

The Economic and Trade Cooperation between ASEAN and the Gulf Cooperation Council

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***Abstract:** The ASEAN and GCC had scattered relationships in the early period, and then they shared the deep multi-commodity trade-based economic and trade cooperation with the “food for oil” as the core of the framework. In this process, the two sides established the free trade area and common markets respectively, and the establishment of the ASEAN-GCC Free Trade Area become their consensus. The Singapore-GCC Free Trade Area and the Malaysia’s aspirations can be regarded as progressive concrete steps of the ASEAN and GCC. Besides, there also has been significant progress in institution building between ASEAN and GCC, which has formed the Ministerial Conference and achieved the exchanges of ambassadors. All of those have a real positive meaning to further protect security interests of the two organizations. The ASEAN-GCC Free Trade Area will become an important part for other areas in the future.*

***Key words:** ASEAN; GCC; Economic and Trade Cooperation; Food and Oil; Free Trade Area*

The Association of Southeast Asian Nations (ASEAN) and the Gulf Cooperation Council (GCC) are the most mature regional

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organizations in East Asia and the Middle East respectively whose development process has gone from the political and security organizations to economic ones. From the perspective of economic integration, the ASEAN has integrated 10 member states in economic and trade development; especially the ASEAN Free Trade Area promotes the process of economic integration in Southeast Asia. At the same time, the GCC has coordinated the development of six gulf oil monarchies. These two regional organizations have a huge role in promoting economic cooperation and free trade for member states. From the perspective of regional economic cooperation, the ASEAN as a whole established the “10 +3” mechanism with Japan, South Korea and China, which involved in the development and cooperation issues and covered most of the East Asian countries (except North Korea and Mongolia). The ASEAN-China Free Trade Area has also started on January 1, 2010. Besides that, the ASEAN member countries also have participated in the Asia-Pacific Economic Cooperation (APEC). ASEAN is the key part to connect East Asia, Oceania and the Americas for national economic and trade cooperation. On the one hand, the GCC has already had economic and trade ties with other Islamic-Arab countries of the Middle East, particularly ones in the Mediterranean Sea. In the European-Mediterranean cooperation framework and under the plan of establishing a Free Trade Area, the GCC and the EU Free Trade Area are also in continuous negotiations. The GCC countries also play a crucial role of connecting Maghreb and the Levant countries in the Mediterranean coast and the EU. Therefore, the economic cooperation and trade relations of the ASEAN and GCC have connected the world economy and promoted the free trade areas in recent years. It is a model for the South-South cooperation in the Third World countries and also a breakthrough of the traditional attachment theory and “center – periphery” theory.

I. The Origin and Situation of the Economic and Trade Cooperation between the ASEAN and the GCC

Since the 1970s, the trade and a certain number of investment activities between the Gulf Arab states and South and Southeast Asia countries have become increasingly apparent. In 1986, the 18th GCC meeting of the Council of Ministers agreed to connect with Far East countries, particularly the initial contact with the ASEAN and South Korea. However, the ASEAN and GCC had no established official contact mechanism before 1990. Their main pipeline was through the United Nations General Assembly to make interim meetings which were very limited. Since 1990, the two organizations have established a daily contact mechanism, but the process of economic integration within the two organizations has slowed down the deepening of bilateral economic and trade cooperation and the level of official contacts. Although the ASEAN Free Trade Area (AFTA) was established in 1992, the expanding process of ASEAN itself has not been finished until Cambodia joined in 1999. The GCC did not establish the GCC Customs Union until 2003 and has launched the Gulf Common Market in 2008. From the 1970s to 1990s, "capital flows from the GCC to South Asia and ASEAN included establishing official remittance, financial assistance and development assistance, inter-bank transactions, and high net worth individual citizens' portfolio on the informal bilateral and multilateral basis." (Wilson, 2004: 113).

