

# Index

- Aarts, P. 77  
Abdul Ghafour, P.K. 29, 47  
Abdullah, King 5, 60  
Abed, G.T. 119  
Abu Dhabi Investment Authority 19  
Abu Dhabi Stock Market 47  
Aburish, S. 18  
Ahmad, M. 46  
Al Hanoo Holding Company 50  
Al Rajhi Group 50  
Al-Assaf, Ibrahim 81  
Al-Hajji, A.F. 6, 90  
Al-Hassan, A. 46  
Al-Mansouri, A.K.L. 5, 60, 64  
Al-Maraj, Rasheed 81  
Al-Qudsi, S.S. 45, 61, 64  
Al-Sadik, A.T. 102  
Al-Saud, A.A. 5, 60  
Al-Sayyari, Hamad 8  
Al-Shamsi, F. 56–7  
All-Suwaiddi, Sultan 7, 118  
Al-Tayer, Ahmad 99  
Al-Uwaisheg, A.H. 31, 71, 73, 88  
Al-Zadjali, Hamood 80–1  
Ameen, A. 5, 7  
AMEinfo 50, 53  
AMF 14, 20, 21, 39, 47, 51, 54, 68  
anchorage currency, dinar as 122–3  
*Arab News* 30, 32, 83  
Arabian Gulf Currency Agreement (1965) 5  
Asia, trade with 27–8  
asymmetric shocks 52  
Augustine, B.D. 8, 81  
  
Badr-El-Din, A.I. 43  
Bahrain: economic benefits 115; FDI  
84–5; FTAs 62, 83–4; labour policy  
85–6; monetary policy 81–2; tourism  
54–5; trade balances 27  
  
Bahrain Financial Harbour 85  
Bahrain Monetary Agency 47, 54,  
89–90  
Bahraini dinar 6  
Balassa, B. 75, 83  
Baldwin, R.E. 96, 99  
Bank for International Settlements 119  
banking sector: competition 53–4; inter-  
regional 46–9; mergers and acquisitions  
99  
Barro, R.J. 24  
basket of currencies pegging 121  
Bayoumi, T. 35, 37, 55  
Beblawi, H. 13  
Ben Naceur, S. 56–7  
Bernanke, B. 46, 102  
Bibbo, B. 32  
Blas, J. 24  
Bley, J. 46  
Blue City tourist development 54  
Bolbol, A. 50  
bond markets 48–9  
book outline 9  
Bosbait, M. 44  
Bowman, J. 99  
BP 12, 14  
Brazil, Russia, India and China (BRIC  
economics) 16  
Bris, A. 95, 102  
Bundesbank 89–90  
business climate 100  
business cycles 36–7; synchronization of  
55–8  
business survey, GCC 41, 73–5, 95–8  
  
capital markets: growth 100–3; integration  
45–51; regulatory frameworks 32  
Carvalho, S. 47, 50  
Cecchini, P. 61

