# The Consequences of Intra-Regional Instability and Conflict for Gulf Trade Flows

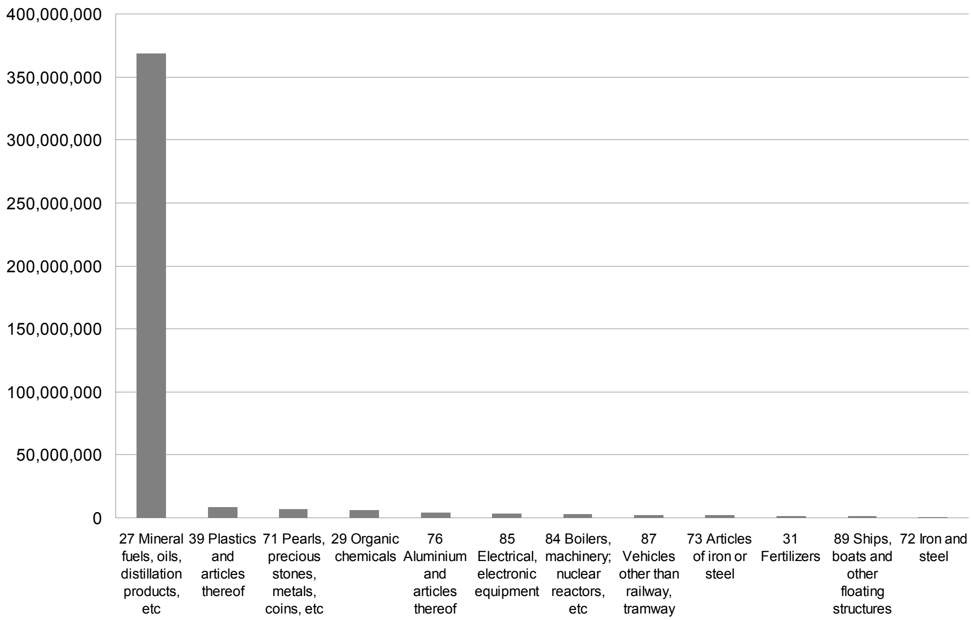
**Aruba Khalid**
*MILE 10, World Trade Institute, University of Berne*

## 1. Introduction

Over the past 3 decades conflicts and international sanctions in the Middle East have undoubtedly had a significant impact on regional trade flows. Trade diversification and development into sectors which could be significantly competitive in the regional market may have been overlooked due to the prioritization of more dependable trade in long haul commodities. Currently there exists a strong potential for diversification and development in sectors which the Gulf countries may maintain regional, albeit not international, comparative advantage. Development of trade in such sectors and commodities could particularly enhance regional trade flows and consolidate the strength of regional economies through expansion and diversification. Although recent endeavors to diversify regional exports are evident, currently all of the 6 GCC countries largest exports are still mineral fuels, oils and distillation products which substantially exceed the values of other exports. The next largest exports for all of the GCC countries in 2006, plastic products for Qatar, Kuwait and Saudi Arabia, pearls and precious metals for the UAE, aluminum products for Bahrain and dairy and food items for Oman, accounted for much smaller export values. This creates significant regional dependency on mineral fuels as the primary export commodity and undermines the considerable potential for growth in other sectors.

The purpose of this paper is to indicate the potential for trade diversification and development in the Middle East through reviewing the impact of regional frictions, such as the GCC-Iran relations, the Iran Iraq War and the Gulf War, on trade flows and attempt to determine their enduring consequences on trade development. In the first section the significance of steady GCC Iran relations will be reviewed with particular emphasis on GCC Iran trade. In the next section regional conflicts, i.e. the Iran Iraq War and the Gulf War will be reviewed in accordance to their specific impact on regional trade flows. In the concluding section the overall effect of regional friction will be considered with consideration of possible future policy implications.

**Figure 1** GCC exports, 2006 (US$ thousands)




*Source*: International Trade Center

# 2. Review of regional conflicts and their impact on trade in the Middle East

## 2.1. GCC-Iran relations

Relations between Iran and the Gulf countries are particularly significant for regional political and economic stability. This is due to their geographical proximity and the large number of Iranians living and working in the GCC and travelling between Iran and the Gulf. Particularly, Iran UAE relations have been predominantly strong over the past decade. It has been estimated that commercial exchanges between the two nations count up to USD 16 billion and nearly 400,000 Iranians live in the UAE alone and operate 10,000 small businesses[1,2]. Relations between the two countries continue to thicken currently. In December 2009 Iran and the UAE concluded 5 documents for various agreements including a Memorandum of Understanding for specifications and standards of traded commodities and products. Iranian relations with other Gulf countries are also significant. It is however important to note that Iran GCC relations are not evenly spread out over the Gulf countries and are more coherent if viewed as