The breakthrough of the relationship was in February 2000 when the GCC General Coordinator visited the head quarter of ASEAN and met the Secretary-General. Both sides discussed prospects for cooperation between ASEAN countries and the GCC ones. As a return visit, the ASEAN Committee formed by the some ASEAN ambassadors in Saudi Arabia visited the GCC General Secretariat and discussed economic cooperation issues. The ASEAN Secretary General Ong Keng Yong and the GCC Secretary-General Abdulrahman Al-Attiya carried out extensive cooperation talks which involved regional and international issues on April 21, 2007. Ong said, "We sought to promote secretariat-to-secretariat level cooperation. The ASEAN is working with the GCC to develop modalities of cooperation in different

sectors.”(Khan, 2007: April 22). In July 2008, the ASEAN resolved to hold a foreign ministers’ meeting annually at their 41st Meeting. The GCC responded proactively. In September 2008, Dr. Surin Pitsuwan, Secretary-General of ASEAN, said: “With the rise of oil prices and the growing concern over food shortages worldwide, ASEAN and GCC agree that there is a large space for cooperation and closer coordination of issues facing the two regions.” Mr. Abdulrahman Bin Hamad Al-Attiyah said, “We see a lot of potential in our ASEAN-GCC enhanced cooperation.”(ASEAN, 2008: September 17).

Before the coming Ministerial Meeting, the GCC-ASEAN Economic Centre (GAEC) was established on August 21, 2008 by inter-governmental trade organizations named “Federation of GCC Chambers” and “International GCC Trade Center” in the Malaysian Industrial Development Authority (MIDA). This center is not only “the representative body” of these two institutions, but also it can “obtain the necessary support from the GCC”. The aims of the GCC-ASEAN Economic Center (GAEC) are: 1. To enhance bilateral and multilateral economic and trade relations between the member states of the GCC and ASEAN; 2. To direct all efforts in the establishment of joint ventures and partnerships in the following fields: oil and gas; trading; financing (banking, investment, insurance); food and agriculture; real estate; education others (e.g. information technology, tourism, etc.); 3. “To act as a catalyst and as a bridge between the countries of both regions”; 4. “To create ideas and plans in all fields of economic and social activities by identifying practical opportunities and adopting joint venture of mutual interests that enhances the development of economic activities of the countries in both regions. “(GAEC, “About Us”). The objects are to assist government agencies, government linked companies, private companies and businessmen/businesswomen. The concept of those services are : distribution of tenders; organize meetings with the relevant governments’ agencies and companies in both regions; establishment of partnership through business matching and networking programs; conduct feasibility studies and research

introduce solutions to facilitate the negotiation of contracts; legal, secretarial and accounting services; export/import and customs clearance services ; arrange special rates for hotels, restaurants, air tickets etc. ; visa and entry permits to enter GCC countries; mentor program and translators' services for negotiations or meetings in GCC and ASEAN countries; develop seminar and training programs at recognized training institutes for members and their employees; provide access to data bases of all registered members and their activities; write newsletters and bulletins containing our activities and activities of all registered members; maintain information of local markets, rules and regulations in GCC and ASEAN (on request only) (GAEC, "Services").

It is under the economic and trade cooperation framework that the relationship between the ASEAN and GCC would be ripe for further development. From June 29 to 30, 2009, the first ASEAN-GCC Ministerial Meeting was held in Bahrain which the Ministers of States, the High Representatives and Secretary-General of the two sides attended. Its aim was to "develop closer and more beneficial relationship" and its goal is to "establish an ASEAN-GCC cooperation framework, increase the possibility of trade agreements and promote contacts between peoples and tourism". The exchange of ambassadors between ASEAN and GCC also was put on the agenda (ASEAN, 2009: June 30). In the joint press statement, the two sides "underscored the importance of combating piracy at sea, in accordance with international law", "recognized the potential of GCC and ASEAN in trade and investment," "also underscored the need for the private sector of the two regions to work closely together through the promotion of an ASEAN-GCC business forum", "recognized the importance of food security and development of joint ventures in agricultural productivity, supply and food standards, including halal food products"; "noted the potential for cooperation on the energy sector, including the exchange of information on hydrocarbon energy and alternative and renewable energy"; "expressed concern over the