- central bank 63–4; supra-national 88–90; voting powers 63–4, 90
- Central Bank Governors' Committee 63
- Chen, K.H. 46
- Chow, H.K. 37
- Commission of the European Communities 73, 95
- common market: need for 61–2; prerequisites for 97–8
- company cross-listings, stock market 48–9
- competition, increases in 98–9
- consumer price inflation (CPI) 64; correlation analysis (1996–2006) 82
- convergence: fiscal/monetary 65–72, 86–7; and price transparency 96–8
- Cordesman, A.H. 90
- credit policies 99
- crude oil prices (1980–2006) 15, 38
- currency: alternative regimes 120–2; shape/form of 118–22
- customs union 7–8; and the common market 61–2; final stage 83–4
- Dana Gas 47
- Danthine, J.P. 99, 102
- Darrat, A.F. 56–7
- De Grauwe, P. 4, 35, 81
- debt to GDP ratios (1980–2006) 72–3, 87
- Delgado, F. 46
- Dohse, D. 42
- dollar peg 23–4, 65–9, 80–2; geopolitical implications of abandoning 122–3; maintenance of 118–20
- Dubai, tourism 23
- 'Dutch disease' 13, 119
- Dyer, P. 64
- Dziobek, C. 5, 60, 64
- East Caribbean Currency Union (ECCU) 4, 76, 97
- Economic Agreement (2001) 6–8, 18; Article 1 83; Article 2 62; Article 3 43, 61, 62; Article 5 47, 48, 101; Article 8 43; Article 9 43; flouting of 62
- economic benefits 94–103
- economic challenges: diversification 33–4, 36; public sector 30–2; unemployment 33
- economic cities 50
- economic criteria 36–7
- economic data transparency 88
- economic dependency ratios 51–2
- economic diversification 51–5; findings of OCA analysis 109; need for 33–4; vertical 53; within country/region 52–3, 58–9
- economic dominance, Saudi Arabia 90
- economic growth, obstacles to 95
- economic indicators (2006) 12
- economic performance: 1980s 16–17; 1990s 17–18; 2000–2007 18–19; GDP structure 19–23; inflation rates 24–6; monetary policy 23–4; trade and investment 26–30
- economic strategies, harmonization of 83–6
- economic synchronization 55–8, 59; findings of OCA analysis 110
- economies of scale 98–9
- Economist, The* 54
- Egert, B. 70
- Eichengreen, B. 35, 37, 55, 71, 86
- EIU 85
- El-Sakka, M.I.T. 24
- Emaar 50
- Emirates Bank 99
- employment, public sector 15, 33
- Energy Information Administration 14
- energy trade 41
- Engle, C. 96, 97
- equal treatment, stock market trading 46–8
- Erbas, S.N. 119
- ESCWA 27, 39, 45, 85
- Esquivel, G. 24
- Etihad Etisalat 50
- European Central Bank (ECB): assistance from 5; consultation with 77; institutional credibility 89–90; policymaking difficulties 64
- European criteria 2, 110; addressing 77–8
- European Monetary Institute (EMI) 63; Statistics Division 64
- European Monetary Union (EMU): economic shock synchronization 55–6; impact on financial markets 102–3; lessons from 124–5; as model 5; and OCA theory 36–7, 58, 124; preparation of business community 74; preparation of statistical base 64; role of supranational institutions 61; success of 77–8; trade benefits 96
- European System of Central Banks 63
- European Union, trade with 27–8
- exchange rates: flexibility 36, 120–2; risk 119–20; stability 65–7; *see also* dollar peg
- exchange rate-related transaction costs 94–6

