

# The South Korean Contribution to the Economic Development of the Middle East

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South Korea was able to maintain as a global leader in innovation, information, communication, leadership, public diplomacy, and other aspects. It positioned itself as one of the most innovative countries. Korea also had a significant performance in the research and development (R&D).

One of the people who had a huge influence on the economic development of South Korea was president Park Ching-hee. In 1961, he influenced the economic development. Graham (2003) president Park gave attention and priority to improve Korea's economy. Along with several advisors, he created the "Korean economic miracle" (Graham, 2003). This led to the large industrial groups in South Korea. For instance, Samsung is one of Korea's biggest chaebol (electronics, shipbuilding, construction, and insurance). In addition to, the Korean government played an essential factor through its systematic approach. Currently it was able to achieve an exceptional success in integrating extreme poverty reduction with continuous economic growth. The policies that were done by the government led to an increase in the gross domestic product (GDP). Moreover, Korea became the first former aid recipient to become a part of the Development Assistance Committee (DAC). Korea is setting a target to increase its official development assistance (ODA). It also acts as an inspiration for its development experience and positioned itself as having an effective international role (The World Bank In Republic of Korea, 2020). Moreover, South Korea has adequate resource materials as one of the high-income donor country. Also, it is ranked as the sixth largest prospective military power worldwide, in the Global Firepower rank. Therefore, it was able to secure its status as a middle power, in spite of the geopolitical challenges (Jeong, 2020).

On the other hand, The Middle East consists of 29 countries: Yemen, Egypt, Western Sahara, Saudi Arabia, UAE, Morocco, Libya, Turkey, Iran, Somalia, Cyprus, Tunisia, Oman, Kuwait, Syria, Sudan, Lebanon, Oman, Azerbaijan, Palestine, Somaliland, Oman, Qatar, Bahrain, Armenia, Mauritania, Jordan, Iraq, Djibouti, and Israel. Its total GDP is approximately 4.4 trillion USD.

Before 1950, the Middle East faced a decreasing level of its socioeconomic development. For instance, Egypt, one of the populous and modernized country, faced a festered Egyptian per capita income, in the first half of the 20<sup>th</sup> century. it lacked aspects of modern industry and relied heavily on cotton export. The agriculture faced a decline too. Additionally, in the Middle East, there was a neglect for human services that caused malnutrition and spread of epidemics. Education was also less than other developing countries, where illiteracy of adults reached 85% in 1939.

In the 1960s countries experienced a strong economic growth. It resulted in increased per capita income of the countries. even the GDP was low. This country faced economic, political, and social changes over the years. Including the increasing levels of military expenditures (Yousef, 2004).

the Middle East is known as the energy depository, it has a high-quality raw material and rare metals, and it is known to have a huge global role in politics and economics (Popov, 2017). It also has a large share of petroleum production and exports in the world. It faced a high unemployment rate. In addition to, it depends on importing foodstuffs, approximately 6% of the world food import (International Monetary Fund, 2020).

The MENA region was able to use its funds efficiently for the development. It is currently taking its steps to be developed. some countries are developed, while others are developing, through technological advancements, diversifying economies, and changing people's lives. For example, United Arab Emirates (UAE). Moreover, the education improved in this region where 1/3 of the population that aged 15-29 were literate. The Middle East is giving priority to provide education and employment to millions of youths. One of the most crucial conditions were the outcomes of the several conflicts and initiation of stability (Popov, 2017).

This region's economic performance in the next 20 years has weakened along with the increasing unemployment rates. This caused an initiation to create

economic reforms. Additionally, although the macroeconomic stability was achieved, the region failed to create growth rates. One of the challenges that the region is facing is the economic performance which is below its potential and poor living conditions (Abed & Davoodi, 2003).

### **ROK-Middle East relations**

After the Japanese colonial rule and the Korean war, South Korea was able to develop itself. It was able to create commercial, strategic, diplomatic, and leadership ties with the Middle East. This relation emerged in Park Chung-hee's rule. This relation started with economic relations to become diplomatic, people to people, and strategic. South Korea maintained its diplomatic relations with several countries in the Middle East, in the cold war. The bilateral cooperation started in the 21<sup>st</sup> century.