current financial and economic crisis and recognized the inevitable impacts on both sides"; "agreed to develop joint promotion and marketing, establishment of an official network and the promotion and planning of tourism-related activities". They tasked the two secretariats to develop a GCC-ASEAN two-year work plan to ensure effective cooperation and tangible outcomes, to be submitted and reviewed at the second full-fledged ministerial meeting in 2010 in an ASEAN country (ASEAN, "Joint Press Statement", 2009: June 30). The ASEAN is actively engaged to deepen cooperation with the GCC. Thailand's Commerce Minister Porntiva Nakasai met with United Arab Emirates representatives and pointed out that: "The feasibility study on an ASEAN-GCC free-trade agreement is nearly completed. Both sides should agree to start talks as soon as possible if they find an FTA will create a positive outcome for both regions." (Pratruangkrai, 2009: December 4). On February 28, 2010, Dr. Vu Huy Hoang, Chairman of the ASEAN Economic Ministers (AEM) Retreat meeting said "Ministers encouraged officials and the ASEAN secretariat to organize roundtable discussions with GCC and urged them to brainstorm on possible areas and mechanism for regional engagement." ("AEM to Promote Greater Understanding with GCC & MERCOSUR", 2010: February 28). Vietnamese President Nguyen Minh Triet, whose country held the rotating chairmanship of the Association of Southeast Asian Nations (ASEAN) said on April 11, 2010 that the two blocs are complementary as "Asian nations rely on the world's largest oil exporting region to secure their energy needs, while Gulf states are targeting food imports and investments in farmland to secure their strategic food supply," "You have what we don't have, and we have in plenty of what you don't have, so we need to join hands together" (Khan, 2010: April 12). The ASEAN-GCC meeting on May 16, 2010 chaired by Cambodia and Kuwait was held in Riyadh which reviewed the action plan from 2010 to 2012 and discussed the agenda of the second upcoming Ministerial Conference in Singapore. The Second Ministerial Meeting of the ASEAN-GCC was

held in Singapore on June 1, 2010, where both sides confirmed that they have the potential for expanding economic cooperation.

II. Basis of Economic and Trade Cooperation between ASEAN and GCC

Since the 1970s, the economic and trade relations between ASEAN and the Gulf countries have been relatively mature now from the ASEAN and the Gulf country-specific one-way cooperation to become two-way interactions due to the bilateral common basis for cooperation. This relationship established on their own safety and security as the most important consideration. Although the ASEAN and the GCC are not the guiding force in regional affairs nor the dominant force in international affairs, the two sides are trying to strengthen bilateral relations within a multilateral diplomatic framework in order to indirectly promote the realization of its own security and peace. Southeast Asian countries and the Gulf countries lack of a sense of security. The core of national security strategy of cooperation is based primarily in two specific aspects:

First, the most Southeast Asian countries and Gulf Arab countries were integrated under the framework of ASEAN and GCC.

The internal peace and stability of those countries have laid a solid foundation for the economic and trade cooperation between the two organizations. Except Thailand, the Southeast Asian countries were all former colonies. Although they have been independent, "there are a large number of mixed populations of different ethnic groups within the boundaries which were created by the colonists. The security problems which the elite are facing are internal which focus on challenges of ethnic separatism and the communist insurgents" (Collins, 2003: 129).

