

ANALYSIS OF SOCIO-ECONOMIC RELATIONS OF THE ARAB COUNTRIES OF THE PERSIAN GULF WITH THE REPUBLIC OF KAZAKHSTAN (IN THE CASE OF THE UNITED ARAB EMIRATES, THE SULTANATE OF OMAN AND SAUDI ARABIA)

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Abstract: The socio-economic relations of the Arab countries of the Persian Gulf in Central Asia, in particular with the Republic of Kazakhstan, are analyzed. After the collapse of the Union of Soviet Socialist Republics (USSR), the common cultural and religious traditions, the unity of the Muslim community, and the historical heritage motivated the development of cooperation between the countries of Central Asia and the Arabian Peninsula.

The Arab countries of the Persian Gulf have the possibility of high-level financial investments, and some of these investments are used to finance the economic infrastructure projects of the republics of the Central Asian region, to develop hydrocarbon fields, as well as to invest in the banking network, especially the Islamic bank. From the point of view of economic comfort, two of the five republics in Central Asia are the most important for the Arab countries - Kazakhstan and Uzbekistan, which occupy an important geo-economic position in the Central Asian region.

Key words: diplomatic relations, trade, politics, economy, trade, culture and tourism, investment

After the collapse of the Union of Soviet Socialist Republics (USSR) in 1991, when several independent republics emerged in Central Asia, the Arab states of the Persian Gulf, Saudi Arabia, the United Arab Emirates, Oman, Kuwait, Qatar, and Bahrain, were the first to assert the independence of the republics in the Central Asian region. admitted to be. One of the main reasons for this is that the leaders of the Arab states of the Persian Gulf considered it their duty to recognize the independence and sovereignty of the new republics established in the Central Asian region. In the process of establishing political, trade-economic and other relations by the Arab countries of the Persian Gulf with the countries of Central Asia, the religious factor became a unique unifying principle[1].

The leaders of the Arab Gulf states compete with other countries culturally close to the Central Asian region - Turkey and Iran. These three power centers do not hide their competition for influence in the region - this has manifested itself in cooperation at the level of energy and infrastructure projects, educational programs and religious institutions[2]. The Arab countries of the Persian Gulf have widely used their achievements in the struggle for the Central Asian market and economic partnership with the above republics of Turkey and Iran. We can cite several factors for this, the majority of the population of the Central Asian republics believe in Islam, on the other hand, the Central Asian republics are located in the center of the transport



corridor connecting the Far East and the Middle East. As it is located in the center of the Great Silk Road.

Another reason for the establishment of relations between Central Asia and the Arab countries and other countries in the Persian Gulf is the large number of reserves of natural resources (oil, natural gas, uranium, zinc, hydrocarbons) in the territory of the republics of the region. . In this regard, the Arab countries of the Persian Gulf are also in the leading position in the world in terms of oil reserves.

In 1992, during the official visit of the Crown Prince of Saudi Arabia, Prince Saud al-Faisal, who is the leader of the Arab states of the Persian Gulf, to Tajikistan, Uzbekistan, Turkmenistan, and Kyrgyzstan decided to establish diplomatic relations with Uzbekistan, and two years later, in April 1994, the law on establishing diplomatic relations with Kazakhstan was signed. The rest of the countries of the Arabian Peninsula did the same. Two of the five Central Asian countries of greatest economic importance for Arab countries are Kazakhstan and Uzbekistan, which have an important geo-economic position in the Caspian region [4].

Sultanate of Oman The Sultanate of Oman was the first country to start a joint economic project with Kazakhstan at the government level. Diplomatic relations between the two countries were established on April 27, 1992. Initially, economic agreements were made between the two countries, in particular, the agreement on cooperation in the field of geological exploration, development and exploitation of hydrocarbon deposits in Western Kazakhstan was signed in 1992, and Oman in the Caspian Sea. granted the right to search for hydrocarbons. The Caspian Pipeline Consortium was formed. Oman also became the first country to provide a loan of 30 million dollars to Kazakhstan during the first visit of the Prime Minister of Kazakhstan S.A. Tereshchenko to Oman[7]. Despite this, representative offices that provide relations between the two countries were opened relatively late. In particular, the embassy of the Republic of Kazakhstan in Muscat was opened on October 15, 2010. The embassy of the Sultanate of Oman in Kazakhstan has been operating since August 2006 [12].

In turn, the opening of these embassies serves to develop economic and social relations between the Sultanate of Oman and the Republic of Kazakhstan. In the period from 2005 to December 2020, the gross direct investment flow from Oman to Kazakhstan amounted to 253.4 million US dollars. The oil company of the Sultanate of Oman "OQ" participates in the development of the Dunga oil field in Kazakhstan as part of an international consortium[11].

There is a growing trend of business activity between the two countries. Trade between Kazakhstan and Oman:

In 2019, it amounted to 472.6 thousand dollars (export - 445.0 thousand dollars, import - 27.7 thousand dollars).

In 2020, it amounted to 273.5 thousand dollars (export - 267.4 thousand dollars, import - 6.1 thousand dollars).

In 2021, the volume of trade reached 2.8 million dollars (export - 2.5 million dollars, import - 370 thousand dollars).

In January-August 2022, the turnover amounted to 5.6 million dollars (export - 420.3 thousand dollars, import - 5.2 million dollars) [6].