- Executive Magazine* 47  
 expatriate labour force 42–3; reliance on 45  
 exports 26–8; intra-regional 37–42  
 external trade policy, harmonization of 83–4
- factor mobility, findings of OCA analysis 108–9  
 Fasano, U. 25, 60, 72, 80  
 Fatheldin, A.M. 50  
 Feldstein, M. 76  
 Fielding, D. 94, 96, 97  
 financial markets, integration of 101–3  
 financial services sector 22; competition 53–4  
 fiscal convergence 65–72, 88, 104  
 flexible exchange rates 120–2  
 foreign direct investment (FDI) 29–30, 33–4, 50–1, 84–5  
 foreign reserves 68  
 Frankel, J.A. 37, 55, 70, 74, 94, 121  
 free trade agreements (FTAs) with US 62, 83–4  
 free trade zones (FTZs) 29–30, 32, 85  
 ‘free-riding’ 86  
 French franc zones 4–5, 76, 96, 97
- Gabon 117–18  
 Galati, G. 102–3  
 gas indicators (2006) 14  
 gas, upstream industries 29  
 GDP: budget balances as per cent of (1980–2006) 31; distribution by sector (1980/2005) 21; growth (1980–2005) 20; growth averages and volatility (1980–2006) 17; non-oil trade as share of 39; structure 19–23  
 geo-strategic dominance 90–1  
 geopolitical implications, abandonment of dollar peg 122–3  
 Ghars El-Din, M.A.H. 26  
 Ghosh, A.R. 24  
 Giavazzi, F. 99, 102  
 Girgis, M. 44  
 Glavan, B. 37  
 Gordon, D.B. 24  
 Governance and Anti-Corruption Index, World Bank 89  
 Grubel, H. 41  
 Guerami, B. 119  
 Gulde, A.M. 24  
 Gulf Cooperation Council (GCC): business survey 41, 73, 5, 95–8; convergence targets 65–72; Economic and Cooperation Committee 65; economic data transparency 88; formation of 1; Monetary Union Unit 7, 63, 65, 70, 71, 86; as optimal currency area 107–10; Secretariat General 6–7, 43, 47, 48, 61, 62; *see also* Economic Agreement (2001)  
*Gulf Daily News* 102  
*Gulf News* 50, 111  
 Gulf Research Center 62, 65  
*Gulf Times* 88
- Hammoudeh, S. 46  
 Harmonized Index of Consumer Prices 64  
 Hassanain, K. 97  
 Healy, C. 4  
 Humayon, A. 105  
 Husain, S. 81  
 hydrocarbon sector: economic dependence on 51–2; FDI 29
- import-substitution strategy 84  
 imports 26–8; inter-regional 37–42  
 independence, monetary policy 80–2  
 Indian rupee 5–6  
 inflation averages and volatility (1980–2006) 26  
 inflation convergence criteria 68–71  
 inflation rates 24–6, 81–2  
 initial public offerings (IPOs) 15, 47  
 Institute of International Finance (IIF) 2  
 institutional coordination, stock markets 48  
 institutional preparations 61–4  
 institutional rankings (2006) 89–90  
 interest rates 69; convergence achievement 65–7  
 International Energy Agency (IEA) 15, 38  
 International Monetary Fund (IMF) 4, 12, 14, 17, 26, 27, 28, 37, 38, 40, 57, 64, 67, 68, 69, 70, 71, 73, 82, 88; Special Drawing Rights 23  
 intra-industry trade 41  
 intra-regional: foreign direct investment 50–1; portfolio investment and banking 46–9; trade 27–8, 37–42, 108  
 investment 26–7, 29–30; and business climate 100; policy harmonization 84–5; *see also* foreign direct investment; portfolio investment, intra-regional  
 Islamic Bond Exchange Center 49  
 Islamic bonds (*sukuk*s) 48–9, 103  
 Islamic currency, dinar as 123

- Issa, N. 49  
Issing, O. 64
- Jadresic, E. 4, 37, 38, 80, 108  
Jebel Ali free trade zone 85  
Joharhi, G. 44  
Johri, D. 6
- Kamar, B. 56–7  
Kaufmann, D. 89, 91  
Kenen, P.B. 35, 36, 51  
Kerr, S. 24, 81  
Khalaf, R. 88, 118  
*Khaleej Times* 90  
Kim, Y. 37  
King, R. 100  
Kireyev, A. 44  
knowledge ‘spill-over’ effects 34  
Koskinen, Y. 95, 102  
Kovarich, E. 64  
KPMG 74  
Kraay, A. 91  
Krieger-Boden, C. 42  
Krueger, R. 64  
Krugman, P. 36–7  
Kumar, P.A. 81  
Kuwait: convergence 65–8; economic benefits 116; economic synchronization 57; exchange rate regime 8; fiscal policy 86; investment policy 85; monetary policy 8, 23, 80–2; privatization 31–2  
Kuwait Central Bank 67  
Kuwait Investment Bank 49  
Kyongwook, C. 46
- Laabas, B. 56, 81  
labour force: composition 42; rigidities 44  
labour market mobility 42–5  
labour nationalization policy 33; effect of 45; harmonization of 85–6  
Larrain, F.B. 24  
Leblond, P. 61  
Legrenzi, M. 90, 105  
Levine, R. 100  
Limam, I. 56, 81  
Liquidity Management Centre, Bahrain 49, 103  
liquidity risks 102–3  
listed companies, citizens’ access to 48  
Lloyd, P.J. 41  
Looney, R.E. 18, 84, 86, 105  
Luciani, G. 13, 22
- Maastricht convergence criteria 65–6, 71, 72  
McKinnon, R.I. 35, 36, 98  
McSheehy, W. 49  
manufacturing sector, contribution to GDP 21–2  
Mastruzzi, M. 91  
Mattli, W. 61  
Mauro, P. 37  
mergers and acquisitions (M&A) 99  
Middle East and North Africa (MENA) region 11  
*Middle East Economic Digest* 50, 53  
Miller, M. 6  
model, choice of 4–5  
Mohammad, Y.H.J. 24, 26  
monetary convergence 65–72  
monetary credibility, private sector expectations 100  
monetary policy 23–4; policy prerequisites for 110–11; relinquishing independence 80–2; tools for 25  
monetary union: diversification requirements 52–3; immediate outlook for 124–5; loss of control from 80–2; political costs 87–91; potential benefits 113–16; potential costs 111–13; present position 3–4; timely progress towards 74–7  
Morse, E. 122  
Mubadala 22  
Mundell, R.A. 6, 35, 36, 45, 55, 88, 90, 91, 105
- National Automated Teller Machines 49  
National Bank of Dubai 99  
National Bank of Kuwait 12, 14  
national labour force 43–5  
national unemployment, addressing 33  
new business opportunities 98–9  
Nilsson, M. 95, 102  
Nitsch, V. 82, 112  
non-crude oil trade 38–42  
non-oil growth (1980–2005) 20  
Norway 16
- oil: dominance of 13–16; upstream industries 29  
oil dependency 51–2, 117  
oil indicators (2006) 14  
oil invoicing 122  
oil pepping 121–2  
oil prices, inflationary effects 24–6

