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GCC summit ushers in a new era

By John Duke Anthony

The annual heads of state summit has begun for the six Gulf Cooperation Council countries — Saudi Arabia, United Arab Emirates, Bahrain, Oman, Qatar and Kuwait. This year's meeting deserves more attention than the previous meetings because the six countries leaders are gathering at the dawn of a new era for their region.

Much has changed since last year's summit. Iraq is newly intransigent; some GCC countries are on the cusp of major changes; a new Middle East peace accord has been signed and international oil prices, adjusted for inflation, are at the lowest point since the mid-1970s.

What has received little notice, however, is the fact that the six GCC countries have been preparing for this new era by coordinating policies to integrate their countries economic, political and defense systems. This year's summit promises to build upon the successes achieved so far and bring these developments closer to the center stage.

Last year the GCC countries agreed to integrate their air defense radar systems, electrical grids and civil and penal codes. They allowed each countries national bank to open branches in other GCC countries. And they set a target date of March 2001 to unify external tariffs and establish a customs union. When the tariff accord and customs union occur, the GCC will have cleared the last hurdle toward a free trade agreement with the 15-member European Union, their largest commercial market.

The steps taken to date are all the more remarkable given how far these countries have come in such a short time. In just 25 years, most of the GCC countries have created from scratch some of the world's most modern economic infrastructure. Greater GCC cooperation is good news for their economies, the West, and potential investors. In today's global economy, the two buzzwords are intra-regional trade and sub-regionalism. To realize how these translate into economic successes, consider how Latin America and Asia have benefited from sub-regional trade pacts.

These countries capitalized on the fact that investors choose countries not just for their domestic markets, their economic policies, or their political stability, but also their ability to serve as investment platforms to an entire region. Thus, anything that makes the GCC states a more inviting market, or a springboard for trade with neighboring nations, makes them attractive.

In regional defense, greater GCC cooperation is an equally significant development. Since its inception, GCC economic integration and defense cooperation have been the hallmarks of the member states' quest for peace and prosperity.

In the annals of Arabian history, the efforts to bring together different systems of governance is not new. Today's cooperation, however, is different because it helps to insulate the GCC countries from regional radicalism. As a result, much of the cooperation enhances the stability of the GCC societies — and the entire region.

It would be misleading to imply the greater unity would be a panacea for all the region's problems, or that the GCC countries are likely to establish overnight a European-style defense, economic, or political community. The progress accomplished thus far, however, speaks for itself. Since 1981, the GCC countries have put an impressive array of building blocks into the foundation for greater cooperation. This week, the rest of the world could benefit by taking note of the achievements of the six GCC states that, barely a generation ago, were among the world's least developed countries.

(Dr. John Duke Anthony is secretary of the U.S.-GCC Corporation Committee Inc., a non-profit organization of U.S. multi-nationals)

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