1 Iranian Investors returning from Dubai. 21/5/09 *http://www.zawya.com/story.cfm/sidZAWYA20090521050601/Iranian%20Investors%20Returning%20From%20Dubai*

2 Iran, UAE sign 5 documents for cooperation, Kuwait News Agency, 9 December 2009. *http://www.gulfinthemedia.com/index.php?lang=en&m=&id=498474*

separate bilateral relations between Iran and each Gulf country[3]. Overall economic and trade relations between Iran and the UAE and Iran and Saudi Arabia have been particularly strong over the past decade despite political differences, such as the Abu Moussa Island Dispute between Iran and the UAE. However, over the past three decades issues including ideological differences, GCC-US relations and GCC's support for Iraq in the Gulf War have strained overall GCC Iran political relations. These relations are vital in determining regional trade ties and reciprocally, these ties are vulnerable to political tensions which stem not only from historical conflicts but ongoing tussles as well.

### *2.1.1. GCC-Iran trade*

In the early 1980's a relatively significant share of Iran's trade was conducted with the GCC. In 1980 almost 6 percent of Iranian imports came from Gulf countries. During this time the largest share of Iran's imports from the GCC came from the UAE, which accounted for 74 percent of all GCC imports to Iran, followed by Kuwait and then Bahrain. Iranian exports to the GCC only accounted for 0.7 percent of Iran's total exports and Iran's largest share of GCC exports went to Saudi Arabia, the UAE and Kuwait followed by Qatar, Bahrain and Oman.

At the onset of the Iran Iraq War, Iran's exports to the GCC fell sharply, hitting a low point of USD 52 million in 1982. However Iranian imports from the Gulf through the same period remained much higher at USD 252 million in 1982 creating a large trade deficit for Iran with the GCC. By 1983 Iran's exports to the UAE increased substantially by almost 20 percent and took the largest share of Iran's exports to the GCC. Iranian imports from the GCC were also dominated by the UAE, followed by Kuwait, in the later part of the 1980's.

Throughout the 1980's GCC trade with Iran was relatively volatile, largely due to the damages inflicted to Iran's import and export capability by the ongoing Iran Iraq War. However, by the 1990's, after the end of the Iran Iraq War, Iranian exports to the GCC overall began to increase substantially and the UAE continued to receive the largest share.

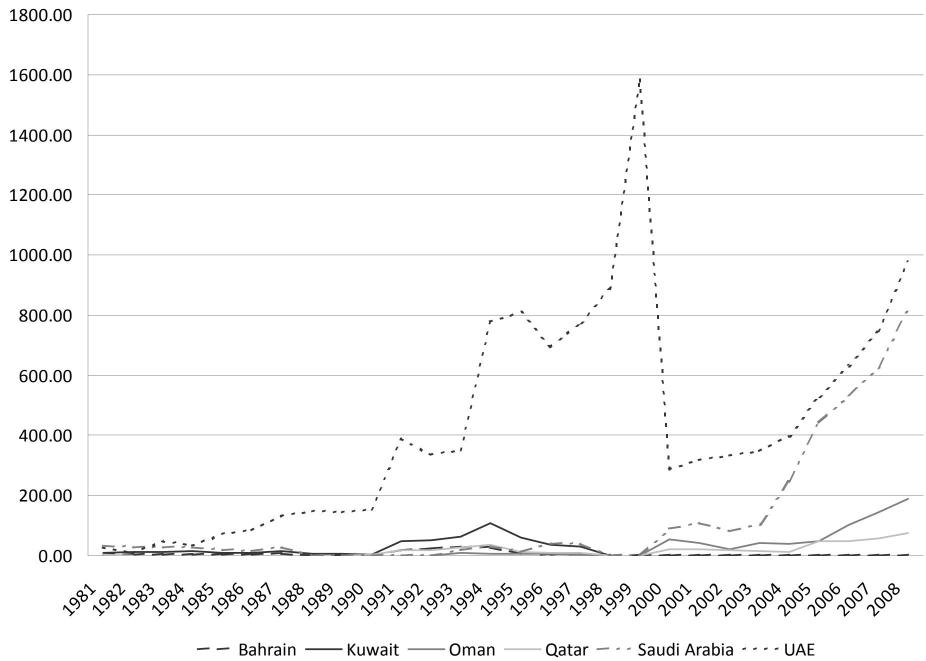
Overall Iranian exports to the GCC hit a high point of USD 1,584 million in 1999 but fell sharply, declining 72 percent, in 2000. Iran's exports to the GCC began to recover in 2001 and the UAE received the largest share followed by Saudi Arabia, then Oman, Qatar and Kuwait. These shares remained almost the same to 2008 with overall values increasing.