In such circumstances, especially having an anti-Communist demand, the ASEAN was officially established in August 1967. As a military and political organization, ASEAN cannot completely

eliminate the internal forces of ethnic separatism and the growth of the Communist Party and its ideology subordinate to the security interests of the United States tend to be difficult to absorb and represent all Southeast Asian countries. Instead, there has been a long-term confrontation between ASEAN and China, Korea, and Indochina which also supported the communist forces within the ASEAN countries. Even though the purpose of ASEAN is to “speed up the economic growth, social progress and cultural development of this region,” it was obvious that it could not achieve peace and security within Southeast Asian countries at that time. After the 1972 Sino-US detente, relations between ASEAN countries and China have greatly improved. ASEAN began to actively seek a way out of ideological confrontations to establish peace, freedom and neutrality in Southeast Asia. The end of the Cold War is also an historic opportunity to absorb Vietnam, Laos, Myanmar, Cambodia and other countries into ASEAN which gradually transit into an economic and trade organization. The ASEAN Free Trade Zone has been established between the member states. It is also actively improving relations with neighboring powers, such as the ASEAN Regional Forum to achieve a regional order of ASEAN norms. The consensus and the principle of flexibility has generated in the process of the expansion and transformation of ASEAN, which is “the ASEAN way”. In the Gulf region, except Saudi Arabia, the others are all long-colonized countries, especially the Gulf Five lesser powers. The United Kingdom was not completely been out of the region until 1971. Gulf monarchies had relatively stable relationships with Iraq and Iran in the 1970s, but the Gulf monarchies were threatened by direct insecurity by Iran’s Islamic Revolution in 1979, Iraq’s Saddam Hussein in power and the subsequent outbreak of the Iran-Iraq war. In these circumstances, the GCC came into being in May 1981. Different from ASEAN countries, the Gulf monarchies are relatively stable within their countries. There is no ethnic conflict, only a small amount of sectarian violence. Communism also has minimal impact on the monarchy and there is only a small worry of colonial

territorial disputes left by colonialism, so the security threats come mainly from the regional powers. Because of these, the GCC was established as an economic and trade organization whose goal is to accelerate economic integration among member States and promote political integration process and then become a great force. It is obvious that ASEAN and the GCC are respectively in the "security community" which was described by Amita Acharya: "groups of states which have developed a long-term habit of peaceful interaction and ruled out of the use of force in setting disputes with other members of the group." (Acharya, 2001: 1). Just because ASEAN has absorbed almost all Southeast Asian countries (except East Timor) and the GCC has covered most of the Gulf countries (except Yemen and Iraq), the two organizations maximize the integration of interests in the two regions with highly representative involvement. It is now possible to have trade and economic cooperation between Southeast Asia and the Gulf countries.

Second, the economic and trade cooperation between ASEAN and GCC has practiced the liberal philosophy of "economic and trade promoting peace".

The internal security and peace of ASEAN and the GCC are also identified in their progressive realization of liberal ideas. On this basis, the experience shows the internal spillover trend and both ASEAN and GCC will treat the economic and trade cooperation with other countries and organizations as the major weapons for achieving a lasting peace between each other, which is fit to the "Trading State" theory of Richard Rosecrance. After having a comprehensive analysis of the differences of the "political-military world" and "Trading World" states, Rosecrance presented the theory that trade can avoid military collapse, that is to say the trading state "can do better through internal economic development sustained by a worldwide market for their goods and services than trying to conquer and assimilate large tracts of land." "Only the reciprocal exchanges and division of labor represented by the trading world can prevent conflict in such an

anarchic environment.” (Rosecrance, 1986: 25).