South Korean government, in 1960s, formed diplomatic relations with the countries in the region. In 1961, it also formed consular relations with Egypt. In 1962, Korea formed diplomatic relations with Iran, Jordan, Morocco, Saudi Arabia, and Israel. It formed diplomatic relations with 18 countries in the region (Yemen, Tunisia, Kuwait, Qatar, Egypt, Iran, Jordan, Oman, Algeria, UAE, Bahrain, Mauritania, Mauritania, Morocco, Libya, Lebanon, Iraq, Israel, and Saudi Arabia) 2 consulate generals, and 17 embassies. In addition to the diplomatic relations, the economic cooperation developed (Ministry of Foreign Affairs Republic of Korea, 2013).

The relations do not end in the hi-tech industry, but also a strong cooperation in agriculture took place. "smart farming project" is a joint project in 2018. It helped UAE harvest from a 1,000 square meters desert plot approximately 763Kg of rice, in 2020 (Lee & Janardhan, 2020).

### **South Korean and Middle East partnership**

South Korea and Middle East bilateral cooperation is heterogenous, but is mainly driven by economic interest and energy security.

South Korea's economic recovery is a development that most countries could learn from. This transformation is projected in Seoul taking part in the International Monetary Fund (IMF), in order to avoid external payment crisis. Also, it was shown in 2009 when it ranked the 13th worldwide with a GDP of US\$1.3 trillion and in 2019 when it reached the 12th with US\$1.6 trillion (Lee & Janardhan, 2020)

At first, South Korea and Middle East partnership focused on the construction and energy. Soon the Middle East's relation became crucial to Republic of Korea because of its dependency on the oil as a main tool for its economic development. Both sides relation became interrelated because of South Korea's increasing state capacity connected with the Middle Eastern countries aim to create reconstruction (post conflict) and economic diversification. Currently South Korea has relations with 18 countries in the MENA region. This relation was tightened and enhanced due to the increasing levels of visits between the Gulf Cooperation Council (GCC) countries (Iran and North Africa) and South Korea. These ties also were enhanced due to its bureaucratic and innovative capacity and its competitive human resources (Jeong, 2020).

Currently, the south Korean foreign policy in the Middle East is in an intersection. Endogenic and exogenic aspects take place. Endogenic as the president Moon Jae-in administration took the rule in 2017, it overlooked important policy choices that can impact South Korea. Also, the nuclear phase out policy by president Moon, created complicated proliferating nuclear energy cooperation and controversy in the Middle East. Oppositely, South Korea outstanding handling COVID-19 and the crisis management amplified its soft power and diplomacy. Exogenic, several factors. Such as, economic and political transition after the Arab spring, USA's sanctions and authorization on Iran, and irregular geopolitics of the region act as challenges for the Seoul policymakers (Jeong, 2020).

### **ROK-Middle East Ties**

#### **Energy and Economic Ties.**

There is a strong commercial tie between the two economies. This helped enhance the cooperation to maintain innovative oriented sectors, known as information and communication technology (ICT), food and water security, renewable energy, and healthcare. Moreover, these interests are carried on by the Korean family-run conglomerates (chaebols) and are the center of international cooperation with the region. As a recourse undersupply economy, Korea imports almost all of its energy to support these industries. For instance, liquified natural gas (LNG) and crude oil. The imports from the Middle East are approximately 73.5% and 40% respectively. South Korea is accounts one of the top three importers of LNG from Qatar (largest exporter) (Jeong, 2020).

### Energy mix and imports from the Middle East

In the Middle East, Korean companies have an important role. LG, Hyundai, Samsung, and other companies. These companies are taking part in oil, gas, renewable energy, construction, automobile, healthcare, medium-size business, and information communication technology. On the other hand, the Gulf governments depended on energy sector to control their societies and economies. Also, they took care of their own education facilities, healthcare, and infrastructure, in order to develop. Korea's Crude Oil Imports from the Gulf in 2019 (million barrels): Kuwait (151), UAE (89), Oman (0.4), Saudi Arabia (297), Iraq (118), Qatar (64), and Iran (33) Lee & Janardhan, 2020).

UAE chose South Korea in 2009, over France and USA to build the largest nuclear project in the world. This helped shift the attention to the "Miracle in the Desert" and "Miracle on the Han River". Energy security is the focus of Seoul's foreign policy towards the Middle East. The energy trade is considered the main aspect of the bilateral cooperation between South Korea and the Gulf countries. In 2018, Korea ranked the third largest importer of liquefied natural gas. Currently, South Korea ranks the eighth largest energy consumer and importer of crude oil. Along with the Gulf countries, Iraq and Iran supplied 45% of its LNG and 73% of its oil imports (Lee & Janardhan, 2020).

