

Legal study of Foreign investment in the Persian Gulf

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Abstract: Persian Gulf area has a length of 600 miles that separates Iran from the Arabian Peninsula. This area is one of the world's most strategic waterways in the narrowest point 34 miles wide. The region is called Persian Gulf, covers eight countries, including Iran, Iraq, Kuwait, Saudi Arabia, Bahrain, Qatar, UAE and Oman is Arabic. The region's role as a trading route of ancient times began. The role of the large expansion of imperial power in the West as the ancient Achaemenian, Greek, Parthian, Roman and Sassanid became more important. When his rule over the Arabs throughout the Middle East, Persian Gulf Stranded role in commerce and communications with organizations around the center of renewed and built. The expansion of European powers in the Orient as a strategic political competition Persian Gulf, as a highway of commerce, as well as an important link they were interested in the strategic chain. From 1908, when the first oil well in Iran, the Persian Gulf began in the New World. Today, the global significance of the vast energy resources of the region that has the largest reserves in the world and lies, the existing energy reserves in other parts of the world is going to end. Another factor that adds to the importance of this area, given the extent possible oil production is exported. Persian Gulf has huge reserves of oil. Countries around the Persian Gulf in 2003 to nearly 718 billion barrels of proven crude oil reserves had more than 62% of the global reserves of crude oil. About 70 trillion cubic meters of gas that nearly 40% of global natural gas reserves in the area in the area there.

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Introduction:

With predictions that this result was none of the existing or future energy, oil and gas soon is able to replace or even be superior position, Oil is expected that between 26 and 28 percent of global energy demand in 2020 will provide. Looking at the comparative costs of energy production, it is clear that oil has the lowest cost among other sources, according to Shell Group in 1979 and 1983 indicated that the cost of alternative energy, fossil energy, such as coal and natural gas even whether domestic or imported to the United States and Northern Europe and Western Europe have increased by about 36 percent [1].

According to the energy balance in the first place seems to be the position of the world's oil reserves remain for the next few years.

Total oil and gas in 1973 was 58 percent, in 1984 the rate of 1/59 per cent, in 1986 58%, in 1988, the 51/1 percent of the world's total energy is allocated and scheduled average in 2000, The 49/3%, and in 2020 the 43/4 percent, based on a limited schedule in 2000, the 49/7%,

And in 2020 the rate of 44/1% share of the world's energy will account have some control, which is the second strategic goal.

Having a large inventory of oil and gas in the Persian Gulf region, one of the most sensitive areas of the world's energy geopolitical perspective dependent countries, especially the industrialized world and in future it will increase and America and Russia are the world powers,

and particularly the special attention and control, it is one of their strategic goals.

The world's known reserves of the Persian Gulf region in 1988, the amount of 649,655 million barrels of oil are saved 65/5% of world reserves are included, and the bulk of the 25/7 percent of world reserves are located in Saudi Arabia[2].

Persian Gulf region with 31010/17 million square meters of natural gas, about 27/7 of the world's known reserves of natural gas is available; the bulk of the country is about 14 percent of global reserves. Oil in the Persian Gulf to East Asia, and Japan and Australia and are exported to Western Europe and North and South America. In the years 1977 to 1980 the industrialized world's dependence on oil from the Persian Gulf region was very high, So that America is more than 30% Western Europe and Japan, more than 70 percent and more than 60 percent oil needs be provided to the Persian Gulf.

Persian Gulf's strategic location

Persian Gulf as a blue sea, with 565 billion barrels of oil Equivalent to 63% of the world's known oil reserves, and 30/7 trillion cubic meters of natural gas, equivalent to 28/5% of the world's known gas reserves, Certainly the greatest and most important is the energy storage.

The figures suggest that a significant proportion of the world's proven reserves of oil and Natural gas in the region is located in the Persian Gulf.

In other words, about two-thirds of the world's proven reserves of oil and natural gas reserves, a quarter of the world lies in the region [3].

Special status of Persian Gulf oil and gas reserves as well as having strategic location and its importance as an appropriate market economy, political changes in recent years have focused the world's attention to the area of Persian Gulf since World War II has played an influential role in the world economy. Modern industrial wheels of the Industrial Revolution in Europe and Japan to America by the flow of Persian Gulf oil accordingly. The economic system of the West with the help of today's technology and advances in oil countries in this region could be In addition, oil companies, especially American companies Have earned huge profits and large. Persian Gulf in the Middle East, which is areas of special geopolitical model, offers a unique Geopolitical region. This region includes people from a different culture, but the concern that the political, strategic and economic harmony and homogeneity Are many .This area includes Iran, Iraq, Saudi Arabia, Oman, Kuwait, United Arabic Emirates, Qatar and Bahrain. Pakistan is also due to geographical proximity and extensive exchange trading is great interest in this area, so it can continue to be Persian Gulf geopolitics. Pakistan is also due to geographical proximity and extensive exchange trading is

great interest in this area, so it can continue to be Persian Gulf geopolitics.