Iran imports through the 1990's were less volatile. During the 1990's Iran's largest share of GCC imports were predictably from the UAE which peaked in 1992 to USD 1,588 million but began to decline and hit a low of USD 441 million in 1995. Since then however Iran's imports from the UAE have increased steadily and reached their highest point in 2008 at USD 13,199 million. After the UAE, Iran's largest GCC imports come from Saudi Arabia followed by Oman, Kuwait, Bahrain and last, Qatar.

Although these trade patterns indicate the existence of significant trade integration between Iran and the GCC, periods of trade volatility may be explained in further detail through consideration of the fluctuations in regional political stability.

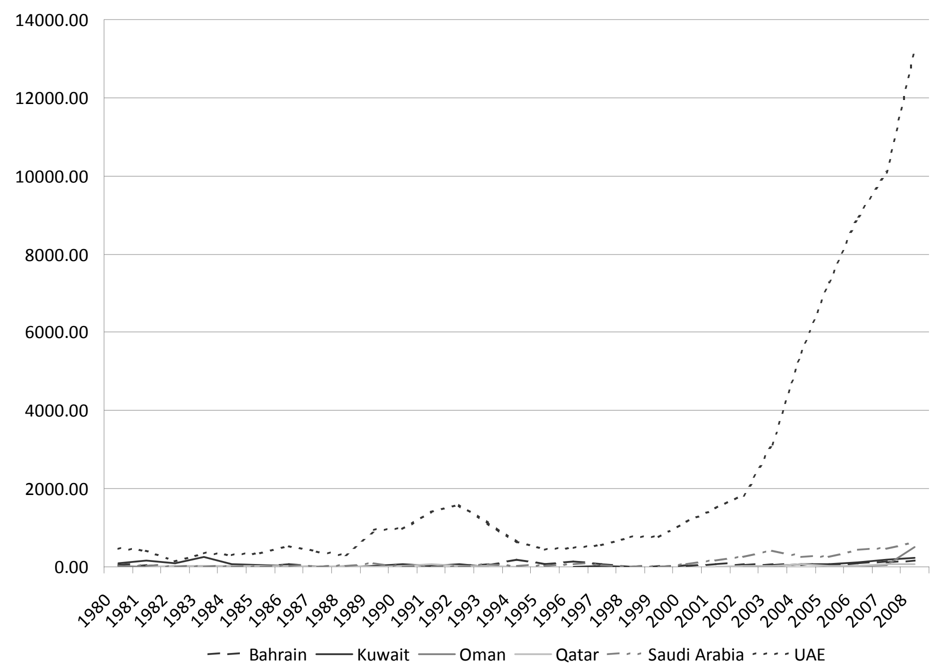
3 Anthony, J. Iran in 'GCC Dynamics'. *Middle East Policy*, Vol. 2, 1993, pp. 107-120 *http://www.ncusar.org/publications/Publications/1993-11-Iran-in-GCC-Dynamics.pdf*

**Figure 2** Iran's exports to the GCC (US$ millions)




*Source*: Direction of Trade Statistics, IMF

**Figure 3** Iran's imports from the GCC (US$ millions)




*Source*: Direction of Trade Statistics, IMF

## 2.2. Iran Sanctions Act

Iran has also suffered continuing international sanctions from the United States under the Iran Sanctions Act, originally introduced during the Clinton Administration. These sanctions, originally called the Iran-Libya Sanctions Act, primarily targeted Iran's energy sector by restricting trade and foreign investment in Iran[4]. The European Union states considered the ISLA as extraterritorial application of US law and opposed the sanctions causing the US to compromise and waive the ISLA in May 1998 for an EU investment in the Iranian South Pars gas fields. Nevertheless, despite various attempts at repealing the sanctions in 2001 and 2006 they have currently been extended until December, 2011 with various modifications[5].

Although Iran has endured international sanctions for over a decade, which have put a severe strain on its international trade flows, the state has also played a key role in regional conflicts which have affected its regional trade flows and political relations, particularly with the GCC. One of the pivotal points in GCC Iran relations was the Iran Iraq War in 1980.

