

# General GCC (Gulf Corporation Council) Overview



## Did you know that...?

- ◆ The GCC formed on May 25, 1981 and consists of the following countries: UAE, Bahrain, Saudi Arabia, Oman, Qatar and Kuwait.
- ◆ The purpose of forming the GCC was to “effect coordination, integration and inter-connection among the Member States in all fields... [The GCC also] emphasized the deepening and strengthening of relations, links and areas of cooperation among their citizens.”<sup>i</sup>
- ◆ Due to the geographical closeness, the GCC also finds commonality between themselves because of historical, cultural, religious and social reasons.<sup>ii</sup>
- ◆ The GCC combines cultures, vision and history in a unique way. Perhaps one of the largest historical outcomes is not the world’s tallest tower, but the people of many races, regions, languages, and faiths working together side by side.
- ◆ The GCC is “a practical answer to the challenges of security and economic development in the area. It is also a fulfillment of the aspirations of its citizens toward some sort of Arab regional unity.”<sup>iii</sup>
- ◆ According to some, Sovereign Wealth Funds (SWFs) are ideal stake holders, because they stick by their investments long-term through tough financial times without questions.<sup>iv</sup>
- ◆ The women of the UAE point to Sheika Lubna (the first woman to hold a cabinet position in the history of the UAE and the first female finance minister in the history of the Middle East) as a source of pride and inspiration, along with many of the men. She embraces her status as a role model, but insists that the women of her country have the tools they need to accomplish their dreams: “It is up to us as women to decide...what it is that we can do and not do.”<sup>v</sup>
- ◆ Abu Dhabi announced the recipient of a \$1.5 million prize for sustainability, which went to a subsidiary of a Bangladeshi micro-finance house. Abu Dhabi also committed itself to having 7% of its energy coming from renewable sources by 2020.<sup>vi</sup>
- ◆ According to an estimate by the World Bank, the Middle East and North Africa are only expected to experience a 3.9% economic growth in 2009, compared to 5.8% in 2008. However, this growth is still significantly greater compared to the rest of the world’s economic growth, which is slated to be a mere 0.9% for 2009.<sup>vii</sup>
- ◆ Today the six GCC states are home to \$2 trillion of the present global total of \$3 trillion in sovereign wealth funds.<sup>viii</sup>
- ◆ Saudi Arabia has one the world’s largest sovereign wealth funds.<sup>ix</sup>
- ◆ Within the GCC countries, the growth in SWFs has been driven by the rapid rise in oil prices from \$16 per barrel at the end of 2001, to about \$130 per barrel in May 2008.<sup>x</sup>
- ◆ Abu Dhabi Investment Authority (ADIA) has another of the biggest SWFs, with \$875 billion in assets under management.
- ◆ SWFs were created from national budget surpluses and huge reserves of oil or US treasury bills.<sup>xi</sup>
- ◆ In late November 2007, ADIA bought 4.9% of Citigroup for \$7.5 billion to become its largest shareholder.<sup>xii</sup>
- ◆ “We [the USA] have a greater political interdependence with the Gulf States; we have sharing, and enduring sharing of goals. We both are deeply dependent and the free flow of oil and energy, and this was recently stated of imports as well as exports.” —Ambassador Barbara Bodine.<sup>xiii</sup>

## Top 3 Best Business Relationship Practices

- ◆ Relationship Building
- ◆ Understand some of the unique sensitivities to the Muslim world
- ◆ Understand political & social issues especially in terms of those making decisions that affect your work, such as dynamics on the boards of business/government entities

## Resources

- ◆ The Cooperation Council for the Arab States of the Gulf — [www.gcc-sg.org/eng/index.php](http://www.gcc-sg.org/eng/index.php)
- ◆ The Washington Institute for Near East Policy — [www.washingtoninstitute.org](http://www.washingtoninstitute.org)
- ◆ The National Council on US-Arab Relations — [www.ncusar.org](http://www.ncusar.org)
- ◆ Arabian Business — [www.arabianbusiness.com](http://www.arabianbusiness.com)

## Articles for Further Reading

### Women in Business and the GCC

- ♦ Helman, Christopher. "The Other Face of Saudi Aramco." *Forbes*. July 17, 2008. [www.forbes.com/forbes/2008/0811/089.html?partner=globalnews\\_newslette](http://www.forbes.com/forbes/2008/0811/089.html?partner=globalnews_newslette)
- ♦ Al-Khalaf, Mody. "From One Saudi Woman to Another." *Arabnews*. Jan. 20, 2006. [www.arabnews.com/?page=9&section=0&article=76521&d=23&m=1&y=2006](http://www.arabnews.com/?page=9&section=0&article=76521&d=23&m=1&y=2006)
- ♦ "Sheikha Lubna AlQasimi." Vital Voices. 2009. [http://www.vitalvoices.org/desktopdefault.aspx?page\\_id=747](http://www.vitalvoices.org/desktopdefault.aspx?page_id=747)
- ♦ Saudi Woman: Muna AbuSulayman Interview with Riz Khan Part 1. Youtube.com. Aug. 1, 2008. [www.youtube.com/watch?v=CwgULjF9NKw](http://www.youtube.com/watch?v=CwgULjF9NKw)
- ♦ Saudi Woman: Muna AbuSulayman Interview with Riz Khan Part 2. Youtube.com. Aug. 1, 2008. [www.youtube.com/watch?v=9VOoBFW7Pew](http://www.youtube.com/watch?v=9VOoBFW7Pew)
- ♦ "The Girl from Doncaster Who Became the Toast of Abu Dhabi." *The Independent*. Sept. 3, 2008. <http://www.independent.co.uk/sport/football/news-and-comment/the-girl-from-doncaster-who-became-the-toast-of-abu-dhabi-917204.html>