- Oman: economic synchronization 56;  
 FTAs 62, 83–4; investment trends 29;  
 monetary policy 80–2; opting out of MU 8
- Omran, M. 46
- optimal currency area (OCA): capital market integration 45–51; development of theory 36–7; economic diversification 51–5; economic synchronization 55–8; findings from analysis 107–10; GCC as 58–9, 107–10, 124; intra-regional trade 37–42; labour market mobility 42–5
- Ostry, J.D. 24
- pension provision 43
- Petri, M. 44
- petroleum industry, diversification 53
- PetroRabigh 29
- policy prerequisites, monetary policy 110–11
- political commitment/motivation 74–7
- political costs 87–91
- political leverage, Saudi Arabia 90
- political stability rankings (2006) 91
- population growth 44–5
- portfolio investment, intra-regional 46–9
- Presley, J.R. 105
- price stability, private sector expectations 100
- price transparency 96–8
- Prince Abdul Aziz Bin Musaid Economic City 50
- private sector: expatriate workers 43; expectations on price stability/monetary credibility 100; growth of 32; popularity of 44–5; preparations in 72–4
- privatization 15, 31–2
- procyclical: economic performance 13; fiscal policies 72
- public consumption 32
- public sector: employment 15, 33; scaling back 30–2
- purchasing power parity (PPP) 70, 96–7
- Qasrawi, S. 34
- Qatar: economic benefits 116; FDI 84–5; monetary policy 81–2; private sector 32
- Qatar Financial Centre 85
- Qatar Investment Authority 22
- Qatar Islamic Bank 49
- Qatar–Dubai Currency Agreement (1966) 5–6
- Rato, Rodrigo 5
- real estate sector 85
- real exchange rates 56–7
- refining sector 22; diversification 53
- reform, catalyst for 103–4
- regional bloc, strengthening 105
- regional monetary precedents/problems 5–6
- regional power 90–1
- regional reserve currency, dinar as 122–3
- regulatory coordination, stock markets 48
- regulatory rankings (2006) 89–90
- ‘rentier state’ characteristics 13, 15, 61, 117
- resource riches 13–16
- retail banking sectors, integration of 49
- Reuters News Agency 50, 81
- Rigidity of Employment Index, World Bank 43
- Ritzberger-Gruenwald, D. 70
- Robinson, A. 122
- Rogers, J.A. 96, 97, 98
- Rose, A.K. 37, 55, 70, 74, 94, 96
- Ross, M.L. 30
- Rutledge, E. 29, 56–7, 63, 66, 67, 74, 75, 77, 95, 97, 98, 100, 101
- SAMA 68, 69
- Sassanpour, C. 33, 44
- Saudi Arabia: diversification 17–18; dominance 63–4, 90–1; economic benefits 116; economic synchronization 57; FDI 30, 50–1, 84–5; fiscal policy 87; investment policy 85; labour policy 84–5; monetary policy 81–2; private sector 32, 87
- Saudi Arabian General Investment Authority (SAGIA) 50
- Saudi Aramco 29
- Savola Group 50
- sectoral GDP distribution 21
- security concerns 76–7, 105
- Sender, H. 104
- services sector: breakdown of 54; contribution to GDP 22–3; diversification 53
- Setser, B. 120
- Shah, N.M. 33
- Shields, K. 94, 96, 97
- Siegfried, N. 52, 60, 63, 80, 103
- Silgoner, M.A. 70
- small and medium sized enterprises (SMEs) 32, 41, 74

