleej Times, May 1, 2008*

Yemen: Discontent challenges government

*International Relations and Security Network, April 20, 2008*

UAE pursues nuclear energy as power demand soars

*Bloomberg.com, April 20, 2008*

Study to promote 'Green Gulf'

*The Peninsula, April 13, 2008*

Family-owned companies see future in IPO

*Emirates Business 24/7, April 6, 2008*

As Dubai millionaires multiply, money masks missing liberties

*Bloomberg.com, April 1, 2008*

Iraqi crackdown backfires, strengthens Sadrists

*Reuters, April 1, 2008*

IPIC, QIA to set up \$ 2b fund

*Khaleej Times, March 26, 2008*

Water policies in the GCC: Recent initiatives

*Arab News, March 22, 2008*

Water policies in the Gulf region and recent initiatives

*Khaleej Times, March 22, 2008*

CDM gaining popularity across region

*Gulf Today, March 13, 2008*

Saudi prince's visit seals thaw in ties with Qatar

*Agence France-Presse, March 12, 2008*

Dubai World knowledge-based initiative links science and technology with economy

*AME Info, March 3, 2008*

Saudi king may miss Arab summit in Syria over Lebanon

*Reuters, February 18, 2008*

New Saudi measures may cost govt SR66 billion

*Arab News, February 18, 2008*

'Globalisation has reduced threat of inter-state wars'

*Gulf Today, February 14, 2008*

State security has changed little despite globalisation, says expert

*Khaleej Times, February 14, 2008*

Al-Qaeda in Iraq: In a cul-de-sac

*Arab News, February 14, 2008*

Al Qaeda in Iraq

*Khaleej Times, February 12, 2008*

A win-win partnership

*Khaleej Times, February 8, 2008*

UAE seeks strong ties with Germany

*Khaleej Times, February 7, 2008*

GCC can still back single currency

*Emirates Business 24/7, February 6, 2008*

French base in UAE signals regional strategic shift

*Defense News, January 30, 2008*

A French base in the Gulf

*Al Arabiya TV, January 30, 2008*

Nato's role in Mideast comes under scrutiny

*Gulf Times, January 29, 2008*

Window of opportunity for GCC countries

*The Peninsula, January 28, 2008*

Resurgent Obama

*Khaleej Times, January 28, 2008*

A French base in the Gulf

*Arab News, January 27, 2008*

What was behind the France-UAE deal?

*The Daily Star, January 25, 2008*

Bridging the Gulf

*Khaleej Times, January 25, 2008*

Gulf eyes expanding contacts beyond US

*Associated Press, January 23, 2008*

Middle East nuclear drive picks up speed

*Reuters, January 23, 2008*

Abu Dhabi: East leans west

*Frontpage Magazine, January 19, 2008*

Bahrain tensions simmer

*International Relations and Security Network, January 19, 2008*

Political importance of Sarkozy's visit to Saudi Arabia

*Khaleej Times, January 15, 2008*

An empowered Middle East – Part I

*YaleGlobal Online, January 13, 2008*

Dubai counters rising terror threat

*Associated Press, January 13, 2008*

Skepticism awaits Bush in Mideast

*Saudi Gazette, January 9, 2008*

A security time bomb ready to explode?

*Al Arabiya TV, January 6, 2008*

Pakistan: A security time bomb ready to explode?

*Khaleej Times, January 6, 2008*

GCC common market becomes a reality

*Arab News, January 1, 2008*

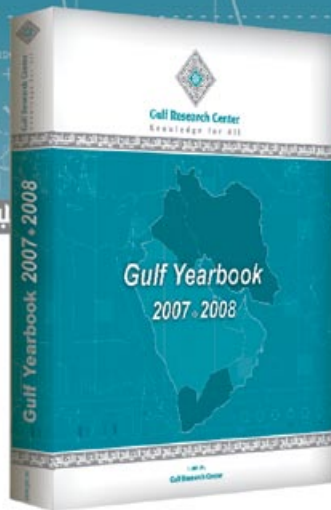


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# ***Gulf Yearbook*** ***2007-2008***

The Gulf Yearbook 2007-2008 provides an analytical perspective on the main and critical developments of the year for the Gulf region with particular focus on the key political, economic, security, social and environment issues that have defined Gulf relations over the year.



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*May 23, 2008*



Tribal Education is one of the UK's most experienced and innovative educational

consultancies delivering a wide range of consultancy services across the entire education spectrum, from early schooling to further and higher education.

The Gulf Research Center and Tribal Education have entered into a Memorandum of Understanding to cooperate in the educational field and carry out educational research as well as cultural interchange, working together, collaborating and supporting each other according to mutually agreed principles, values and modalities.

*May 12, 2008*



Gulf Organization for Industrial Consulting (GOIC), based in Qatar is a knowledge hub and industrial investment promotion

catalyst supporting industrial diversification and development within the GCC countries by providing the public, industrial and economic sectors with distinctive knowledge and a complete set of specialized research, information, consultancy and technical services. GOIC also provides solutions and recommendations that support business operations through: developing a better product and market selection and positioning, including market research; elaborating advanced techniques on energy conservation and waste management; improving productivity and protecting the environment; conducting pre-feasibility and feasibility studies for identified projects, etc.