Thus, in the Rosecrance’s view, the political and military world coming from the territorial system is the world of war and the trading world from the sea or trading system is the peaceful one. There is no gap between the two worlds, except the differences of the observed logical starting point. Trading states conquer the market by economic ways, which is completely different from the traditional war states that get territory by war. Rosecrance said: “economy promoting peace.” Economic and trade cooperation between ASEAN and GCC does not eliminate the security threat to each other, but the ASEAN and the GCC are in each other’s foreign strategy, especially in a part of their security strategy. Different from the US’ “outside urging democracy and promoting democratic security” and the EU’s “economic and trade to promote democracy, democracy and promote security”, both ASEAN and GCC refused to set the middle steps between peace and security and economic and trade cooperation which have great relevance with their non-western background: First, both sides oppose the use of external pressure, especially using military force to achieve peace and security. ASEAN’s complete transformation from early military security organizations to economic and trade ones will explain the problem’s solution. From the beginning, the GCC has maintained the properties of economic and trade, while moderately strengthening the military. However, this does not mean that the GCC countries embarked on the path of military states, but responded to the challenges of the non-trading world. Second, both sides are opposed to American or European-style democracy as the intermediate step between the peace and security. This is related to the nature of those two organizations. The state systems of ASEAN include the presidential, monarchial, parliamentary, and military governments. The democratic politics include democratic countries and developing democratic countries. The types of civilization include Confucianism, Buddhism, Catholic, Islamic, and Communist civilizations. Therefore, ASEAN is not able to form a set of unified core values, especially a general reorganization of

Western-style democracy. The GCC countries are all Arabic monarchies. From the beginning, the GCC has taken Islamic values as its core value. Although within the GCC, there are negotiations there is a collegiate systems which is a very different concept compared with Western democracy. It is even different with the Shiite democracy. Ayatollah Ruhollah Khomeini “argued that monarchies were tantamount to false gods (*taqhut*), idolatry (*shirk*), and sowing corruption on earth (*fasid-eal-arz*).” (Abrahamian, 1993: 24). The monarchy of Gulf countries is clearly incompatible with the Ayatollah Khomeini’s requirements of democracy. Due to their own values, both ASEAN and GCC are in the favor of the “trade promoting peace” theory instead of the democratic peace theory from the United States or the European Union.

III. The Characteristics of the Economic and Trade Cooperation between the ASEAN and GCC

Economic and trade cooperation between ASEAN and the GCC are based on common and mature regional trade and economic integration practices and the liberal philosophy of “trade promoting peace.” After decades of progressive contact, this cooperation has been gradually formed. Specifically, from leaders, fields and the modes of cooperation, the economic and trade cooperation between ASEAN and GCC is a model for small countries’ cooperation, whose bilateral cooperation involving the oil and gas resources and agricultural products. Its ultimate goal is to establish the ASEAN-GCC Free Trade Zone, during which it shows significant features including the bilateral relations between ASEAN and GCC as a guide and multi-channel cooperation within ASEAN and GCC countries as the foundation. They are mainly reflected in two aspects:

First, the ASEAN and GCC have taken the Free Trade Area negotiations as the ultimate goal, while specific countries of ASEAN FTA have negotiated with the GCC as a first step. Development of economic globalization has not only promoted the participation in

globalization for their national economic development, but also the development of regional economic integration which showed in different levels which could be divided into a customs union, free trade zone, common market, monetary union, monetary and economic union, complete economic integration and so on. The most common form has been the establishment of free trade zone.

A free trade zone “is created by an agreement among a group of countries to eliminate trade barriers on most (if not all) goods among them”, “can be, and often are regional and dictated by geopolitical considerations”, “they can also occur between countries that are far apart”, “do not necessarily equalize their members’ tariff on members.” (Reinert & Rajan, 2008: 502). ASEAN has established the ASEAN Free Trade Area and GCC has established a higher level of the Gulf common market and moved to a monetary and economic union. Establishing free trade zones with other regional organizations or countries is a realistic choice of ASEAN and GCC. The ASEAN-China free trade zone which opened on January 1, 2010 was the first Free Trade Area which ASEAN was involved in. The ASEAN-Korea Free Trade Area and ASEAN-Japan Free Trade Area will be developed respectively in 2011 and 2012. Free trade area negotiations of ASEAN with India and New Zealand have made considerable progress. At the same time, ASEAN was moving west. GCC is under negotiations with the EU and China concerning the free trade zone. It is obvious that the countries that ASEAN has chosen to cooperate with are currently concentrated in the Asia-Pacific region, while the GCC’s targets are in Europe and China in East Asia. Apart from China, the two sides have totally different target countries, so the talks between ASEAN and GCC will be beneficial for linking Southeast Asia and the Middle East, and even for promoting free trade zones in Europe, Asia and Africa. During the WTO Ministerial meeting in December 2009, Porntiva Nakasai, the ASEAN rotating chairman and Commerce Minister of Thailand discussed with representatives of the UAE GCC-ASEAN trade liberalization issues. She said: “The feasibility study on an