As stated by the US Energy Information Administration (EIA) in 2017, 44% of the energy consumption in South Korea consisted of petroleum, which is the highest percentage. Then coal which accounted 29%, 14% which is natural gas, 11% nuclear energy, and 2% is other renewable energy. Although there is an energy lack in Korea, it has the sixth largest refiner industry in the world and is home country for SK energy, S-oil, and GS Caltex. These are considered as three of the largest five companies with refine capacity. In addition to, oil concessions stake that Korea has. For example, GS Energy's 10% stake in Al Dhafra petroleum (UAE) and 3% stake in Abu Dhabi National Oil Company (ADNOC) Onsite concession (Jeong, 2020).

In 2019, Korea's overall consumption of energy decreased, due to the exports drop and the industrial output decline. The quantity of Korea's Coal, natural gas, and nuclear energy usage is increasing in relation to the oil usage, the oil usage fluctuated over the time because of the economic growth, demand and usage levels articulate oil prices, and export markets. South Korea depends

heavily on the Middle East for oil. This is because of the recent supply of 82% of the crude oil demand. 2019 faced a powerful cooperation between Saudi Aramco and South Korea in downstream industry. As means to advance 2 billion dollars merger between Daewoo Shipbuilding and Marine Engineering Company and Hyundai's Shipbuilding. Hyundai industries holdings sold 17% of its shares to Saudi Aramco in 2019, with a deal of 1.25 billion dollars. This allowed Saudi Aramco to be the second largest stakeholder of Hyundai oilbank. Additionally, this deal generated a synergy effect in broadening the Saudi Crude Oil supply to Asia and expanding the global footprint of Saudi Aramco in the downstream industry. On top of its previous investment in S-oil, Saudi Aramco signed a memorandum of understanding (MOU) with it for initiating Steam Cracker and Olefins downstream project for 5.8 billion dollars, in June 2019. At the same time, Saudi Arabian Industrial Investment Company (DUSSUR) and Saudi Aramco created 12 agreements that accounted multi-billion dollars with Korean companies. Such as, Hyundai Oilbank, GS Holding, Hyundai Heavy industries, Korea National Oil Cooperation (KNOC), and Hyosung Group. As collaboration for refining, shipbuilding, petrochemical projects, engine manufacturing, and expansion of a hydrogen ecosystem (Jeong, 2020).

Korea accompanies are also involved in gas and oil refinery projects in Iran. SK E&C signed an Iran oil refinery contract worth 1.88 billion dollars and an agreement to operate and build five new gas-powered plants worth 3.6 billion dollars, in 2017. Hyundai E&C won the tender to initiate a 500-MW power plant worth 500 million dollars in Zanjan (Jeong, 2020).

### **South Korea Nuclear Energy Cooperation with UAE and Jordan**

The South Korean energy cooperation with the region is helping some countries be able to diversify their energy mix. Korea officially showed an interest in being a nuclear energy technology exporter. During its Ministry of Knowledge Economy (Ministry of Trade Industry and Energy) announcement of the plan to export 80 nuclear power reactors by the year 2030. The first nuclear technology that Korea exported, was to UAE and Jordan in 2009. Furthermore, Daewoo E&C and the Korea Atomic Energy Research Institute (KAERI) were the principal contractors who succeeded the privilege of building Training Reactor (JRTR) and Jordan's first research nuclear reactor. The state-owned organization Korea Electric Power Corporation (KEPCO) gained the

contract to construct UAE's 5,600-MW Barakah nuclear power plant, that is worth 20 Billion Dollars. In 2016, a 5-MWt Jordanian nuclear research reactor worth 160 million Dollars was established. Its aim was to promote R&D, training nuclear engineers, and producing radioactive isotopes for medical research. South Korea's total investment in JRTR is approximately 82.8 million Dollars (Jeong, 2020).

UAE's Barakah nuclear power plant exhibits South Korea's first time to export the APR-1400 nuclear reactor. Approximately 3000 Korean workers at Hydro & Nuclear Power (KHNP) took part in building the plant. Additionally, a direct loan of 2.5 Billion Dollars was provided by Korean Eximbank. South Korea helped contribute to create the first power plant in the Arab region. The Barakah power plant is perceived to provide up to ¼ of UAE's electricity need and help contain 21 million tons of carbon emission/ year. This success was groundbreaking for Korea's nuclear industry. It showed how competitive South Korea is in comparison to other international nuclear energy present. Currently, there is a second nuclear plant project is being discussed in the region with Saudi Arabia. Furthermore, The Moon administration also proposed a "nuclear phase-out" policy. This includes Korea's efforts to export its nuclear technology (Jeong, 2020).