In addition, hostility and lack of historical relations with Arabic countries and the history of relations between Iran and the government has not succeeded the way for Iran's enemies have opened in the area. Persian Gulf countries that the problems are mainly political, social, economic and underlying structural problems facing the insecurity and instability in the region. This external actors have the opportunity to play a major role in the Persian Gulf has. Direct presence of foreign agents, plays a major role in the region has a lot of consequences be. The basic problems of economic and infrastructural also are added. Perhaps the major reason why most shoppers and customers Arms of America, the Persian Gulf oil states are. To achieve military and strategic superiority in the Persian Gulf the way into the world of open water and the location of major oil transit. The full proceeds of the policy will be sent to the west and especially America[4].

Furthermore, identity crisis, social turmoil, inefficiency and incompetence in the leadership among the Arabs and the crisis of legitimacy, ethnic differences within and between tribal politics and religion (and sometimes personal) and the vulnerability of many countries outside area, hands up the weakest part of the Arab nation - states in the world to come. Direct presence of foreign agents, the outcome of the internal situation and the reform of the international role of the internal situation in this region can be reduced. Thus, the main cause of insecurity, instability and non alien presence in the region due to internal problems and direct Brand region and not necessarily to eliminate the effect should be eliminated because it The basic problems of economic and infrastructural also be

added. Perhaps the major reason why most shoppers and customers arms of America, the Persian Gulf oil states are. To achieve military and strategic superiority in the Persian Gulf the way into the world of open water and the location of major oil transit. America and Israel under these conditions Stand natural process of destroying the local economy and the region continues to rely on petro-dollars. The full proceeds of the policy will be sent to the West, and especially America.

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- 1 - And earn higher returns and risk aversion due to the higher growth rate of the foreign country, or to obtain favorable tax treatment and the use of an advanced economic structure.
- 2 - Horizontal integration (foreign produce a homogeneous product is produced within the country in which distinguished be).
- 3 - Vertical integration (control and use of raw materials with the least cost and the lack of Concern from the reduced supply of raw materials).
- 4 - To avoid tariffs and other trade restrictions on imports from other countries those have imposed.
- 5 - To obtain benefits from various subsidies that the government pays to encourage foreign Direct investment.
- 6- Entering a foreign oligopoly market share in the profits.
- 7- Buying a foreign company owes its future to avoid competition.
- 8- Avoiding a potential loss of export markets.

After World War II, the two causes very rapid progress in the transportation industry The telecommunications industry is highly developed and Foreign Direct Investment Because of these developments facilitate Branches in direct control of a company's worldwide operations But investment in addition to economic variables, qualitative variables affects the economic well being. Unlike most economic variables, these variables are quantitative, qualitative and more under the influence of political structures and the relationship between economic and Political factors. Whether the qualitative variables are [6]:

- A) Political security in every community.
- B) Arrangements for property rights.
- C) Democracy and Civil Liberties.

D) The administrative system and bureaucracy countries.

E) Judicial and criminal.

F) The speed of handling cases in courts.

Overview of risk analysis is essential to understanding the major risks in our business.

1- Interest rate risk:

Interest rate risk is related to the interaction of the capital market and interest rate fluctuations

On financial market distortions in an economy are measured.

2- Purchasing power risk:

Due to inflation risk that the investor will be applied. But since the rate of inflation as a price index and the consumer price index conventional 1 (CPI) is used to measure inflation. Therefore, investors should invest in the project at least (inflation rate +) to compensate, because if not, the purchasing power of investors in the year ahead inflation rate Inflation rate +) is reduced.

3- Risk Management

Although many firms have a large income and a lot of strength in the market, but the wrong decisions there is a mistakes of the firm by those who harm firm, and the project harm have an investment's invest in any project for any investor who is not involved in the management of these risks is due to errors in decision making, the project loses.

4- Liquidity Risk

Cash assets to cash assets are said to be easily and do not have the cash. Non-cash assets for Liquidation expenses must be incurred to sell.