## 2.3. Iran-Iraq War 1980

The Iran-Iraq War undoubtedly played a significant role in determining trade patterns in the Middle East throughout the 1980's. Prior to the war, political relations between the gulf countries and Iran had already been strained after Iran's Islamic Revolution in 1979. At the outbreak of the Iran-Iraq War however, the Gulf states formed a collective defense alliance, the Gulf Cooperation Council but maintained a neutral position towards the war.

### *2.3.1. Impact of the Iran-Iraq War on Iranian trade*

Overall Iranian trade contracted in 1986 because of increased import restriction coupled with consistent decreasing export earnings. Iranian world imports began to decline from 1983 and reached their lowest point in 1988 at USD 8,171 million, a decline of almost 55 per cent. The import of capital and consumer goods had started to decline after the 1979 Revolution; however, between 1979 and 1982, after the outbreak of the war, capital goods imports fell from 30 percent of total imports to 15 percent. Exports suffered worse as they fell from their peak of USD 19,185 million in 1983 to their lowest point of USD 8,044 million in 1986, a decline of almost 60 per cent. The increase in prices and fixed salaries intensified the rate of inflation, which ranged between 10 and 50 percent and Iran faced a large trade deficit[6].

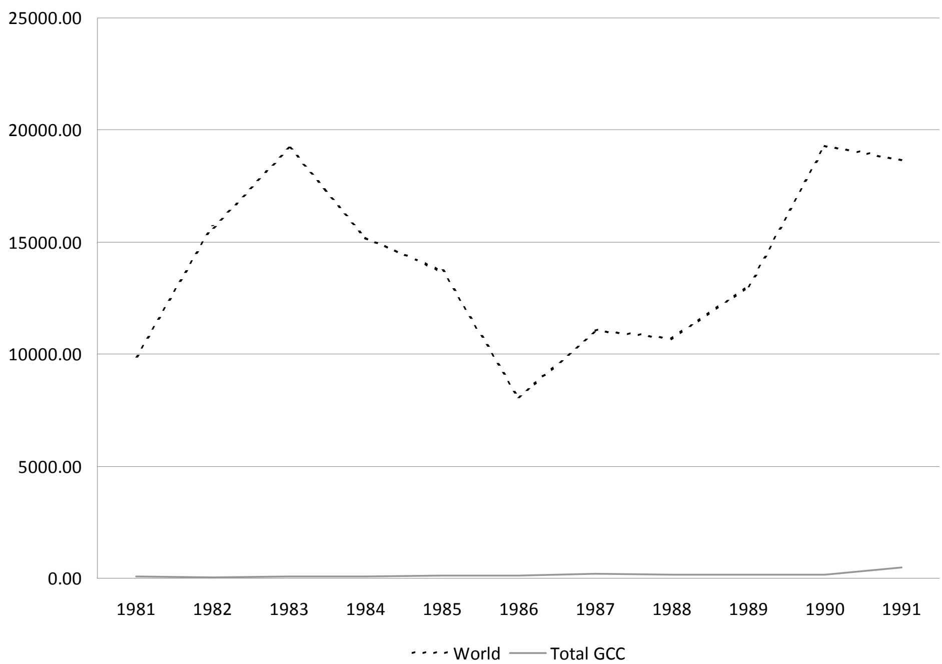
Part of this deficit was formed by Iran's sky rocketing food imports. Food imports increased to more than USD 2 billion by 1983, despite the emphasis on agricultural self-sufficiency and by 1986 food imports consumed as much as 20 percent of total foreign exchange. Iran had become one of the largest per capita purchasers of wheat in the world, buying 3.4 million tons annually. The nation spent about USD 3 billion per year on food items such as wheat, rice, meat, vegetable oil, eggs, chicken, tea, and

4 Katzman, K. CRS Report for Congress, The Iran Sanctions Act (ISA) October 2007. *http://www.fas.org/sgp/crs/row/RS20871.pdf*

5 Ibid

6 International Monetary Fund, Direction of Trade Statistics

**Figure 4** Iran's exports (US$ millions)




*Source*: Direction of Trade Statistics, IMF

**Figure 5** Iran's imports (US$ millions)


*Source*: Direction of Trade Statistics, IMF

sugar. By December 1986, Iran's imports of meat and dairy products alone exceeded the value of the country's entire industrial output.

Soon, through a conscious effort by the Iranian government to contain the deficit crisis through restricting imports of luxury goods and import substitution imports declined to USD 2.6 billion at the end of 1986. Iran resorted to barter agreements with some countries in 1986 and 1987, trading oil for goods such as tea from Sri Lanka, rice from Thailand, wheat from Argentina[7]. Iran's adversary was in similar conditions.