ASEAN-GCC free-trade agreement is nearly completed. Both sides should agree to start talks as soon as possible if they find an FTA will create a positive outcome for both regions.” She also pointed out that the UAE supports having free trade area negotiations as soon as possible (Pratruangkrai, 2009: December 4). The ASEAN rotating presidency and Vietnamese President Nguyen Minh Triet appealed on April 11, 2010 that ASEAN and GCC should do more efforts to build “a free trade area”. Despite that the free trade zone has not been established, there are complementary advantages to each other: ASEAN has been successful in establishing a free trade area, while the GCC has experiences of negotiations with regional organizations. Those negotiations will be a great help for the two. The idea of free trade area between ASEAN and GCC is the common pursuit of leaders of both sides, but they understand that the establishment cannot be achieved overnight. Under the ultimate goal of the ASEAN-GCC free trade area, ASEAN and GCC countries have had a number of specific free-trade areas established or presently in negotiations. The establishment of the Singapore-GCC Free Trade Zone is the leading one of ASEAN. During the official visit to Saudi Arabia in November 2006, the Singapore Prime Minister Lee Hsian Loong discussed the issue of establishing a free trade zone with GCC. Singapore officially signed the GCC-Singapore Free Trade Agreement (GSFTA) on December 15, 2008 in Doha, which is the first free trade agreement signed by the GCC. The agreement covers trade, investment, labor turnover, customs procedures, government procurement and other fields, but details are still in the process of modification by each GCC member state. The Free Trade Agreement (FTA) between the GCC and Singapore is expected to take effect later in 2010 after its ratification by all members of the Gulf Cooperation Council, George Yeo, Singapore’s Foreign Minister, said during a short visit to Dubai in later in, 2010. The visit of George Yeo was not only the preparation of the second ASEAN-GCC ministerial-level talks which were held in May/June 2010 in Singapore, but was intended

also to promote the progress of bilateral free trade area between ASEAN and the GCC. Yeo pointed out: "In fact Singapore hopes that it won't be [only] a future agreement between Singapore and GCC, but [there will also be an agreement between] Asean and the GCC." (Tamimi, 2010: March 23). It is not accidental that Singapore became the first ASEAN country to establish a free trade area with the GCC. This is closely related to the level of their economic development and market openness. Singapore has the highest economic level within the ten countries of ASEAN. Inspired by Singapore, Malaysia began to initiate the idea of establishing a free trade area with the GCC in the second half of 2009; Malaysia formally expressed its willingness to start negotiations on a free trade area with the GCC in March 2010. Malaysian Minister of International Trade and Industry Datuk Seri Mustapa Mohamed said: "We believe that a FTA with the GCC is necessary to further enhancing ties between the business sectors of Malaysia and the region," "Malaysia has been in talks with the GCC Secretariat but no serious discussions have started so far." (Basit, 2010: April 14). Although Malaysia has taken Islamic finance as an important part of the negotiations with GCC, only the UAE has clearly declared its intention to support the establishment of a Malaysia-GCC free trade area. It is difficult for ASEAN countries to establish free trade areas with GCC because of the imbalance of economic development in the ASEAN region. But some countries' efforts, such as Singapore's and Malaysia's, should be of positive significance to the foundation of ASEAN-GCC free trade area in the future.

Secondly, ASEAN and the GCC urgently need oil and gas resources and agricultural productions respectively. Thus, these commodities are dominant in the bilateral trade.