5- Political Risks

Political risks in international investors international investors "all locations" have to face hurdles in its investments in the country are obstacles such as exchange controls, tariffs, taxes, etc. Many of these barriers are due to the political decisions of the country and the international security environment in the country is one of the most difficult international Political risks is internal

6- Industrial Risk

Industrial risks can occur due to events that occur in a commodity industry like in an industry where labor unions to strike. The tax rate increase or an industry Certainly, the process of production and investment risks in an industry affecting.

Foreign Direct Investment in the Persian Gulf

The Persian Gulf littoral states Partly in terms of economic structure and political structure, Are very close together. The most important common point between these countries is very strong dependence the oil is in these economies. These countries are mostly monoculture countries and Exporter of crude oil is much of its revenues from sales of crude oil are produced and thus the economy's dependence on oil revenues is extremely large.

From 1990 onwards, two enormously important impact on the volatility of security as the main component of foreign direct investment, in the Persian Gulf has the first event,

the first Persian Gulf War in 1991 and the attack on America and its allies in Iraq.

The second event is related to the terrorist attacks of Sept. 11; 2001. United States of America's pre-emptive strategy to fight terrorism and follow-up in the Middle East, particularly the Persian Gulf region, Negative effects on the stability and security in the Persian Gulf have been attacked [7].

Foreign investment in the Persian Gulf states over time is subject to volatility. Foreign investment in these countries have been affected by extreme political volatility And economic decision-makers in the field of law enforcement trying to provide a safe environment for attracting foreign investment have.

Maximum absorption of foreign capital the economics of oil and gas fields in the Persian Gulf states, Because of the strategic features of these states in energy, respectively.

Refer to the field of International Statistics Attract foreign direct investment Suggests that countries that share the Persian Gulf is very low in this area Despite the region's strategic location and potential In the economic sphere, energy is not as it should be to attract international capital From the perspective of political and economic disadvantage Countries is considered essential for the area. However, according to these figures, In the Persian Gulf region, Saudi Arabia and the United Arab Emirates, located on the first and second place and the most successful countries in attracting foreign direct investment in the region have been and Iran, while in 2005 and 2006 Fifth place in the region, has fallen to sixth place in 2007.

However, due to the volume of Iran's economy and economic potential, Rank lower in foreign investment is highly meditative. It requires special attention and attention to factors determinants of foreign direct investment, international security and stability in the opinion the rights of foreign investors foreign investment and the creation of appropriate substrates, Efforts by the authorities to be plentiful.

Major obstacles and restrictions on FDI It can be pointed out, Attracting FDI involves an imbalance of current domestic and global regions, including extensive foreign investment, lack of compliance with the basic rules of the region, limited range of economic activity in the countries studied, the validity of the acquisition of immovable property, capital commitments are requirements.

On the other hand, Undermine the stability and security in the Persian Gulf region, A decisive role in implementing government policy in this area has had in many aspects. Moreover, the prevailing insecurity in the region, the trigger government intervention in the internal affairs of the countries. The same proportion, the countries of the region, instead of considering investment in social infrastructure such as education, health and social security, which is facilitating the entry of foreign direct investment flows, Will attempt to increase its military spending; Because of the security threats that the international policy of a country feel, most be-It is also the country's military spending will rise This setup measures to boost the

international political risk Investment attractiveness of the region and for international investors greatly lowers.

Importance of trade and investment power in the Persian Gulf

Persian Gulf region, about 679 billion barrels of reserves proven oil (nearly 66% of total world oil reserves, and 1,918 trillion cubic feet of storage gas (35 percent of total gas reserves in the world). Such reserves this region the largest reservoir of energy the world has become. now oil from the Persian Gulf from the six geopolitical regions of Iran, Iraq, Kuwait, Saudi Arabia, United Arab Emirates and Qatar are all members of OPEC, which produces close to 18/6 million barrels per day.

While the entire world's crude oil comes from Nearly 79/3 million barrels per day. The Persian Gulf oil contributed almost 23% of the oil consumed in the world provides. Global oil consumption in 2020 based on forecast day 111/5million barrels would be Persian Gulf after the global demand for oil will increase and may reach 50 million barrels per day at its 45% share of global oil production will be in the Persian Gulf.

While industrialized countries are now trying with other alternatives such as oil from Russia and the Caspian Basin Resources to reduce our dependence on Persian Gulf But at the same time that the sustainability of energy in Russia, Caspian and other regions of the world will be short compared to Persian Gulf energy resources.

