



## *European Union - Gulf Cooperation Council Relations and Security Issues: Broadening the Horizon*

*March 21–25, 2007*

*Florence – Montecatini Terme*

*Conference co-sponsored by:*



In the framework of the 8th Mediterranean Social and Political Research Meeting held in Montecatini Terme from March 21 – 25, 2007, the Gulf Research Center organized a workshop under the topic of “European Union - Gulf Cooperation Council Relations and Security Issues: Broadening the Horizon.” The workshop brought together 12 paper presenters from various disciplines and background and well as several other listeners to discuss in more detail what sort of security role could be envisioned in the volatile Gulf region given the area’s lack of a developed security architecture and the pressing problems it currently faces. Participants came from both Europe and the Gulf region.

The rationale behind the workshop theme was that while EU-GCC relations have largely been defined by economic and trade ties, the perpetuation of a security dilemma in the Gulf region is necessitating a differentiation in thinking from European policy-circles. Following over a quarter-century in which the



### *In This Issue*

#### *Events*

**1**

European Union – Gulf Cooperation Council Relations and Security Issues: Broadening the Horizon. Workshop in the Framework of the Eight Mediterranean Social and Political Research Meeting

*Florence – Montecatini Terme,  
March 21-25, 2007*

#### *Araa/Gulf Views*

**4**

Positive Steps for Better GCC-EU Relations

*Dr. Christian Koch*

#### *Insights*

**6**

Education and GCC-EU Relations

*Prof. Gerd Nonneman*

GCC-EU Relations in the Areas of Trade and Investment

*Dr. Abdulaziz Alhweisheq*

#### *Resources*

**12**

Ministerial Communiqué from 17th Session of GCC-EU Joint Ministerial Meeting held in

*Riyadh, May 8, 2007*

Interview with Germany’s Foreign Minister

*Franz Walter Steinmeier*

#### *Chronology of Events*

**18**



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Gulf region has experienced numerous and continuous threats to its stability, it has become increasingly evident that continuing on the present path of security inter-relationships among impacted actors will not resolve the dilemmas faced by the region and instead lead to a continuation of the crisis cycle. As far as Europe is concerned, it has also led to a consideration about a broader and more defined role that the EU could play as a security actor.

But while the security aspect has gained some credence in policy circles, it remains a field that is largely undefined and particularly understudied from an academic perspective. This is partly due to the fact that the security term as such remains very narrowly defined and applied within those boundaries fails to address many of those aspects wherein an European role would be both possible and substantially promising. In addition, there is a lack of a comparative approach to look the development of the relationship between the GCC and the EU and how this relates to the security parameter.

The workshop thus highlighted the lack of a theoretical approach to the subject matter and sought to provide more empirical insight into various aspects of the European approach to the region from a security-based perspective. In addition, the aim was to provide a comparative context into which it becomes possible to frame a more solid base for understanding European policy in the region, and through the use of case example illustrate how the present cooperation can be expanded



the Gulf and an examination into how the interaction between the member states of the Gulf Cooperation Council and the European

*Following over a quarter-century in which the Gulf region has experienced numerous and continuous threats to its stability, it has become increasingly evident that continuing on the present path of security inter-relationships among impacted actors will not resolve the dilemmas faced by the region and instead lead to a continuation of the crisis cycle.*

Union had developed so far, the workshop focused on such questions as to whether the EU can serve as a model for the GCC states

and if so in what context, and on another level, how the EU itself deals with security issues and where the GCC could fit in. Specific focus was given to strategies whereby a security counter-balance could be achieved, the role that soft security issues play in promoting confidence-building and whether the concept of trans-regional relations offer an alternative approach. Specific

emphasis was also given to the Istanbul Cooperation Initiative of NATO, the possible role that Turkey could play, what the two sides could do to handle nuclear proliferation and whether the Euro-Mediterranean Partnership could serve as a conceptual model.

The paper presentations initiated a lot of debate which focused on areas such as the credibility of the EU and the GCC as actors, the need to differentiate in the types of threats that one is talking about, the linkages between the external and internal environment, and the need to focus us on issues rather than generalities. In the end, participants agreed that there was indeed a role for Europe to play but one that would be quite different from the current level of expectations that have already been raised.

The twelve papers presented will be put together in an edited volume to be published later in the year.

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and improved upon. It all of these instances, it brought together different perspectives from within Europe and the Gulf in order to enlarge the debate and identify existing insufficiencies.

