



**Gulf Research Center (GRC)  
Kobe University, Japan**

**Challenges in Sustaining Economic Expansion  
in the GCC: Possible Gains from Closer  
Relations with Asia**

**Welcome Remarks**

Abdulaziz Sager  
Gulf Research Center  
Dubai, United Arab Emirates

January 30, 2008

----- \* -----

It is a pleasure to welcome all of the participants to this workshop on the economic relationship between Asia and the GCC countries, a relationship that is steadily growing in importance. The Gulf Research Center has acknowledged the central relevance of ties between the two regions by establishing a unique research program dedicated to exploring the different dimensions of Gulf-Asia ties stretching from political and security issues to topics in economic, energy and even the social dimension. As part of our effort to highlight the growing relationship, the GRC recently hosted a Middle East-Asia Energy Summit in Singapore including the participation of H.E. the Ministers of Oil from both Saudi Arabia and the United Arab Emirates. This was an important event that allowed us to explore the energy dimension but

it was only an initial step in a far more wide-ranging program that we anticipate to conduct.

Part of our effort to broaden our ties with Asia is also to establish strong cooperative relationships with like-minded institution and thus we are very happy and pleased to work together with the Research Institute of Economics and Business Administration of Kobe University, Japan to conduct this workshop today. Allow me here to welcome in particular all the members of the institute who have traveled all the way from Japan to join us in further exploring the economic relationship between the GCC countries and Japan. In particular, I want to welcome Prof. Junichi Goto, the Director of the Research Institute of Kobe University as well as Prof. Hino Hiroyuki who has worked tirelessly to organize and put the program together. Let me also welcome Prof. Ishi, the President of the Open University of Japan as a special guest of today's program.

What we want to do today is to gain some insight into the status of Japan-GCC economic relations, to put that relationship into the broader context of relations between the GCC and Asia and to also highlight the important economic developments that are occurring in the Gulf which will impact Asia and Japan. Trade has been growing at a fast pace between the two sides and amounted to well over 300 billion in 2006. Out of this, the trade relations with Japan alone amounted to slightly more than 100 billion. The bottom line is that Japan and Asia as a whole are the most important economic trade partners of the GCC states and the figures dwarf the volume that is done with other regions of the world.

Of course, energy plays the key role in this dimension and alongside that there has been increasing concern about the subject of energy security and how the two sides can cooperate to both ensure the security of supply and the security of demand. But beyond energy, there are other relevant dimensions as well and they have to do with increasing business projects, higher trade outside of energy related products and the growing aspect of people-to-people contact. Thus, while economics continues to be the main consideration, there are host of other issues that must be reflected upon as well. At the end of today, we hope to have not only gained a better understanding but to also end up with a series of policy recommendations that we can use to better optimize and develop the mutual economic relationship. At this stage, there are still numerous misunderstandings that exist and this is one area that must be handled better. But most important is to focus on how to take the relationship forward and it has to be our goal and purpose to define what that path might look like.

I very much look forward to listening to the presentations and the discussion to follow. We also look forward to building on our relationship with Kobe University as we see this as only a first step into further collaboration and cooperation. Thank you again for coming and I hope you will enjoy the workshop.