

Comments in EIU's report on GCC Trade and Investment Flows, Dec 2014

Click [here](#) to download the report titled "GCC Trade and Investment Flows" published on 11 Dec 2014; this includes comments (below) based on an interview conducted by the EIU.

On page 12:

Investment could receive a boost if India's economy picks up and the new prime minister, Narendra Modi, uses his electoral mandate to move ahead with pro-business reforms. *"Hopefully in the new India, under Modi, there will be more opportunities for the GCC countries," says Nasser Saidi, former chief economist at the Dubai International Financial Centre, who believes stronger tax agreements and a conclusion to trade-building FTAs could be helpful.*

On page 17:

One of the barriers to greater GCC investment in Africa is a perception of high political risk. *But Mr Saidi believes that Africa offers high-yield opportunities. "Why should the GCC countries invest in US Treasury bills at 0.5% yield when next door you can have risk-adjusted returns on investments of 15-30%?" he asks, adding that more can be done to capitalise on the Gulf's geographical position between Africa and China. "The UAE has the locational comparative advantage of being closer to Africa than China, but institutional structures need to be put into place to maximise this opportunity," he says.*

On page 25:

Mr Saidi believes that reasonable growth and stability in the GCC could help to lift the region, especially in providing work opportunities. *"Labour from Arab countries comes with advantages of language and shared customs and cultures ...*

if the GCC reduces the barriers to labour mobility, they would stimulate economic development and promote stability in those countries, providing countervailing forces to extremism."