The multi-channel, multi-domain economic and trade contacts between ASEAN countries and GCC countries constitute a supplementary economic and trade cooperation. As for the "oil for food" trade between ASEAN and GCC, the two economies are not common trade goods, but the special commodities with strategic and

security meaning. Food is the lifeline of human beings. Both developed countries and developing countries pay attention to ensuring the self-sufficiency of food or the security of food supplies. In addition, the fluctuation of the food price has a huge impact on food-producing countries and food-demanding countries and set off a series of chain reactions. The world's close attention and anxiety to the rising price of food reveal that the food problem is not an easy economic problem, but a political and security issue. Against the backdrop of growing economic globalization, the world has increasingly become a whole. A slight move in any crucial part may affect the whole situation. One of them is the food problem. Gulf Arab countries feel the urgency of their food security due to their geographical location. The feeling of insecurity could trigger the following problems: "causing the social conflicts and intensifying social contradictions", "undermining the basis of social stability", "leading to increasing the political dependence and restricting the international discourse power." (Chen, 2009: March). GCC countries, except Saudi Arabia, are small. Most of their land is a desert region, and less arable land is available, which is an inherent disadvantage of their agriculture; the water scarcity and population boom has had a great impact on the agricultural development and food security. "Utilizable pure water in this area is less than 1% of the world utilizable pure water", "but the area is the homeland of 5% of the whole population." "The overall population growth rate of GCC-CAGR was 3% in 1990-2009." (Kapur, 2009: November 5). The geographical situation of GCC countries is very similar to Israel's. However, owing to the distrust of Israel, GCC countries do not learn its advanced agricultural technology as their preference. ASEAN countries are rich in agricultural resource due to their geographical location. Therefore, ASEAN countries are important areas from which GCC import food. Oil is the blood of the industry. With the developing and expanding industrial revolution and rearrangement of global labor division, emerging developing countries can not develop

without oil. Although ASEAN countries, such as Vietnam and Indonesia, also produce oil and gas, it is not enough to meet the demand of the ASEAN countries' development. Besides, the dispute in the South China Sea with China is a potential and realistic threat to ASEAN oil production. The US, European countries, China, Japan and South Korea wrestle with each other in GCC countries which abound in oil. ASEAN countries have no advantage to compete with these great powers in the Gulf region. Therefore, these countries promote the cooperation with GCC as an integral ASEAN, which is their prior choice. The former "ASEAN Petroleum Security Agreement" signed in 1986 was replaced by a new one on March 1, 2009. The core content of the new agreement is to maintain the independence of the oil resources of ASEAN. With their respective strengths, ASEAN and GCC countries complement each other's needs. Under this premise, the two sides promote the cooperation in the field of agriculture and oil trade. In June 2009, the first Ministerial Conference between ASEAN and GCC contained the oil for food program. Instead of importing food, the GCC intended to invest in agricultural producing of ASEAN in order to achieve a win-win result. "Asian countries' energy needs rely on the largest oil exporting region. At the same time, Gulf Arab countries aim at food imports and agricultural investment to ensure their strategic food supply." Foreign Minister of Thailand, Kasit Piromya expressed the view: "We can guarantee the consumption of the Gulf region's rice in next ten years." (Richter, 2009: June 30).

When ASEAN and GCC planned and prepared for the most urgent trade of food and oil, the bilateral trade between ASEAN and GCC in various fields is in full swing. The agricultural trade between Myanmar and GCC countries has been mature: Myanmar and Kuwait signed trade and investment agreements to promote Kuwait's investment in Myanmar in August 2008; In September 2009, Myanmar and the DMCC talked on the issue of exporting 100,000 tons of rice to the UAE. As an emerging developing country, Vietnam has made great achievements

