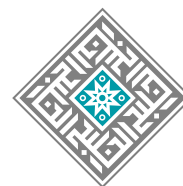


# GRC and Gulf-Japan Relations



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## Background

Japan remains the world's third largest economy after the United States and China. Due to the scarcity of domestic energy resources, the growth of Japan's industrial base could not be sustained without energy security. This crucial element in underpinning Japan's progress has been very dependent upon accessing the GCC's energy supplies. Reflecting this vital component of growth, Japan's diplomatic ties with the Gulf states are long-established, with links to Saudi Arabia having been developed sixty-five years ago in 1955. Japan is currently the largest LNG importer and the third largest importer of crude oil and oil products in the world.

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Conversely, GCC economies are deeply dependent on energy exports to financing their growth. This dynamic has underpinned more than three decades of business relationships in which Japanese companies have been principal partners in the improvement of energy and public facility infrastructure projects within the GCC region.

Japan's strategic role within the GCC has been substantially supported by JBIC (Japan Bank for International Cooperation) - a Japanese public financial institution and export credit agency and JETRO (Japan External Trade Organization) - which provides trade and business support. Reflecting the commitment of Japan's public and private sectors, the GCC-Japan relationship has developed by supporting a wide variety of non-energy sectors, including automobile, transportation, education (especially vocational training), food and beverages, medical related fields, and culture (pop culture and

MANGA”) alongside supporting GCC's national economic cluster plans and the development of Economic and Mega cities.

**“ The GCC-Japan relationship has developed by supporting a wide variety of non-energy sectors ”**

GRC's 20 years contribution

GRC is a unique organisation. It was founded as a regional think tank in the GCC and over the last 20 years has strategically expanded its presence and now provides a global perspective. A strong presence has been established not only in the GCC, but also in Europe, the USA and Asia. Over the last two decades, GRC has carried out high quality research, advisory and consultancy work in a variety of fields, including Economics, Politics, Defence/Security, Finance, Trading, Energy Infrastructure including Water/Desalination and Renewable Energy.

In Japan most think tanks are semi-governmental organisations and their finances are totally dependent upon government funding. Consequently, their research objectives are often focused upon and subdivided by specific countries (e.g. Saudi Arabia, UAE, Kuwait) rather than looking at the GCC area as a whole. ).

**“ GRC to position itself as an invaluable source of knowledge, perspective and advice and act as a trusted research partner for Japan's think tanks and governmental organisations ”**

This has enabled the GRC to position itself as an invaluable source of knowledge, perspective and advice and act as a trusted research partner for Japan's think tanks and governmental organisations.

For example, GRC participated in an Economic/Investment Conference with JBIC (Japan Bank for International Cooperation) and JCCME (Japan Cooperation Centre for Middle East). Additionally, JETRO has marked an important occasion by opening a JBIC office in Dubai, acting as a hub of JBIC's finance for the GCC. This conference was attended by more than 150 of Japan's top business leaders and board members of KEIDANREN (Federation of Economic Organisation of Japan

**“ The GRC has increasingly provided political and economic advice to many of the top 100 Japanese companies ”**

Following this event, the GRC has increasingly provided political and economic advice to many of the top 100 Japanese companies, guiding their activities and expansion into the GCC region. In doing so, it has enabled the GRC to strengthen its position as a premier global think tank among these top Japanese companies. Additionally, in terms of research projects, GRC has initiated an exchange programme of young Japanese researchers within the Institute of Energy and Economics (Japan) in order to facilitate their further research work regarding the GCC area.

At a Japanese government level, the GRC also published a book for the Ministry of Trade and Industry of Japan focusing on gold reserves in the GCC and GCC currency related matters.

GRC is also playing a key role in Japan's strategical energy security matters in relation to the Straits of Hormuz - the strategic importance of which as an energy trading choke point is generally under-appreciated by many Japanese. In this regard GRC held a joint conference in Tokyo in

partnership with JIIA (International Studies Institute) - which is a Japanese Foreign Office think tank. One of the key agenda items is security within the Straits of Hormuz as well exploring Japan's long-term energy sustainability within the GCC area.

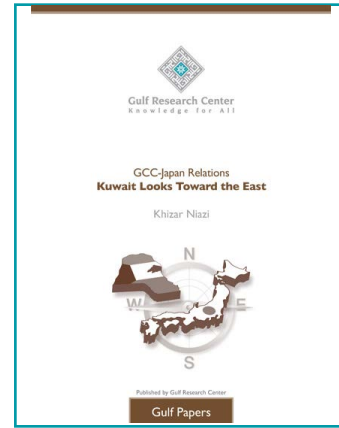
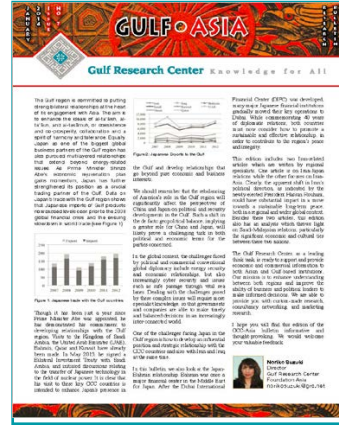
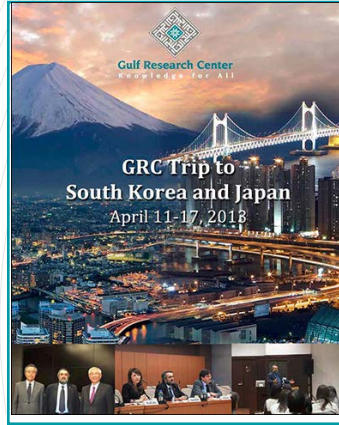
GRC has also supported Prime Minister Abe's visits to Saudi Arabia and the Gulf States through providing advice to PM Abe's private office.

GRC's future role

In line with the GCC's 10-20-year strategic visions, it is vital for the future of the growing younger generation to reduce the current dependence upon oil revenues. This implies economic diversification and developing public service sectors such as health, education, infrastructure, recreation, and tourism, culture together with the service sectors of the economy.

Given that Japan and Asia are likely to be key counterparties in the achievement of the GCC's strategic framework, GRC's role should be to provide a significant contribution by strengthening the existing ties between the GCC and the wider Asian region, both in economic and political terms. Events such as the GRM at the University of Cambridge, as well as capitalising on GRC's global presence, can be used as a platform to help implement GCC visions and consequently assisting the smooth transition to the new era within the GCC.

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