For a decade from 1985 to 1994, the greatest demand Energy is the continent of America And a large part of the energy produced in the foregoing The countries of the subcontinent, particularly in North America is consumed but the situation is different in the coming years.

According to estimates, by 2020 most of the energy demand in Asian countries Especially in East and South East Asia will and more than three times the amount requested in these countries will demand Inter America.

The formation of this new route makes energy Due to the huge energy resources in the Persian Gulf Planning and marketing Energy is a critical issue for the region. These figures cast of investors and business development Persian Gulf will change in the energy sector, which is too referred [8].

Non-energy investment and trade in the Persian Gulf

Over the past 10 years With oil prices over \$ 90 a barrel in the Persian Gulf region's economy has been transformed Economists believe that the best way to prevent swelling In the Persian Gulf region Login money from oil sales venture In this region, the bulk of this investment In other energy.

Economic environment in most countries of the Persian Gulf in total However, the state-owned economic sector and Restrictions on foreign participation and foreign investment restrictions faced. For example, in September 2004, Bahrain and the United States Signed a free trade agreement in which all goods entering the U.S. tariffs were removed to Bahrain The overall agreement with the

Persian Gulf Cooperation Council members, especially Saudi Arabia, faced strong opposition which was noted all member states were committed to the GCC 5% of the common tariff for third parties to establish business[9].

America goals in the Persian Gulf

The fact that the characteristics of the economic, political, cultural, and strategic regional Energy sources, especially the Persian Gulf states of America on the To be present in the region since 1970.The geopolitical and geostrategic region due to its own success always pay attention and look at the history of trans-regional powers, or we nearly a century after the discovery of energy resources, It is not insignificant percentage of today's global economy, where the pulse beats.

A) Economic objectives

What distinguishes the region from other parts of the world oil? The Middle East has the largest energy reserves in the world, 64 percent of the world's oil reserves are in the Persian Gulf belonging to seven countries.

The most important and the largest oil reserves in Saudi 163/2 billion barrels, Kuwait 65/4, Iraq 59, Iran 56, UAE 7/5, diameter 3/7, Bahrain 2/4 is. No oil in five key Persian Gulf (Saudi Arabia, Kuwait, UAE, Iraq and Iran) having about 81% of OPEC reserves, Are major producers and exporters of crude oil.

United States of America with more than 25 percent of world oil consumption will but less than 3 percent of the oil reserves in the world are and Europe, with less than 12 percent of global oil reserves, more than 21 percent of the global consumption of crude oil is allocated. Located on the shores of the Persian Gulf oil-producing countries, Due to the abundance of natural gas reserves, including the resources that it has increased the importance of this region in the Middle East, So that the Persian Gulf states nearly 30 percent of total world reserves are allocated.

This is the case when the influx of big oil companies and cartels In order to explore and extract millions of barrels annually and billions of cubic meters of gas over the following economic benefits for the region to be financial profits for companies in the region. United States during the past decade in various ways to dominate the economic life of the region and despite regional conflicts in the Middle East has been their economic relations as well as in Highest level with countries like Saudi Arabia, UAE and other Persian Gulf states to maintain. Arabic countries in the Persian Gulf region in particular, which for reasons of security concerns and the concerns are Its security ties with the United States to search. So the trade deals with America Can align and political affinity states America is looking for a regional policy.

B) Political and Strategic Goals

Military and strategic importance of the Middle East in terms of proximity to the Atlantic and Indian and Seas like the Mediterranean Sea, Red Sea, Caspian Sea, Black Sea

and the Persian Gulf, has long been considered the center of world power.

Besides the strategic Strait of channels and the Suez Canal, the Strait of Hormuz, the Straits of Bosphorus and Darden, and the Strait of Gibraltar Strait of Babb el-eminent role in the Middle East have doubled.

Therefore dominate the region one of the main conflicts in the former Soviet Union and America are two superpowers during the Cold War. Among the strategic areas of the Middle East, Persian Gulf and the Strait of Hormuz waterway and geo-strategic terms is one of the world's fourteen major points. The fall of the Shah of Iran in 1979 and the establishment of the Islamic Republic of Iran, the Persian Gulf security structure has changed altogether, America led to reassess its strategy in the region is.

In fact, America's position in the Middle East with the goal of providing secure and affordable energy through cultural changes in accordance with U.S. regional policies. The biggest obstacle is that of defining the rules of the American people in the area do not. Thus, one purpose of the United States in the region to prevent the spread of Iranian influence in the region. Another of America's presence in the Middle East is looking to secure its strategic ally of Israel and maintain the balance of power in favor of this country.