Following an introduction into the security challenges faced by

## *Positive Steps for Better GCC-EU Relations*

The 17th session of the Joint Council between the European Community and the GCC states was held on May 8, 2007 in Riyadh. Since the previous joint council meeting in Brussels in May 2006, expectations had been high that the Riyadh meeting would produce the long-awaited Free Trade Agreement (FTA) and thereby carry the relationship between the EU and the GCC to a new level. This, however, did not happen. Instead, the final communiqué simply referred to the fact that “important progress has been made,” that “the parties are getting closer to an agreement,” that the joint council “reaffirmed its commitment to such an agreement,” and finally to encouraging “negotiators to further intensify their efforts to reach a mutually satisfactory outcome in the near future.”

On the surface, such statements sound glaringly similar to the ones from past meetings where progress was announced leading to optimism that the negotiations would be concluded soon. Too many times, officials and negotiators suggested that the agreement would be signed “this year” or that negotiations would be concluded “by year’s end.” Certainly

from such a perspective, the EU-GCC joint council meeting once again failed to deliver. It was possibly also the reason why press reports prior to the ministerial meeting were minimal, almost as if to keep expectations low and then not to have to confront the disappointment of an FTA that once again was not finalized.

Yet, it would be too easy to simply say that because the council meeting did not produce the final treaty, the meeting had failed. Looking at the developments in the GCC-EU relationship over the past year and reading the final communiqué closely suggests that indeed progress is being made. More importantly, the discussions have broadened to include issues that are not dependent on a free trade agreement being in place, thereby underlining the willingness and determination by both sides to look beyond the FTA and see

what else can be accomplished. This by itself is an important development that should not be underestimated.

On the FTA itself, the two sides are as close as ever. First, it needs to be remembered that while many have lamented the long period during which this agreement has been under consideration, the fact remains that once concluded, the EU-GCC FTA will represent a precedent as the first free trade agreement negotiated between two multilateral groups. Second, progress has indeed been made and the past year has witnessed numerous technical

meetings in which both sides have bargained hard for their respective positions. What became clear in these bargaining sessions is that both sides do not want an agreement that simply looks good on paper but an agreement that actually works. Third, the political will that has often been missing in the past has been clearly visible under the German EU presidency with an intense effort to move negotiations forward. In this context, the statement by the GCC Secretary-General Abdul Rahman Al-Attiyah that the upcoming June meeting between GCC and EU

negotiators would be “the one that will wrap up discussions” is certainly encouraging and suggests that negotiations are truly coming to an end.

Outside of the FTA discussions, what might be more important is the fact that the joint communiqué underscores the shared political will by both sides to strengthen their relations and deepen cooperation in “all areas” covered by the 1988 Cooperation Agreement. Up to this point, the stalemate over the FTA was often seen as barring the two sides from considering other proposals, thereby acting as a sort of mental block that prevented other ideas from being considered. The meeting in Riyadh, however, made it clear that both the GCC and the EU are determined to regain the initiative and look at where the relationship can be transformed into something “concrete” and “practical.”



*GCC Secretary-General Abdulrahman Al-Attiyah, EU's External relations Commissioner Benita Ferrero-Waldner, and German Foreign Minister Franz-Walter Steinmeier at the GCC-EU Joint Council meeting in Riyadh in May 2007*

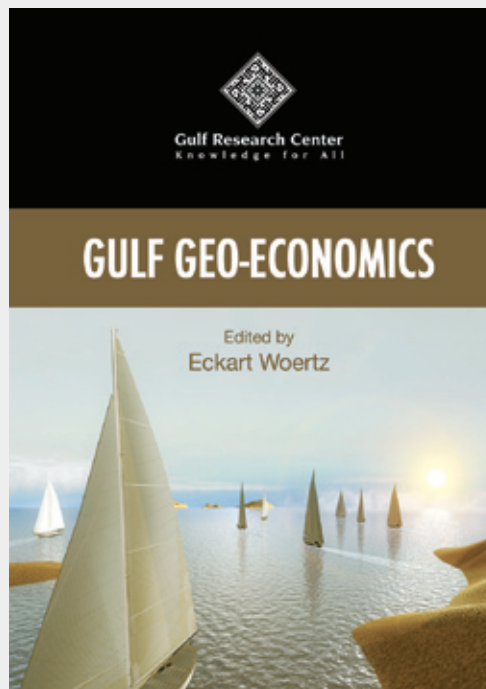
Far from being complacent, the EU and the GCC have engaged in a number of expert meetings since the beginning of 2007 to look at specific fields of cooperation. This included a joint cooperation committee meeting in February, a regional director's meeting in March, an expert level dialogue on the effects of climate change in January, and an energy expert group meeting at the end of April. Later in May, the two sides held their fourth joint seminar on combating terrorist financing in Doha while a second economic dialogue meeting was also agreed to. This is indeed momentum that can be capitalized upon.

