

News & Analysis

Saudi-British relations remain on solid ground

Fahad Nazer

Washington

Images of soldiers from Gulf Cooperation Council (GCC) members hoisting their respective nations' flags at a ceremony in March marking the end of military drills were the latest reminders of the close and multidimensional relations that have developed between the United States and the GCC.

For most of the predominantly young populations of those Arab countries, the United States is probably the first Western country that comes to mind when they think of a strategic, and perhaps indispensable, Western ally. However, until the early 1970s, it was the United Kingdom that had a pervasive presence in the region.

■ The history of British-Saudi relations can be traced to before the founding of modern-day Saudi Arabia in 1932.

With the exception of Saudi Arabia, most GCC countries and the Yemeni port of Aden were either formal British protectorates or enjoyed close political, military and economic relations with Britain.

While Britain never exercised that same level of influence in Saudi Arabia, the founder of modern day Saudi Arabia, King Abdulaziz Al Saud, was well aware of Britain's dominance in the world and its presence and influence in the region and was keen on establishing and maintaining good relations with the country.

The history of British-Saudi relations can be traced to before the founding of modern-day Saudi Ara-

bia in 1932. Showing the pragmatism that would characterise Saudi foreign policy, King Abdulaziz cultivated relations with Britain.

British military assistance and advisers would play an important role in the development of the Saudi state. However, the second world war took a toll on the British Empire and Britain was replaced by the United States as the predominant power in the world.

The United Kingdom continued to play an important role in the countries of the region. The strain in relations created by the 1956 Suez War in which Britain, France and Israel attacked Egypt notwithstanding, relations between Saudi Arabia and Britain have endured. A recent visit by British Prime Minister Theresa May underscored the mutually beneficial relationship, which garners wide support from current and former officials in both countries.

Saudi Arabia is Britain's largest market in the Middle East, comprising 20% of exports in goods and services to the region in 2011. Overall bilateral trade is estimated to be \$18.7 billion per year. The government estimates that more than 6,000 British companies are actively exporting to Saudi Arabia.

Britain is also the second largest cumulative investor in Saudi Arabia, after the United States. There are an estimated 200 British-Saudi joint ventures with a total investment of more than \$13.5 billion. Saudi Arabia is also a source of investment into the United Kingdom, where it has an estimated \$77 billion invested.

Britain and Saudi Arabia are seeking to deepen economic cooperation. Last year, Saudi Arabia announced an ambitious package of economic and social reforms known as Vision 2030 that seeks to limit the kingdom's dependence on oil revenues. A major component for the success of the initiative is at-



'We must not forget'. Saudi King Salman bin Abdulaziz Al Saud (R) awards the Order of King Abdulaziz to British Prime Minister Theresa May in Riyadh, on April 5.

(Saudi Press Agency)

tracting direct foreign investment.

May met with the Saudi Deputy Crown Prince Mohammed bin Salman bin Abdulaziz, who is the architect of Vision 2030 and the head of the Economic and Development Council.

The British government has identified Saudi Arabia as a "High Growth Market". At the same time, having voted to leave the European Union and its multilateral framework, Britain appears keen on strengthening bilateral economic cooperation. With that as a goal, May had meetings with Energy Minister Khalid al-Falih.

May and Saudi King Salman bin Abdulaziz Al Saud talked and May was awarded the Order of King Abdulaziz. May also met with Princess Reema bint Bandar Al Saud, who is leading an effort to push physical education and sports among girls and women.

The British government high-

lighted what was accomplished during the visit, including an important advisory role that Britain was providing to Saudi Arabia regarding reforming its Ministry of Defence as well as its health care and educational institutions.

■ Overall bilateral trade is estimated to be \$18.7 billion per year.

Prior to May's visit to Riyadh, the spokesman for the Arab coalition supporting the government of Yemeni President Abd Rabbo Mansour Hadi to regain control of the country, was harassed by protesters in London on his way to a speaking engagement. The activists appeared to object to the war effort.

However, it appears that May and the senior officials have a more nuanced understanding of the conflict

that had taken on the characteristics of a civil war at least six months prior to Saudi Arabia's intervention in March 2015.

While critics have proposed reducing Britain's support for the Saudi war effort and others have questioned the utility of the relationship altogether, it has not endured by happenstance. In a statement released by her office, May made sure to remind the detractors that "we must never forget that intelligence we have received in the past from that country has saved potentially hundreds of lives in the UK."

There is little doubt that this relationship will continue to grow and strengthen for the foreseeable future.

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Qatari pays \$2M to try to free royals abducted in Iraq

Jon Gambrell

Dubai

A member of Qatar's ruling family has paid \$2 million to a Greek shoe salesman's firm to secure "proof of life" and ultimately free relatives and others kidnapped in Iraq more than a year ago, presumably by Shia militiamen.