### **Construction, procurement, and engineering industry expansion**

The strong construction industry in South Korea contributed as a secondary tool that strengthened the bilateral partnership with the region. Engineering, procurement, and construction (EPC). Constructors capitalized flexibility, cost-effectiveness, and timely delivery of projects as means to gain an edge in the global market. Out of 10 top EPC companies, 3 are Korean. SK E&C, Samsung Engineering, and Hyundai Heavy industries. Since 2002 the region faced the highest value of Korean EPC contracts. Additionally, the Korean Eximbank had an essential role in financing huge projects in the region. Such as, Samsung C&T constructing Burj Khalifa skyscraper with Arabtec (UAE and Bexis (Belgium) as a joint consortium. Moreover, Hyundai E&C created a contract for 3.6 Billion Dollars for building the Sheikh Jaber al-Ahmed al-Sabah 13km causeway in Kuwait. Ranked the fourth longest bridge. Samsung Engineering built in Bahrain, a sewage treatment plant (award winning). Also, KHNP created an agreement in Saudi Arabia, with King Abdullah city for Atomic and Renewable

Energy (KA-CARE). This agreement entitles the construction of two pressured water system integrated Modular Advanced Reactor (SMART) that are 330-MWt. Units for electricity generation and seawater desalination. These partnerships growth is contingent for the international economy (Jeong, 2020).

### **ROK-Middle East Trade Relations**

South Korea also made use of the strong purchasing power in the Gulf region; it was able to explore new markets. Enhancing the bilateral economic projects in the strategic way. The trade relations between South Korean and the region increased relatively faster in comparison to other countries. for instance, the trade amounted US\$110 billion between 2011 and 2014. This is higher than 10% of Korea's total trade. In 2019, it decreased to amount US\$67.2 billion because of the decrease in oil prices. It is amounted for 6.4% of the total trade. Also, the share imports in Korea total trade with the GCC countries reached more than 80%. The exports of South Korea to the Gulf countries reached US\$9.4 billion in 2019. Which is 1.7% of the total exports of Korea. The exports included electronic devices and automobiles, steel-based building materials, construction equipment and machines, and other durable consumer products (Lee & Janardhan, 2020).

### **The ROK-Middle East Strategic & Diplomatic Relations**

Recently, South Korea was able to create strong strides in developing its diplomatic ties with the region. Jeong (2020) Precisely, frequent high-levels essential economic cooperation and visits with Saudi Arabia and UAE took place. This diplomatic relation is motivated by geo-economic interests. Accordingly, Korea prioritized enlarging the diplomatic relations with the largest oil-producing countries in the region.

Additionally, South Korea had a bilateral partnership with UAE that is deepened. The previous president Roh Moo-hyun was the first president to visit and sign an agreement related to the security cooperation with UAE. Known as the special strategic partnership with UAE. South Korea is the fourth greatest exporting partner of UAE. The relationship is important because it include a broad range of fields. Furthermore, President Moon in 2018 made UAE the first official Middle Eastern destination for him to visit. This visit elevated the diplomatic relations to special strategic partnership. The agreement included expanding the cooperation in medical tourism, renewable

energy, and healthcare. Also, to develop aviation routes among these countries (Jeong, 2020).

The South Korean Ministry of Small and Medium Enterprises and startups (SMEs), the Korean Intellectual property Office (KIPO), and the UAE Ministry of Economy signed an MOUs for the cooperation in intellectual patent and property management system and innovation. Moreover, South Korea's Ministry of Science and ICT and Abu Dhabi's Department of Economic Development signed an agreement to partnership in science and technology. Also, Korea's Ministry of Trade, Industry, and Energy and Abu Dhabi's Department of Energy ensuing a cooperation in the renewable energy. South Korea also will take part in Expo 2020 that is rescheduled because of the pandemic. Saudi Arabia and South Korea maintained a formal strategic partnership to enhance the bilateral economic ties, known as Saudi-Korean Vision 2030 in the G20 Summit. Its aim is to expand manufacturing, infrastructure, and technology industries, foreign direct investment, and manage 40 projects. The Saudi-Korean Vision 2030 committee is divided into five groups: healthcare and life science, SMEs, energy and manufacturing, capacity building, and smart infrastructure and digitization. For Saudi Arabia, Korea is a strategic partner that exerted efforts to advance the human capital resources and diversify its economy (Jeong, 2020).