According to the National Bank of Kazakhstan, the total flow of direct investment from Oman to Kazakhstan from 2005 to 2021 was 253.4 million dollars. According to the flow of direct investments, Oman ranks second among the Arab countries of the Gulf after the UAE [8].



In 2022, Kazakhstan and Oman will celebrate the 30th anniversary of the establishment of diplomatic relations. During the years of independence, Kazakhstan-Oman relations have been consistently and rapidly developing, and relations in the spheres of politics, economy, trade, culture and tourism are steadily strengthening.

United Arab Emirates The United Arab Emirates is one of the most actively developing economic cooperation with Kazakhstan. Relations between Kazakhstan and the UAE began on October 1, 1992, and the UAE embassy in Astana has been operating since October, and the Kazakh embassy in the UAE was opened in September 2006. Currently, more than 200 Emirati companies are operating in the country[12].

Cooperation between Kazakhstan and the monarchies of the Arabian Peninsula remained at a rather low level until the 2008 global financial crisis. The need to look for new sources of financing gave impetus to the development of such cooperation. In November 2008, Al-Falah Fund, a branch of Mubadala, one of the largest private investment funds in the UAE, started its activities, the priority sectors of its financing are energy, infrastructure, construction and food industry.

One of the priority areas of cooperation for the Emirates is the banking sector. In 2009, the first private Islamic bank in the Al-Hilal region was opened in the city of Astana after the official visit of the then president of Kazakhstan N. Nazarbayev to the UAE.

Arab mass media recognize Kazakhstan as a favorable region with significant economic potential. Arab businessmen can make significant progress in various fields in Kazakhstan, such as oil, gas, food industry, construction materials, equipment, pharmaceuticals and agriculture.

Even today, the UAE is Kazakhstan's largest trading partner in the Arab region, as the total trade volume between the two countries reached a record \$709 million in 2021, with exports from Kazakhstan to the UAE amounting to \$634 million and imports to \$75 million. In the past ten years (2012-2021), about 3.75 billion dollars, of which Kazakhstan's export to the UAE was 3 billion dollars, and its import was 750 million dollars. through the project amounted to 4.2 billion dollars[9].

The main project of the Emirate in Kazakhstan is related to the construction of the International Financial Center in Astana in order to place Kazakhstan as the main financial center of Central Asia [5]. The center will be modeled on the Dubai International Financial Center and will serve Islamic banking and capital markets and is expected to become one of the top 20 financial centers in the world. The center operates within the framework of the special legal system established in 2010 with the adoption of the law "On Amendments and Additions to Certain Legislative Documents of the Republic of Kazakhstan on Issues of Organization of Islamic Banks and Banks of the Islamic Financial Organization".

Cooperation in the field of energy is developing. Here, in 2009, the signing of an agreement between the "Mubadala" investment fund and the "KazMunayGaz" company on gas production on the shelf of the Caspian Sea was one of the main achievements.

As part of the implementation of the global "fan" system of access to ports, the Emirati company "dp World" bought controlling packages of two special economic zones in the Caspian Sea in Kazakhstan - 51% of the shares in the Khorgos special economic zone and 49% of the shares in Aktau. DP World aims to develop transportation infrastructure as part of China's Belt and Road Initiative[11].



Saudi Arabia A relatively new area of cooperation between Kazakhstan and the countries of the Arabian Peninsula is construction and infrastructure. Most of the projects here belong to Saudi Arabia. In particular, the Saudi investment company was established in 1997 with the support of the Islamic Development Bank to finance infrastructure projects in Kazakhstan [4]. A relatively new area of cooperation between Kazakhstan and the countries of the Arabian Peninsula is construction and infrastructure. Most of the projects here belong to Saudi Arabia. In particular, the Saudi investment company was established in 1997 with the support of the Islamic Development Bank to finance infrastructure projects in Kazakhstan [6].

Reconstruction of the Karaganda-Astana (Nur-Sultan) highway is one of the important projects implemented with the investment of Saudi Arabia. Islamic Development Bank and Abu Dhabi Development Fund also participated in the project. The Islamic Development Bank also financed other infrastructure projects in Kazakhstan: the construction of an alternative route through the Kurday pass, the construction of the Baili-Kolsari highway, the reconstruction of the Atyrau airport, the construction of the highway from Astana to Borovoy, the northern and construction of water supply systems for agricultural regions of central Kazakhstan; Construction of medical facilities in Astana.

Saudi Arabia provided large grants for the construction of four facilities: the parliament building, the Cardiology Center in Almaty, the Republic of Kazakhstan Jas Ulanmo Republican School, and a large mosque with a hospital and polyclinic next to it.

A number of potential joint ventures have also been announced. Thus, Saudi Arabia is developing a multilateral project to build a gas pipeline through the territory of Iran to Kazakhstan, as well as a project to build an oil terminal in the Caspian.

It is also planned to establish a joint investment fund with a total capital of 500 million dollars, in which the national management holding "Baiterek" will participate from the side of Kazakhstan.

In conclusion, it can be said that today the Arab countries of the Persian Gulf have significant political, business and intellectual potential. Since the Republic of Kazakhstan gained independence, it has been actively seeking to strengthen friendship with the Arab countries of the Persian Gulf. Kazakhstan views the Arab countries of the Persian Gulf as promising partners with all the necessary conditions and conditions for mutual understanding and cooperation in the economic, political and cultural spheres.



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