*2.3.2. Impact of the Iran-Iraq War on Iraqi trade*

Iraq suffered from similar deficit and debt problems resulting from the war as well as unstable development in the petroleum sector. Iranian attacks on the petroleum industry infrastructure reduced oil exports sharply and Iraq incurred a trade deficit of more than USD 10 billion in 1981. This unbalance worsened throughout 1982 as the value of Iraqi imports reached its peak at USD 23.5 billion, while exports reached a lowest point of USD 11.6 billion, leading to a record deficit. In 1983, however, imports also began to decline and fell almost 50 percent. Despite the partial recovery of Iraqi oil exports in 1986, exports were valued at only about USD 7.5 billion because of the sharp drop in world oil prices.

Iraq's endeavor to solve its debt and deficit problems by rebuilding and eventually increasing its oil export capacity did not materialize, as increases in volume were not sufficient to offset the depressed prices. Demand remained low and Iraq's expanded oil exports served only to create a surplus in the market and drove the price of oil further down. The reduced price of oil and the low prices of Iraqi exports, particularly raw materials, alongside higher prices for imported goods, pulled Iraq into the trap of declining terms of trade.

Although Iraq was cutting the volume of its imports and was increasing the volume of its exports, the relative values of imports and exports had essentially shifted. More than 95 per cent of Iraq's exports were raw materials, primarily petroleum, which had low prices. Food stuffs accounted for most additional exports whereas nearly half of Iraq's imports were high priced capital goods and consumer durables. The difference in the value of food stuffs and raw materials exports and expensive capital goods imports fuelled the trade deficit.

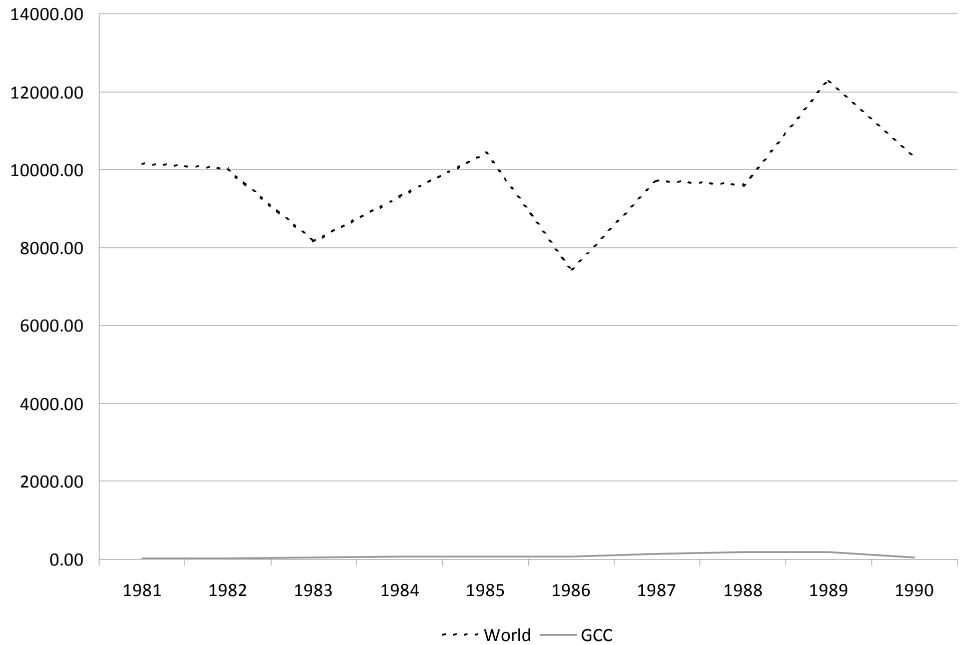
Eventually Iraqi imports began to decline. In 1983 they fell to USD 9, 928 million, almost half their value in 1981. Unlike Iran, however, this decline did not result from the government's conscious effort to balance its trade or from import substitution. Declining Iraqi imports throughout the 1980's can be attributed to an increasing unwillingness of the nations trading partners to extend credit.

Iraq traded largely with Western European and at first both governments and private companies in Western Europe continued to supply Iraq in an effort to sustain the country until it could repay them. This debt helped secure buyers for Iraqi petroleum in a tight international market through barter agreements in which oil was exchanged for a reduction in debt. In 1987 however, as some West European companies prepared to cut their losses and to withdraw from the Iraqi market.

