Abstract

The Arab Gulf Economy: A Demographic & Economic Profile

The Gulf region comprises eight countries, Iraq, Saudi Arabia, Kuwait, Oman, Bahrain, Qatar, United Arab Emirates and Iran (a non-Arab Country), all of which have a shoreline. Hence the region does not include North or South Yemen since both countries are relatively poor and without oil.

The countries that have been chosen for this study are Saudi Arabia, Kuwait, Oman, Bahrain, Qatar, and United Arab Emirates (UAE). Certain criteria have been used in the selection of the six countries: the similarity in the level of economic development, the similarity in the population size (except Saudi Arabia which has the largest population, accounting for two-thirds of the total population of the six Gulf States) and, most importantly, the similarity in their economic problems and prospects for development.

In addition to the above similarities, the Arab Gulf States share certain other characteristics such as geographical and regional unity, racial, linguistic and religious homogeneity, common traditions and a similarity of political regimes. Mutual political understanding is a very important factor for the success of any integration scheme between the countries.

The purpose of this research is to provide important information concerning the geographical, demographic and economic features of the six Arab Gulf States. Such information will give us a true picture and enable us to see more clearly the necessity for regional integration and cooperation between the Gulf State. Integration amongst the Gulf State is needed so as to serve the long-term economic and social interests of their population. The economies of the Arab Gulf State are dependent and underdeveloped economies, suffering from structural imbalances demonstrated by the predominance of a single sector (the oil sector) and a high degree of dependence on foreign markets. These weaknesses are likely to continue so long as the Balkanization policies of individual states continue.

The common characteristic of geo-economic structures of the six Arab Gulf States and Iraq is their considerable oil wealth. Petroleum dominates the economy of these countries, but the main difference between them relates to water resources and agriculture. Iraq is a country with a dual resource base-agriculture and petroleum. Moreover, Iraq is fairly well endowed with manpower resources-the essential factor long-term economic development.