### Green Energy

- ♦ "GCC States to Harness Winds of Change." *Business24/7*. Aug. 2008. [http://www.business24-7.ae/articles/2008/8/pages/08052008\\_0e71d160b0394679815f2f674fd4fc8d.aspx](http://www.business24-7.ae/articles/2008/8/pages/08052008_0e71d160b0394679815f2f674fd4fc8d.aspx)
- ♦ Fattah, Hassan. "Abu Dhabi Explores Energy Alternatives." *New York Times*. March 18, 2008. <http://www.nytimes.com/2007/03/18/world/middleeast/18abudhabi.html>
- ♦ Drummond, James and Robin Wigglesworth. "Gulf Renewables Race Hots Up." *Financial Times*. Jan. 21, 2009. [www.ft.com/cms/s/0/c0d11fde-e7e4-11dd-b2a5-0000779fd2ac\\_i\\_email=y.html](http://www.ft.com/cms/s/0/c0d11fde-e7e4-11dd-b2a5-0000779fd2ac_i_email=y.html)
- ♦ Rosenthal, Elisabeth. "Gulf Oil States Seeking a Lead in Clean Energy." *New York Times*. Jan. 13, 2009. [http://www.nytimes.com/2009/01/13/world/middleeast/13greengulf.html?\\_r=1&emc=eta1](http://www.nytimes.com/2009/01/13/world/middleeast/13greengulf.html?_r=1&emc=eta1)
- ♦ Woertz, Eckart. "Reflected Glory: The GCC's Future with Renewables." *Gulfnews*. Aug. 19, 2008. [http://www.gulfnews.com/gnqfr/gnqfr32008/companies\\_and\\_sectors/10238433.html](http://www.gulfnews.com/gnqfr/gnqfr32008/companies_and_sectors/10238433.html)
- ♦ "Renewable Energy Offers 'Huge Benefit for GCC.'" *TradeArabia*. Aug. 1, 2008. <http://www.tradearabia.com/news/newsdetails.asp?Sn=OGN&artid=147217>

### GCC and the Northwest

- ♦ Jones, Jeanne Lang. "Abu Dhabi Giant Sets HQ in Seattle." *Puget Sound Business Journal*. June 23, 2008. <http://seattle.bizjournals.com/seattle/stories/2008/06/23/story1.html?b=1214193600^1653564&surround=etf>
- ♦ Wilhelm, Steve. "Oil Rise Spurs Mideast Demand for Local Luxury Jets." *Puget Sound Business Journal*. Nov. 16, 2007. <http://seattle.bizjournals.com/seattle/stories/2007/11/19/story14.html>

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<sup>i</sup> The Corporation Council for the Arab States of the Gulf. [www.gcc-sg.org/eng/index.php](http://www.gcc-sg.org/eng/index.php).

<sup>ii</sup> *Ibid.*

<sup>iii</sup> *Ibid.*

<sup>iv</sup> Olson, Parmy. "World's Richest Sovereign Wealth Funds." *AME Info*. Jan. 24, 2008. [www.ameinfo.com/144711.html](http://www.ameinfo.com/144711.html)

<sup>v</sup> "Sheikha Lubna AlQasimi." Vital Voices. 2009. [http://www.vitalvoices.org/desktopdefault.aspx?page\\_id=747](http://www.vitalvoices.org/desktopdefault.aspx?page_id=747)

<sup>vi</sup> Drummond, James and Robin Wigglesworth. "Gulf Renewables Race Hots Up." *Financial Times*. Jan. 21, 2009. [www.ft.com/cms/s/0/c0d11fde-e7e4-11dd-b2a5-0000779fd2ac\\_i\\_email=y.html](http://www.ft.com/cms/s/0/c0d11fde-e7e4-11dd-b2a5-0000779fd2ac_i_email=y.html)

<sup>vii</sup> Olson, Parmy. "World's Richest Sovereign Wealth Funds." *AME Info*. Jan. 24, 2008. <http://www.ameinfo.com/178140.html>

<sup>viii</sup> *Gulf News*—<http://www.gulfnews.com/Business/Economy/10203912.html>

<sup>ix</sup> Olson, Parmy. "World's Richest Sovereign Wealth Funds." *AME Info*. Jan. 24, 2008. <http://www.ameinfo.com/178140.html>

<sup>x</sup> *Ibid.*

<sup>xi</sup> *Ibid.*

<sup>xii</sup> *Ibid.*

<sup>xiii</sup> "Opening the Aperture on Defense Cooperation." Saudi-US Relations Information Service. Dec. 26, 2008.

<http://www.saudi-us-relations.org/articles/2008/interviews/081226-bodine-auspc.html>