The Gulf Research Center and the Gulf Organization for Industrial Consulting have agreed to enter into a Memorandum of Understanding to work together in pursuit of creating greater national, regional and international awareness on issues pertaining to industrial diversification and development in the Gulf region. Through this memorandum, the organizations agree to collaborate and support each other in the areas of research, policy facilitation and implementation.

*April 27, 2008*

The GRC has signed an MOU with Birzeit University in Palestine. BZU is among the foremost



tertiary educational institutes in Palestine and has played a significant role in the Palestinian political dialogue. It is also the first institution of higher education to be established in Palestine. The parties have decided to enter into this MOU to work together in pursuit of "Knowledge for All". They agree to support each other in the fields of international relations, global politics and contemporary Arab studies as well as networking and internships.

*April 9, 2008*

The GRC signed a Memorandum of Understanding with McGill University, Canada. McGill is a research university, originally founded as the Royal Institution for the Advancement of Learning in 1801.

The objective of the Memorandum is to enhance knowledge about the Gulf region and IR-related topics, to enhance on-the-job experience by organizing internships for McGill students at GRC in various subject areas and to enhance research focused on the Gulf Region by coordinating and collaborating in research. The primary focus of the cooperation under this MOU will be the Department of Political Science of the Faculty of Arts.

*March 19, 2008*

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### *March 18, 2008*

The GRC has signed an MOU with the Transfer Center for International Projects in Education (IPE) of the Zurich University of Teacher Education. IPE is a center that initiates, supports and realizes projects on the international level in the fields of school and education, focusing on countries where it can contribute to sustainable development in the education sector. Both GRC and IPE believe that mutual benefit can be derived from cooperation in the educational field, joint acquisition of projects, educational research and cultural interchange.

### *March 3, 2008*



The GRC has signed an MOU with the King Faisal Center for Research and Islamic Studies in Saudi Arabia. The Center is a research institute with strong ties to the King Faisal Welfare Foundation. It aims to make Islamic Studies more widely available and to make the role of the Islamic culture more prominent. The objectives of this agreement are to exchange expertise and organize joint meetings and training programs. Also, both parties are keen to invest in human resources and to diversify resources to make knowledge available for all.



**Gulf Research Center**  
Knowledge for All

## The Gulf and Africa

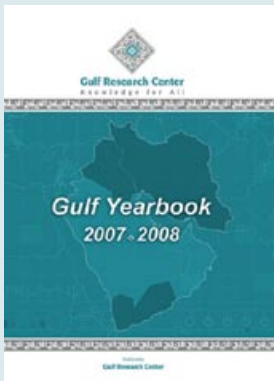
### Developing a new Strategic Partnership

The "Gulf and Africa: Developing a New Strategic Partnership" forum will bring together key leaders from business, academia, government and media to outline the main challenges facing more constructive relations between the key regions of Africa and the Gulf. The purpose of this event is to cover a wide range of issues enabling the proposition of policy recommendations that will ensure closer ties.

February 24-25, 2009  
International Convention Centre  
Cape Town, South Africa

For further information please call  
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[www.grc.ae](http://www.grc.ae) or email directly [mllilo@grc.ae](mailto:mllilo@grc.ae)

*Gulf Yearbook 2007-2008*



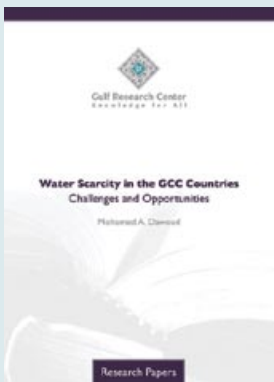
*Nuclear Terrorism after 9/11*  
Robin M. Frost



*The GCC States in a Changing World*  
Nayef Ali Obeid



*Water Scarcity in the GCC Countries: Challenges and Opportunities*  
Mohammed A. Dawoud



*Boom in the GCC Skies: Assessing Aviation Growth Patterns*  
Samir Ranjan Pradhan



*Gulf Monitor Vol.2 (Issue No.9)*



*The GRC Security and Terrorism Research Bulletin (Issue No. 7)*



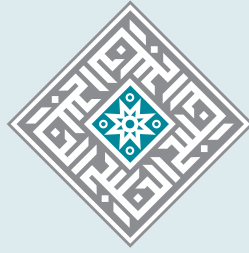
*The GRC Economic Research Bulletin (Issue No. 6)*



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## Gulf Research Center

Knowledge for All

Based in Dubai, UAE, the Gulf Research Center (GRC) began its activity in 2000 as a privately-funded, non-partisan think tank, education provider and consultancy specializing in the Gulf region.

The GRC produces recognized research from a Gulf perspective, redressing the current imbalance in Gulf area studies, where regional opinions and interests are underrepresented.

The GRC believes that the Gulf Cooperation Council has transcended the initial reasons for its establishment, to become a fundamental right of its citizens in the development of the region. The GRC seeks to further this belief by being an institution of distinction and innovative research that advances different aspects of development to ultimately benefit the people of the region.

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