Eventually in 1987 Iraq had to ration imports for which cash payment was due,

7 Country Studies Series, Library of Congress, Federal Research Division, updated 7th May 2009 *http://memory.loc.gov/frd/cs/bhtoc.html*

**Figure 6** Iraq's exports (US$ millions)




*Source*: Direction of Trade Statistics, IMF

**Figure 7** Iraq's imports (US$ millions)


*Source*: Direction of Trade Statistics, IMF

whereas nonessential imports were purchased if the exporter offered credit. Any imports that contributed to the war effort were prioritized. As Iraq attempted to avoid the extremely high costs it would face if facilities were shut down, neglected and then reopened in the future, it highly prioritized importing spare parts and management services to maintain large industrial projects. Consumer goods however were considered expendable and given the least priority.

The government implemented new import policies as an attempt to replace imported manufactured products with domestic manufactured products gradually and then to increase export sales. In the mid-1980s, however, the government recognized that increased domestic production required the import of intermediate goods and imports of necessary goods was permitted. The private sector, which had long been accorded a quota of total imports, was also deregulated to a limited extent. In 1987 the rules concerning private sector imports were liberalized further when private sector manufacturers were granted special licenses that permitted them to import raw materials, spare parts, packaging, machinery, and equipment necessary for plant modernization and expansion. While the government permitted more imports by the private sector, it nevertheless continued to promote exports at the same time.

*2.3.3. Regional trade during the Iran-Iraq War*

*(a) Iran GCC*

In 1980 Iran's imports from the GCC remained relatively steady reaching a high of USD 673 million in 1986 and experiencing a temporary decline in 1982 and 1988. Iran's GCC imports came largely from the UAE which remained relatively steady throughout the decade apart from a slight decline in 1982. Iran's next largest share of GCC imports came from Kuwait which was taken over by Saudi Arabia in the later 1980's whereas Iran's imports from Oman, Qatar and Bahrain remained marginal throughout the 1980's. Iran's exports to the GCC during the 1980's were very low creating a deficit for Iran with respect to the Gulf countries. The largest share of Iran's exports to the GCC went to Saudi Arabia which was overtaken by the UAE in the later 1980's.

*(b) Iraq GCC*

In 1980 Iraq's imports from the GCC were relatively high at USD 1,244 million which was almost 6 percent of Iraq's overall imports. However, as the Iran Iraq War carried on Iraq's GCC imports fell dramatically from 1983 and hit a low of USD 376 million in 1987. Throughout the 1980's Iraq's largest Arab imports came from Kuwait which consistently accounted for roughly 50 percent of Iraq's overall GCC imports. Iraq's next largest imports from the GCC came from the UAE throughout the early 1980s followed by Saudi Arabia. However Iraq's imports from Saudi Arabia and Oman overtook Iraq's imports from the UAE by 1989. Iraq's imports from Bahrain remained marginal throughout the 1980's and Qatar did not account for any of Iraq's GCC.

Throughout the entire 1980's Iraq's exports to the GCC remained substantially lower than its imports creating a large trade deficit for the nation with respect to the Gulf. Nevertheless, Iraq's exports to the GCC did increase steadily throughout the 1980's, approximately, 93 percent by 1989, with a minor dip in 1986. Mirroring Iraq's GCC import patterns, Kuwait had the largest GCC share of Iraq's exports followed alternatively by the UAE and Saudi Arabia. However, Iraq's exports to Oman along with Qatar and Bahrain remained entirely marginal through the same period. These patterns do indicate the slight volatility of Iraq GCC trade during the Iran Iraq War, particularly Iraq's imports in 1983, however they do not suggest any dramatic instability. The substantial decline in Iraq's GCC imports is 1983 follows the pattern of the decrease in Iraq's overall imports in that year.

## 2.4. The Gulf War 1990

The onset of the Gulf War can be linked back to the economic conditions of Iraq after the 1980 Iran Iraq War. Due to policies encouraging heavy investment in arms and training throughout the Iran Iraq War the Iraqi military held a dominant position in the region in the late 1980's and to maintain this military advantage Iraq required substantial funds. Although Iraq did have significant oil reserves these were not enough to fund its military needs forcing Iraq to borrow increasingly from regional oil-producing alliances pulling the nation into debt.

Coupled with continued investments, this debt brought on an exacerbating 40 per cent inflation rate. The combination of debt and high military expenses, further strained by inflation, created friction between Iraq and its creditors. Friction between Iraq and one of its creditors, Kuwait, particularly intensified as Kuwait refused to cancel or renegotiate Iraq's debt, estimated at USD 13 billion which had accumulated throughout the Iran Iraq War[8].

### *2.4.1. The economic impact of the Gulf War*

On August 2nd, 1990, immediately after Iraq's invasion of Kuwait, the United Nations Security Council (UNSC) passed resolution 660 calling for the withdrawal of Iraqi troops. When the Iraqi government did not comply the UNSC followed resolution 660 with resolution 661 which authorized economic sanctions against Iraq and Kuwait declaring a trade blockade and freezing Iraqi and Kuwaiti assets[9].