The United States of America, Israel is a strategic asset and military superiority, it also sees as its national interest. Other goals of America in the Middle East can be controlled to prevent the emergence of rival powers in the region noted. America's foreign policy is its emphasis on overcoming the major powers competing at international level and at regional level.

Americans believe The United States can and must rise to any nation or allying order to avoid becoming a great power. The vast land of China, the central position in Asia, Natural resources and a large population of military power is the power. America has repeatedly expressed concern over China's military power, Through repeated acts of human rights and Other programs seek to limit China's power is derived. Another Russian military rival to the United States Be released if the internal problems can be Again to its former state in Central Asia And Eastern Europe have gathered, The power block is created. After the collapse of the Soviet presence of U.S. forces in the Middle East and the Persian Gulf will provide. It long has been a place of great power and intense competition toothily And the United States with oil contracts, The establishment of military bases in Central Asia and the Caucasus, and also doing exercises to expand the region's political, military and economic.

In fact, America adopted Military approach focused on fighting terrorism and promoting military bases in Afghanistan and then in other countries itself Military power in the Middle East, there is a wide United States is to prevent the emergence of rival powers[10].

Conclusion

Iran as the largest country in the Persian Gulf, Iran for one of the most influential countries in the region, requires that Its geopolitical significance in the shifting global to establish relations with the wide links Persian Gulf countries in depth geopolitical, geostrategic and economic geo identified. America's presence in the Persian Gulf and Invasion of Afghanistan and Iran can cooperate on common interests of the region to strengthen.

In fact, regional integration the only option to deal with America's dominance in the Persian Gulf. United States in order to reach the goals mentioned In order to further highlight Presence in the Persian Gulf and the Middle East will but gradually expand America's military presence in the region was controlled Remove from Persian Gulf countries. And eventually reach the point where that these countries will not have any role in regional security.

The security of America's military The Persian Gulf region is established Arab countries will not only benefit, but rather Zionist regime's interests Maintaining the overall security in the Middle East is one of America's strategic goals. In such circumstances, the need for collective cooperation Persian Gulf countries to expel aliens on understanding and developing a new system of regional security is felt.

In other words, the Persian Gulf States Convergence in the area of security against future threats and challenges require. The information provided in this article, the following points are important:

The volume of investment and trade in the Persian Gulf after oil prices rise.

- 1) The main exporter of goods to the Europe Union is currently in the Persian Gulf. But China is rapidly competing with the union.
- 2) The most important energy-exporting country in the region is therefore a need for more interaction between Iran and Saudi Arabia's energy is felt.
- 3) Most of the statistics, Russia and the United States Uncertain economy and the meaning behind the two countries' trade the countries of the Persian Gulf.
- 4) The volume of Iranian exports to the United Arabic Emirates is very eye-catching this represents the area of export goods around the world and re-exports to Iran, which should more properly be applied in this policy.
- 5) Support the creation and strengthening of private sector companies in the Iranian oil Industry in regional and global markets.
- 6) Support for foreign investment in oil and gas development and production of petroleum and petroleum products.
- 7) The use of joint ventures and associated companies in the region or integrated Petroleum Downstream oil and petrochemical industries.
- 8) Center for financial services, Goods and equipment for industrial and commercial perform the services required of it for the region And

make required capital investment and financing from international markets. The founding member of the financial institutions.

The majority of economists who research issues in underdeveloped countries the lack of capital in these countries, as one of the main factors of growth and development are highlighted. Needs of the Third World and the countries of the Persian Gulf's a member of the club, Not only financing, But international communication and access to technical and technological achievements, Changes in management structure and organization of manpower training needs of other countries.

But not enough to create the conditions for the formation and accumulation of capital development the need to attract investment from abroad in these countries Is an unavoidable necessity. Foreign investment In an economy driven only by economic incentives and In this case, such as profitability and market needs But quiet and stable and reliable Investors in the context of their Confidently plan for the future, Is required. Economic security and because in attracting foreign investment has played a decisive role.

As is Security and political and economic stability of the most important and influential factor in attracting foreign investment is but the performance of Persian Gulf countries in attracting foreign direct investment Due to the specific conditions and characteristics of the area, Among the reasons for the low level of international security and political stability in

These countries, America and its allies in the Persian Gulf War, particularly in the area Performance has not been successful. Given our country's economic potential and its Economic size.

Has failed As will be successful in attracting foreign investment and even in comparison with region Which has a much smaller economic size of the economy, they have failed to yield acceptable.

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