South Korea had also strategic interest in Iran. The bilateral cooperation was in economics, politics, and people to people connection. There were several discussions to create joint economic commission and to strengthen the cooperation in education and public health. South Korea boosted its purchase of Iranian oil and became the second largest importer. This relation faced several challenges. Such as, the oil refinery and oil tanker attacks in Saudi Aramco and Fujairah in 2019 and the assassination of the former Iranian Revolutionary Guard Corps commander, Qassem Soleimani by the United States of America, in January resulted in additional ramping up of U.S. sanctions on Iran. Thus, affected the ROK-Iran relations. In addition to, the Iranian economy was damaged further because of COVID-19, Korea is attempting to send COVID-19 testing kits as a diplomatic gesture, but USA aimed to Blur the prospects of establishing the previous bilateral economic and trade relations through obstructing it by US sanctions (Jeong, 2020).

### **South Korea Security & Military Cooperation Arms Trade.**

As stated by Stockholm International Peace Research Institute (SIPRI), in 2019, Korea was the 10<sup>th</sup> largest arms exporter globally. The Korean volume of arms sales faced a jump of 143% in the previous five years. As means to search for international markets for its enlarged arms industry. The Middle East was one of the emerging markets. As SIPRI concluded, Turkey was the largest buyer of Korean arms. Moreover, the new arms market that Korea found were: Jordan, Egypt, Saudi Arabia, and Iraq. The K-9 Thunder, a dynamic 155-millimeter howitzer, is one of the most well-known arms that are sold from Korea. Saudi Arabia as a new market for Korean munitions, bought Raybolt antitank missiles. Furthermore, Korea participated in the International Defense Exhibition & Conference (IDEX), the only international Defense exhibition in the region. It promotes the arms sales. Poongsan one of the Korean arms manufacturers exported 82.7 million dollars ammunitions to the MENA. The Military to military and Defense cooperation and partnership between Korea and Middle East. Korea became a huge player in managing international security. It helped provide troops to the UN peace keeping. Also, it did several multilateral operations through being a major arms exporter (Jeong, 2020).

### **Development in the Middle East**

South Korea took part in providing peace and security in the Middle East. This happened through the multilateral operations and troop contribution in the UN. After the US invasion in Iraq, to help with construction, Korea sent air force and army to Kuwait and Iraq in 2004 and 2008. Moreover, Seoul contributed through peacekeeping forces to the UN Interim Force In Lebanon (UNIFL). Also, South Korea deployed its military overseas for the bilateral defense and security cooperation in UAE (Jeong, 2020).

### **People-to-People relation**

South Korea was one of the greatest country to have middle power, it hoped into the tide of the Korean wave (hallyu). Which helped the culture of Korea be popular globally. In the Park Geun-hye administration the cultural diplomacy was one of the main pillars. As an elaboration, the culture is the forefront of Seoul public and cultural diplomacy worldwide. In the Middle East the government firstly created a Korean Cultural Center (KCC) in Cairo, in 2014. The second center was in Abu Dhabi, in 2016. These centers help promote the

Korean language, history, and culture to the foreign publics through the cultural events (promote the cultural diplomacy), cooking, arts, and language courses. additionally, the Park administration formed bilateral cooperation through the halal food with UAE. As a result, Korea exports of agriculture products in the Organization of Islamic Cooperation (OIC) countries developed to 8.8%. also, the amount of total exports reached 913 million dollars in 2016 (Jeong, 2020).

### **The Middle East and the Korean wave (Hallyu)**

The Korean Drama captured the attention of the Middle Eastern. For instance, winter sonata, jumong, and Dae Jang-geum overtook the TV ratings in Jordan and Iran. They reached 90% viewership in Iran. This wave “hallyu” started to be globally recognized during the “Gangnam style by PSY” song. It went viral over the internet and became the highest played videos around the world. It reached 1 billion views in YouTube. In addition to, the famous boy groups, like BTS and EXO caused a K-pop sensation around the Middle East, especially in Saudi Arabia and Dubai. BTS also were the only and first K-pop group to hold a concert in Riyadh. Also, the first to perform solo concert in Saudi Arabia. The movies too had a worldwide influence because of the movie “Parasite” (Jeong, 2020).