since its 20-year reform and opening up. Apart from food, daily necessities and industrial products, Vietnam also exported labor service to the Gulf. By the end of 2008, the number of Vietnamese workers in Middle East was about 21,000, including 10,000 workers in Qatar, 9,000 in the UAE, and 2,000 in Saudi Arabia. Moreover, Qatar also signed an agreement with Vietnam, which enlarged the number of Vietnamese workers in Qatar in 2008. This number will increase annually (“Middle East Needs More Vietnam Workers”, 2008: January 18). In recent years, frequent economic and trade exchanges have been made between the Philippines and GCC countries. The Secretary-General of the Gulf States Association of Commerce and Industry, Naki visited the Philippines in June 2009. After meeting with President Arroyo, he pointed out: “President Arroyo shows her desire of extending the cooperation with GCC in all fields, especially in trade, investment and labor departments.” (Avancena, 2009: June 13). It embodied the following aspects: bilateral cooperation between GCC countries’ private enterprises and the Philippines are expanding; GCC invested in Philippine agriculture in the form of the Cooperation Company, particularly establishing the joint venture to produce halal food and export to GCC countries; GCC increasing the absorption of high-quality Filipino workers, especially professional and technical personnel, engineers and skilled technicians. Malaysia is an Islamic country, which is close to the GCC countries. Among all the Islamic countries, in recent years, the GCC countries have become a major trading partner of Malaysia. The volume of trade between Malaysia and GCC countries has started to grow since 1999, reaching 3 billion US dollars in 2003 and 8 billion US dollars in 2006. Seventy percent of the bilateral trade volume was from Saudi Arabia and the UAE (Rahman & Abu-Hussin, 2009: Fall, 50). Malaysia focused on several aspects of the economic and trade exchanges: first, it focused on constructing the International Halal Food Centre. Malaysia invested 100 million ringgit in constructing Islamic parks; secondly, promoting the tourism industry. The number of visitors to GCC countries continuously increased 100% from 2001 to

2007; Thirdly, GCC accelerated the development of branches of the Islamic banks in Malaysia; Al-rajhi Bank and Kuwait Finance House (KFH) are the most well-known banks (Rahman & Abu-Hussin, 2009: Fall, 52-53); Ang Say Tee, President of the Malaysia Chamber of Commerce for import and export of clothing wholesale, pointed out: "in the face of the implementation of zero tariff, the fashion industry in Malaysia should not confine themselves to the ASEAN countries, but expand their business into the Middle East", "under the situation of zero tariff, the price of imported raw materials will be cheap, which is favorable for manufacturing and exporting, especially in the Middle East countries which view Malaysia as Islamic state and implement zero tariff policy." ("Zero-tariff: Would the Price Go Down?" 2010: January 6).

IV. Conclusion

ASEAN and GCC countries have become an emerging force in their respective regions. Currently, regional economic integration has been promoted in the world, and the regional economic and trade cooperation among the regional economic organizations has become a new trend. The early cooperation between ASEAN and the GCC was scattered economic exchanges. Then it has developed into multi-commodity trade-based economic and trade cooperation which is based on the framework of "food for oil". In this process, the ASEAN and GCC region have established free trade areas and economic cooperation respectively. On the basis of current achievements of economic and trade cooperation, the establishment of a free trade area between two organizations started to become the consensus of both parties and the future development direction of bilateral economic and trade relations. The foundation of the Singapore-GCC free trade area and the subsequent Malaysia's appeals can be considered as concrete steps which promote progressive development of relations between ASEAN and GCC. Besides, they

gained a significant progress in system building. The two sides have formed the regular Ministerial conference, and the exchange of ambassadors will be achieved. All of these things are feasible and beneficial to protecting the security interests of ASEAN and the GCC. It indicates that their economic and political diplomacy objects have gradually expanded from the domestic region or neighboring areas to other areas and their focus has expanded from world power to the small countries. The ASEAN-GCC free trade area will become a significant link of the chain of the world's future trade areas, especially important for China. ASEAN and the GCC are two crucial large organizations for China's foreign trade and economic cooperation. The China-ASEAN Free Trade Area has presently been established, in this moment, accomplishing China-GCC Free Trade Agreement as soon as possible is not only extremely beneficial to the national interests of China, but also promotes economic and trade cooperation between the ASEAN and GCC countries.

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