*(a) Impact of the Gulf War on Kuwait's trade*

Kuwaiti trade was entirely severed after the Iraqi invasion due to the complete trade ban imposed on Kuwait by the UNSC. Kuwait also suffered material damages to its ports and storage infrastructure which shifted Kuwait's import pattern throughout the later restoration period.

Moreover, in the period soon after the war, from 1991 to 1992 the Kuwait oil industry severely declined and suffered large declines in production and production capabilities due to the destruction of their oil wells.

The pattern of Kuwaiti imports also shifted as national imports now largely consisted of capital goods, spare parts and machinery, crowding out imports of consumer goods.

However, although Kuwait's trade surplus has declined in the mid 1980's to approximately USD 1.98 billion it grew in the second half of the decade to approxi-

8 Country Studies Series, Library of Congress, Federal Research Division, updated 7th May 2009, *http://memory.loc.gov/frd/cs/bhtoc.html*

9 United Nations Security Council Resolutions - 1990, *http://www.un.org/Docs/scres/1990/scres90.htm*

mately USD 4.9 billion[10] indicating a positive trend which could continue once restoration was on track. Also, previously Kuwait had maintained a relatively liberal economic policy with minimal restriction on external trade which suggested future competitiveness and openness would eventually enhance trade, despite war damages.

In 1990 Kuwait had a large overall trade surplus with exports at USD 8520 million and imports at only USD 4049 million which suffered drastically by 1991 as Kuwait's exports fell sharply approximately 90 percent. However, by 1992 they had begun to increase again and by 1993 were back to their original level and continued to increase steadily. On the other hand Kuwait's imports did not fall so dramatically from 1990 to 1991 and recorded only a decline of 14 percent, however, similar to exports they continued to increase after 1992. Kuwait's imports from the GCC and Iraq were entirely eliminated from 1990 to 1992 however in 1993 Kuwait's began to import once more from Saudi Arabia and Oman. Kuwait's imports from Saudi Arabia accounted for almost 7 percent of Kuwait's overall imports in 1993. By 1994 Kuwait began once more to import from UAE, Bahrain, Qatar and Oman. Throughout the 1990's Kuwait's imports from the GCC increased steadily and doubled by 2005. Kuwait's largest share of GCC imports has consistently come from Saudi Arabia followed by the UAE then Bahrain Qatar and Oman.

Mirroring imports, Kuwait's world exports fell dramatically in 1991, declining almost 90 percent from the previous year but began to increase steadily again by 1992. In 1990 the largest share of Kuwait's regional exports went to Iraq followed by Saudi Arabia, the UAE, Bahrain, Oman and Qatar. However by 1991 Kuwait's exports to Iraq were predictably severed and their exports to the GCC fell substantially as well. Kuwait 's exports to the GCC began to increase by 1992 as well with the UAE taking over the largest share followed by Saudi Arabia in 1997. Kuwait's exports have since then steadily increased with Saudi Arabia and the UAE alternatively taking the largest share. Throughout the 1990's Kuwait built a strong trade surplus which extends to the present.

*(b) Impact of the Gulf War on Regional Trade*

Throughout the period of the Gulf War the trade balances of the other GCC countries were also affected.

After the Iraqi invasion of Kuwait, following the sharp increase in oil prices from the uncertainty of future oil supplies, Saudi Arabia's trade balance increased to approximately USD 24 billion. Between 1984 and 1988 declines in oil revenues had forced the authorities to restrict government purchases of military equipment, however, after 1989 this category, in addition to the outflow of workers' remittances, aggravated the services' deficit.

Similarly, the UAE's oil production rose significantly after the outbreak of the War. An increase in the overall trade surplus in 1990 from USD 5.4 billion in 1989 to USD 9.5 billion in 1990. UAE imports rose by 16 per cent in 1990 while exports increased from 36 per cent. Considerable increases in imports occurred in the manufactured goods, machinery and transportation equipment which accounted for a total of 70

10 *International Trade from a Kuwaiti and Arab Perspective*, Central Bank Kuwait, Delivered January 22, 199, UK, Annual Tacitus Lecture for the Guild of World Traders , *http://www.cbk.gov.kw/PDF/Book2Eng/part11.pdf*

per cent of UAE's imports[11]. Throughout this period the UAE also underwent a significant cash outflow. Due to the UAE's large military contribution in Kuwait at the onset of the Gulf War, monetary aid to countries affected by the Gulf crisis and huge capital transfers by companies and individuals throughout 1990 the Emirates faced their first negative balance of payments at a loss of 300 million[12].

