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## The GCC Briefing

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Last week will be remembered, inter alia, for the following events in the areas of politics, economics and the security of GCC states: **Qatar called for UN body to investigate war crimes in Syria; Bahrain's security forces clash with violent supporters of Ayatollah Isa Qassim; Egypt launched a massive media attack against Saudi Arabia.**

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**Qatar called for UN independent body to probe war crimes in Syria.** It proposed a draft resolution to the UN General Assembly to set up an impartial international instrument that would punish Syrian war criminals. As a result, the UN created a special team to collect cases of war crimes in Syria. Qatar and Saudi Arabia praised the General

Assembly's decision to establish the team which is expected to be a deterrent against further war crimes against Syrians.

**Bahrain's security forces clashed with violent supporters of Ayatollah Isa Qassim.**

Attempting to prevent Ayatollah Qassim's arrest, several youths threw stones at the police who responded with tear gas. No casualties reported.

**Egypt launched on unprecedented media campaign against Saudi Arabia.** *International News* called King Salman "His Majesty the Traitor." The reason for Egyptian contempt is Saudi Arabia's visit to Ethiopia and the funding for the Ethiopian Renaissance Dam that would reduce Egypt's share of Nile waters. As a result, tension has emerged between the two states.

## **Saudi Arabia**

**Politics: Saudi Arabia called for an immediate end of the slaughter in Aleppo.** It charged President Assad's adherents with committing war crimes. Also it accused Iran of interfering in the affairs of other states, including Syria, to gain more influence in the Middle East.

**Economy: Saudi Arabia is to boost spending in 2017 as it cut into huge state deficit.** It managed to cut into its huge state budget deficit this year successfully and will increase government spending next year to promote flagging economic growth. King Salman asserted that the Saudi economy is strong, stable and capable of tackling current economic and financial challenges.

**Security: The Saudi-led Arab coalition is to stop using UK-supplied cluster munitions in Yemen.** Saudi Arabia officially stated that they were used against legitimate military

targets, rather than areas populated by civilians, to defend Saudi towns and villages against attacks by Houthi rebels. Saudi Arabia denies violating international law as it had not signed the cluster munitions convention. The decision was made right after the British Prime Minister Theresa May's attendance of the GCC Summit where she announced deeper UK-GCC defence cooperation.

**Security: Saudi Arabia began to build military aircraft.** It followed Ukraine's unveiling of its new AN-132 built in cooperation with Saudi Arabia, which owns 50% of the intellectual property.

## **Bahrain**

**Politics: Bahraini authorities questioned Nabeel Rajab over a Le Monde article.** Rajab is imprisoned for incitement and is now being questioned from prison for spreading disinformation about GCC states enabling Islamist extremism.

**Economy: The Crown Prince chaired the Economic Development Board meeting.** He stressed such points as the importance of venture capital funding, which promotes diversification of the economy; the significance of the regulatory reform in the telecommunications sector that creates high quality jobs for citizens; the important role of facilitating sustainable investment; the government's commitment to growing cooperation between the public and private sectors to promote even greater growth in Bahrain's top sectors.

**Economy & Society: Bahrain revoked a sponsorship system for foreign laborers.** The new system, being a part of the Kingdom's comprehensive labour market reform project, aims to meet the needs of the state's modern economy. Also the modernised, contract-based system "guarantees greater flexibility, freedom and protection" to Bahrain's foreign workers.

## Kuwait

**Politics: Kuwait secured the release of its four citizens detained in Iran for unknown reasons.** To fully grasp the tense relations between the two countries, it must be recalled that in January a Kuwaiti and an Iranian were sentenced to death by a Kuwaiti court for spying for Iran and Lebanon's Shi'ite group Hezbollah.

**Economy: Kuwait's foreign trade surplus shrank by 20% in the third quarter of 2016.** Low oil and gas prices continue to have a negative effect on the national economy.

**Security: Kuwait stepped up embassy security after the assassination of the Russian Ambassador to Turkey.** Additional measures, including the installation of more CCTV cameras, were taken around embassies in the state, with particular attention to the Russian embassy.

**Security: Kuwait expects \$1.7 billion tank deal with the USA.** The USA approved a possible foreign military sale of 218 battle tanks, together with equipment and training, to Kuwait. The latter needs them to upgrade and extend the service of its fleet of tanks.

## United Arab Emirates

**Economy: UAE Oil Minister, Al Mazrouei, called production cuts positive for prices.** Once investors ensure that OPEC is implementing an agreement to cut production to curb the global glut, oil prices will rise even more. He asked the other OPEC members to

follow the GCC states' example and inform their customers about new lowered production targets.

**Security: UAE and USA complete a joint military exercise in Abu Dhabi.** The five-day Iron Claw 2 drill was intended to enhance joint operational coordination and uphold the one-team spirit under a common strategy: to increase combat readiness and cope with various types of sophisticated arms and equipment.

**Security: 'GCC must keep track of the growing threat of ballistic missiles in the Gulf and create a GCC-wide missile defence system to guarantee its security'** as stated by Frank Rose, Assistant Secretary of Arms Control at the US State Department, at the USA-UAE Business Council dinner in Abu Dhabi.

### Oman

**Politics: Oman hosted a visit of US Secretary of State John Kerry for Yemen talks.** He discussed the urgent need for a ceasefire and for fulfilling the roadmap to peace, as well as US-Saudi ties with Oman's Foreign Minister Yusuf bin Alawi.

**Economy: Oman projected a 3.3 billion riyals budget deficit for 2016** due to declining revenues caused by a slump in global oil prices. At the moment, the deficit is some 4.8 billion riyals but the government intends to reduce it by cutting expenditures.