- Sokouk Holding Company 49
- Soltwedel, R. 42
- Stability and Growth Pact (SGP) 71, 72, 86–7
- statistical agency, GCC 64; requirement for 88–90
- stock markets 46–9; competition between 102
- Sturm, M. 52, 60, 63, 80, 103
- supranational central bank, need for 63–4, 88–90
- symmetric shocks 55–6
- tourism sector 22–3; competition 53–5
- trade 26–8; gains for 94–6; openness 36–7, 84–5; *see also* intra-regional trade
- trade intensity and business cycles 36–7
- trade intensity ratios (TIRs) 40–1
- transaction costs 94–103
- transparency 88–90
- Tsatsaronis, K. 102–3
- Tucker, S. 104
- unemployment 33
- United Arab Emirates (UAE): economic
  - benefits 115; economic synchronization 56, 57; FDI 29–30, 50–1, 84–5; monetary policy 81–2; stabilization funds 19
  - United Nations (UN) 26, 29, 33, 85; Development Program (UNDP) 29
  - US: FTAs 83; real effective exchange rate 24; trade with 27–8; *see also* dollar peg
  - US Federal Reserve 23, 120
- Wang, Q. 72
- Wighton, D. 104
- Willett, T.D. 76, 105
- Wilson, R.J.A. 44, 49
- Wolf, H.C. 24
- World Bank 17, 26, 33, 44; Governance and Anti-Corruption Index 89; Rigidity of Employment Index 43
- Wyplosz, C. 71, 86, 96, 99
- Yamani, Hashim 32
- Yousef, T. 64
- Zafar, A. 118

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*This book comes at a crucial and timely moment. Changes in the balance of global economic power, and the huge wealth being accumulated by Gulf states, mean that an effective Gulf Monetary Union would have far-reaching effects on the global economy. Rutledge's careful analysis of the prospects and requirements is exactly what is needed.*

**Timothy Niblock**, Professor, Institute of Arabic and Islamic Studies, Exeter University, UK

*The book is as excellent as it is timely. ... It is destined to become a classic and is required reading for all those interested in exchange rate issues in resource-based economies, a category that is rather wider than the GCC.*

**Willem H. Buiter**, Professor of European Political Economy, European Institute, London School of Economics and Political Science, UK

At a time of momentous shifts in the balance of world economic forces epitomized by the current oil price boom, the weakening US dollar and the global credit crunch; the meteoric rise of the Arabian Peninsula cannot be understated. Neither, therefore, can their planned monetary union. As key suppliers of the world's oil and gas the Gulf states have accumulated vast wealth: taken together their sovereign wealth funds are by far the world's largest and the influence of these funds is becoming increasingly apparent. This book provides a thorough analysis of the scheduled 2010 monetary union. Its findings are based on both primary research and a detailed empirical analysis of the region's economies spanning 1980-2006. It assesses the region against optimal currency area criteria, the European criteria, highlights outstanding preparations and considers the underlying economic and political factors that may aid or indeed delay the launch date. Critically this book argues that the present dollar-peg exchange rate regimes are no longer optimal. The future Gulf dinar is likely to seek a more independent path. The ramifications of this - a potential Islamic anchor currency and an alternative oil-invoicing currency - are also considered in some detail.

**Emilie Rutledge** is Assistant Professor of Economics at the United Arab Emirates National University. She regularly contributes articles and opinion pieces on GCC economic issues to the regional press. Previously she worked as an economist at the Gulf Research Center, a Dubai-based think tank.

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