The payment, disclosed in US Justice Department documents examined by the Associated Press, shed light on the opaque world of private hostage negotiation in the Middle East in a case that involves hackers, encrypted internet communications and promises of millions of dollars in ransom payments.

The rare disclosure suggests Qatar could be trying to be more transparent with the United States, its main Western ally. The energy-rich country has long faced allegations of not doing enough to stop money from reaching Islamic extremists, including those fighting alongside rebels in Syria.

"I just wonder if this is some way of twisting Qatar's arm to try to break off its funding, supplies and so on to these sorts of groups," said Christopher Davidson, a professor of Middle East politics at Durham University in Britain. "For them still to be missing all this time indicates it's not just about money."

The Qatari, Sheikh Khalifa bin Fahed bin Mohammed al-Thani, signed a contract dated March 8 with a San Diego-based firm called Global Strategies Council Incorporated, according to documents filed with the Justice Department under the Foreign Agents Registration Act. The contract called for a \$2 million payment up front, a large sum that is rare among organisations filing these disclosures.

The contract calls for the group "to obtain proof of life", speak to government agencies and "attempt to negotiate with captors for the release of captive members of the royal family of Qatar."

Though not naming the Qataris held, the documents provide the first Qatari acknowledgment that those kidnapped included ruling family members.

■ A Qatari sheikh signed a contract with US-based firm Global Strategies Council Inc.

Sheikh Khalifa, chairman of KBF Trading and Contracting Company in Doha, did not respond to requests for comment.

Asked about the \$2 million payment, Qatar's Government Communications Office issued a statement saying the US firm was "retained by a Qatari citizen acting in a private capacity."

"We consider the hostage issue

in Iraq of the utmost importance and it remains our top priority," the government said. "We continue to engage in securing their safe release."

The December 16, 2015, abduction happened at dawn at a desert camp near the Saudi border in the southern Muthanna province, 370km south-east of Baghdad. Gunmen kidnapped two dozen Qataris and support staff who were taking part in a falconry hunt. In April 2016, the Qatari Foreign Ministry said one of the hunters and "his Asian companion" were freed but no word of the hostages has been made public since. The United Nations has said children were among those seized.

Iraqi officials say they have no new information about the kidnapping but suspicion has fallen on Shia militias. Muthanna is a predominantly Shia province and is not a region where the Sunni extremists of the Islamic State (ISIS) group are known to operate.

Kidnappings for ransom have plagued Iraq for years following the 2003 US-led overthrow of dictator Saddam Hussein. Qataris in Iraq have proven tempting targets. Their small, peninsular country, which will host the 2022 FIFA World Cup, has grown wealthy from its natural gas deposits.

Qatar also has flexed its political muscle in the greater Middle East. It launched the satellite news network Al Jazeera and supports rebels fighting to overthrow Assad, who is supported by Shia regional

power Iran.

Qatar reportedly has been involved in facilitating ransom payments to free Westerners in Syria held by the local al-Qaeda franchise as well, said David Andrew Weinberg, a senior fellow at the Washington-based Foundation for Defence of Democracies.

■ The payment shed light on the opaque world of private hostage negotiation in the Middle East.

"Qatar has occupied a very politically tenuous space on the issue of hostage releases in the Middle East," said Weinberg, who has testified before the US Congress on hostage payments. "It's particularly uncomfortable for the Qataris that they have been so successful as a sought-after party for help freeing Western hostages when they themselves are unable to work the same magic."

Qatar remains an important Western ally, hosting 10,000 US troops and the forward headquarters of the US military's Central Command but Western officials have accused Qatar of allowing or even encouraging funding of Sunni extremists like al-Qaeda's branch in Syria, once known as al-Nusra Front.

Qatar hosts "these Kuwaiti and Saudi preachers who go to the mosques and say, 'You can perform jihad with your wallet,'" Da-

vidson said. "We know that Qatari authorities turn a blind eye to that. They know the sympathies of many of their citizens."

Qatar denies funding extremists, though it is a key financial patron of the Hamas-controlled Gaza Strip and has been the home of exiled Hamas chief Khaled Meshal since 2012.

It is unclear how Sheikh Khalifa made contact with the Global Strategies Council, which lists its director and CEO as Miltiade "Miltos" Goudamanis, a Greek national who holds US citizenship. Goudamanis works as international sales director for House of Brands, a San Diego-area shoe company, and is associated with a website called Naughty Monkey, which sells women's shoes. He and a lawyer listed for the council did not respond to requests for comment.

In recent weeks, the group apparently backed hackers who started a social media campaign and launched a website seeking information on the kidnapped Qataris on the darknet, a part of the internet hosted within an encrypted network and accessible only through specialised anonymity-providing tools. The darknet site asks: "Do you have a tip worth 25 million euro (\$26.5 million)?"

"We understand money will always be a part of any equation," another social media post reads. "There is ALWAYS room for negotiation regarding any detail."

(The Associated Press)