### **Tourism and Healthcare cooperation**

Cultural tourism is also one of the promising industries in Korea. The Middle Eastern tourists’ inflow is moderate. Also, according to the figures by Korea Tourism Organization starting from 2004 there is an upward trend. Healthcare is one of the strongest partnerships between Korea and Middle East. An MOU on healthcare partnership was signed by UAE and Korea. UAE sent approximately 8,000 Emirati for medication in Korea, by 2018. Also, a bilateral healthcare was developed between both, including training professionals in the healthcare field. Also, the cooperation with the Middle East includes promoting the healthcare system and medical equipment in Korea, build hospitals, and train healthcare professionals. It reached Iran, Qatar, and Saudi Arabia (Jeong, 2020).

### **ROK-Egypt Relations**

The Egyptian President also expressed yearning to develop investment and trade relations in several huge developmental projects in Egypt, including the

Suez Canal Economic Zone. Also, President Moon and President Sisi agreed to increase the amount of Korean investment in Egypt. an increase in officials visits will take place. Also, both countries will promote the joint partnerships and enhance the exchange experiences in health, in order to overcome coronavirus (Ahram, 2020). Egypt and Korea trade exchange reached \$1.59 billion in 2019. This trade included electronic goods, ready-made clothes, furniture, engineering, medical industries, fertilizers, and chemical products (Trade exchange between Egypt, South Korea hits \$1.59B in 2019. EgyptToday, 2020).

Korea in 2019 was seeking to create a Free Trade Agreement (FTA) with Egypt, in order to provide high-quality products with a competitive price. Also, to create investments in Egypt as means to introduce technology and production facility of key industries. South Korea has huge names of its industries in Egypt. such as, LG and Samsung. Their plans in 10<sup>th</sup> of Ramadan cities and Beni Suef, exported goods made in Egypt worth \$700m, which is 90% of Egypt's electronic exports. Also, as the water is one of the vital aspects of Egypt. Korean Doosan Heavy Industries will increase its investments in the area of desalination. Also, both Koreans and Egyptians understand each other. Young Egyptians love K-food, K-drama, and K-pop. Korea's public diplomacy team along with the embassy created a YouTube series known as "Assalam Alaykum, Cairo) (Hello Cairo) (Omran, 2019).

Moreover, there are several Korean organizations that want to invest in Egypt. for instance, POSCO aims to construct a power transmission plant in the new administrative capital. Also, LG Electronics wants to invest US\$15 million in Egypt (20 South Korean companies looking to invest in Egypt. Enterprise, 2019). In addition to, the expansion of technological universities in Egypt between both countries, in order to grant women economic power (Mashat meets with South Korea's Cairo ambassador to discuss cooperation. Egypt Independent, (2020).

### **Future of South Korea's relation to the Middle East**

It is perceived that Korea's energy import dependence is expected to increase in the upcoming years. This is because the petrochemical capacity of the country will need increased amounts of condensate, either as raw material or to produce flammable liquid for refining. Also, because the president Moon's

energy policy reforms. Where it aims to replace the coal-fired thermal power plants and nuclear power with natural gas consumption. Additionally, President Moon promoted the investment in the next-generation technologies. Also, supporting the start-ups and SMEs, in order to unlock prospective of the fourth industrial revolution. The president is also keen on supporting the local firms as means to win contracts in the Middle East, in intelligent transport systems (ITS), airports, and smart cities development. In addition to, promoting cooperation and investment in space development, semi-conductors, information and communication technology (ICT), and artificial intelligence (AI) (Bianco, Naji, & Raafat, 2021).

### **Conclusion and Recommendation**

Firstly, the Korean commercial ties with Iraq and Iran were affected because of the US policy and the geopolitical factors. For instance, the EPC and hydrocarbon deals were distraught because of political tension and bureaucratic barriers. Secondly, the COVID-19 pandemic affected the EPC, gas, and oil projects, where it caused delays. Thirdly, the fluctuating oil prices could cause an effect on the Korean organizations that work in the industry. Fourth, the domestic economic reform that is lagging in the Middle East could form a challenge for Korea. According to Jeong (2020) the challenges that Korea is facing are geopolitics, nuclear energy policy, and economy. Fifth, the trade deficit that Korea is facing in the gulf.

It is recommended to increase the research on this topic in order to find opportunities for Korea in the Middle East.

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