## 3 Conclusions and implications for the future

In conclusion, it is clear that frictions in the Middle East have had a substantial impact on regional trade flows. Periods of erratic political conflicts such as the Iran Iraq War and the Gulf War may have caused the GCC countries to restructure regional political alliances in effect giving rise to regional trade volatility. Over time this lack of predictability in regional trade may have created greater reliance on long haul trade and eventually crowded out the development of regional trade integration. This indicates the potential for trade diversification into short haul commodities for regional trade to create a broadened regional market with deeper integration which will help diminish the Gulf's vulnerability to international crises and speculation.

Trade between the GCC and its neighbor, Iran, has fluctuated over the past 3 decades but remains relatively strong despite varying political friction. Regional conflicts have caused severe trade volatility, although certain conflicts have proved to be more consequential to trade diversion than others. The 1980 Iran Iraq War predictably cut off bilateral trade between the warring nations and damaged their trade capabilities. However Iran and Iraq's trade relations with their neighbors did not show significant instability or mirror the formation of any political alignments. On the other hand, the onset of the 1990 Gulf War cut off Iraq and Kuwait's bilateral and international trade flows as well as preexisting trade relations between the entire GCC and Iraq.

As the Gulf War mirrored political relations between the GCC and Iraq causing trade volatility, the trade sanctions imposed on Iraq through this period also demonstrated the regions vulnerability to external political reactions. Similarly, Iran has also suffered economic sanctions from the international community which may have inhibited further trade development in the region. This has indicated the significance of the effect of political differences on economic integration in the region, even if the differences are not regional.

Aside from causing temporary fluctuations in regional trade patterns and provoking international reactions, these regional political conditions may also have inhibited the growth of certain industries and overall trade diversification. Short haul trade within the GCC and Middle East may have been impeded due to erratic political conditions creating a greater preference for long haul trade. This reliance on the dependability of long haul trade may have crowded out serious diversification into other areas, such as manufacturing, which would prove more competitive within the regional market but not in the global market.

Currently, these findings indicate the potential for expansion into sectors in which Gulf countries may have regional competitive advantage. This could help establish a

12 Ibid.

broadened economy which need not be reliant on volatile global commodity prices particularly as the GCC economies to some extent rely on certain commodity exports which may be vulnerable to international speculation in crisis periods.

## References

Anthony, J. Iran in GCC Dynamics. Middle East Policy, Vol. 2, 1993, pp. 107-120, can be accessed at: *http://www.ncusar.org/publications/Publications/1993-11-Iran-in-GCC-Dynamics.pdf*

Background Notes: United Arab Emirates, US Department of State, can be accessed at: *http://www.state.gov/r/pa/ei/bgn/5444.htm#econ*

Country Studies Series, Library of Congress, Federal Research Division, updated 7th May 2009, Retrieved 22nd November 2009, can be accessed at: *http://memory.loc.gov/frd/cs/bhtoc.html*

Iran, UAE sign 5 documents for cooperation. Kuwait News Agency, 8th December 2009, can be accessed at: *http://www.zawya.com/Story.cfm/sidZAWYA20091209073430/Iran,%20UAE%20sign%205%20documents%20for%20cooperation%20/*

*International Trade from a Kuwaiti and Arab Perspective*, Central Bank Kuwait, Delivered January 22, 199, UK, Annual Tacitus Lecture for the Guild of World Traders, Can be accessed at: *http://www.cbk.gov.kw/PDF/Book2Eng/part11.pdf*

Katzman, K. CRS Report for Congress, The Iran Sanctions Act (ISA) October 2007, can be accessed at: *http://www.fas.org/sgp/crs/row/RS20871.pdf*

Naderi, G. Zawya, Iranian Investors Returning from Dubai, Iran Daily, 21st May 2009, can be accessed at: *http://www.zawya.com/story.cfm/sidZAWYA20090521050601/Iranian%20Investors%20Returning%20From%20Dubai*

United Nations Security Council Resolutions - 1990, can be accessed at: *http://www.un.org/Docs/scres/1990/scres90.htm*

## About the author

**Aruba Khalid** is currently completing her Masters in International Law and Economics at the World Trade Institute, University of Berne. She holds a Bachelor of Arts in International Economics from the American University of Sharjah and has worked at the Gulf Research Center, Dubai as a Research Assistant for GCC-Africa Relations. She has authored a paper on GCC-Sub-Saharan Africa Cooperation for the Gulf Monitor.