

V L Srinivasan  
Chief Reporter

Noted US financial wizard Med Jones supports the move to establish a common currency for GCC member states.

Mr Jones, who was in Bahrain on a short visit, told *DT* that it would be one of the best things the GCC leadership can do for its people.

"However, common currency alone is not the answer to creating wealth, prosperity and power. There have to be significant reforms in labour and residency laws, taxes, capital, education, privatisation, and corporate governance – creation of a real Gulf Union (GU) is better than having a common currency," he said.

He added while he understood merits of the GCC countries to keep their population small to have bigger share of oil revenues in the short term, it would be in their best interest to think in long and global terms too.

"The merits of expansion outweigh the merits of

# Med Jones on GCC currency



● Mr Jones

protection. The oil will not last forever, policy makers must think about starting early to build a sustainable socioeconomic system based on diversified economic resources and

**"Do not blindly imitate the US economic and financial policies or any other policies for that matter. Leaders should study them and customise them to their own countries. You cut the jacket to fit the person, not cut the person to fit the jacket."**

human capital. Bahrain and Dubai leaderships are leading the GCC in that vision," said Mr Jones. "Their policies such as attracting foreign investments, allowing foreign ownerships, relaxing labour movement are steps in the right direction. Transcending the tribal and geographic borders to establishing a Gulf Union is

in the best interest of all of them. The UAE is one example of multiple states working together for the betterment of each other."

When asked if the region should decouple from the dollar peg? Mr Jones said, "Most GCC nations have pegged their currency to the US dollar. While this was beneficial in the past, it

will not be so in the future. Brazil, China, Russia, India, South Korea, South Africa, Iran and other countries have been in favour of using the International Monetary Fund's own currency – called special depository receipts (SDRs) – as a global currency, as an alternative to the US Dollar for international trade."