Equally important is the fact that the concept of "decentralized cooperation," first mentioned following the 1995 Granada meeting, has been revitalized with emphasis being placed on promoting cooperation between universities in both regions, with the creation of a "Gulf window" within the EU's Erasmus Mundus program for students from the region and with the opening to GCC participation within the 7th EU Framework Research program in the fields of science and technology. Furthermore, there was agreement to strengthen the cultural dialogue between the two sides. In fact, the communiqué devoted an entire paragraph to this issue and the Alliance of Civilizations initiative.

It is important to ensure that many of these ideas are implemented so that progress does not remain limited to statements which sound good. The efforts to promote stronger and deeper GCC-EU ties appears to be bearing fruit and both sides will be well advised to follow through on their agreements. It is worth noting that cooperation can still be expanded further. For example, on decentralized cooperation, the establishment of youth and academic networks as well as exchange programs between journalists should be considered. At a more technical level, the EU can extend its assistance to support GCC integration efforts such as in the implementation of the GCC common market planned for the end of the year. Regionally, the EU and GCC should focus on development projects in both Yemen and the wider Mediterranean region as a contribution to stability and economic advancement. These are areas of vital concern for both sides and the combination of financial assistance and practical expertise from the EU and the GCC can go a long way to add to regional security.

The overall timing of the recent EU-GCC meeting could not have been more opportune as the region continues to be faced with numerous challenges which require positive action. The pronouncements from the meeting certainly point into that direction with many areas highlighted where cooperation and progress is possible. As such, the joint council meeting must be seen as a step in the right direction (see text of the communiqué in this issue).

**FORTHCOMING PUBLICATIONS**



*Edited by Dr. Eckart Woertz:  
Gulf Geo-Economics*

The integration of the Gulf Cooperation Council (GCC) countries into the world economy is increasingly multifaceted. Although oil and gas revenues are still of paramount importance, the GCC countries have developed a diversified economic structure with new sectors emerging in the fields of petrochemicals, heavy industries and services. Apart from new import requirements for these industries, the focus of the GCC's trading relations has moved eastwards. The US only accounts for 10 percent of imports nowadays while the European Union and Asia each roughly contribute one third of overall imports. Furthermore, Asia purchases about two-thirds of GCC energy exports. This has naturally raised questions about potential political realignments although Asia still lags far behind Western markets in terms of cross border investments.

## EU-GCC Cooperation in Education: Rationales and Avenues\*

The following is a shortened paper of a presentation made during the workshop on “The EU and the GCC: Challenges and Prospects for Cooperation in 2007”, held in Berlin, January 30, 2007. The workshop was sponsored by the Bertelsmann Stiftung, the German Federal Foreign Office and the Gulf Research Center.



Prof. Gerd Nonneman\*\*  
Exeter University

Prioritising an expansion of EU-GCC cooperation in the education sector makes eminent sense from a range of perspectives, but four rationales perhaps stand out. First, mutual misconceptions between the two groups of states and their populations and opinion-makers remain rife. This is not only of cultural importance, but clearly has political implications as well, linking to views of each other’s political dynamics and foreign policies and to the treatment of each other’s citizens. This is not, in other words, merely a ‘soft’ issue but has some very hard implications. Second, human development needs in the GCC remain huge, from the intertwined perspectives of economic development, diversification, and sustainable job creation for the ‘youth bulge’ that is confronting these countries. Third, remarkably, the GCC has thus far been largely left out of EU attention in the education sector (contrary to the attention received from US institutions for instance). And fourth, there are unquestionably significant opportunities for the EU education sector.

### The Current Situation

The current situation is characterized by, again, four main features. First, the Gulf education sector has been, and is, expanding dramatically, but this must be qualified by the observation that there are continuing quality issues over teaching staff (too often still inadequately trained in the sort of learning teaching and

methods that the GCC states’ present and long-term needs demand – especially at primary and secondary level, but to an extent also beyond), and over the academic and learning environment (which remains by and large too restrictive in terms of creativity and intellectual inquiry). Moreover, the distribution of subjects taught remains skewed in ways that don’t necessarily serve either current or long-term needs of these societies and economies; and (focusing on the immediate subject of this discussion for a moment) there is still only limited attention for European Studies.

The second feature is that US institutions are quite advanced in taking advantage of the openings that such needs present – with such activity being especially striking in the UAE and Qatar, but also beyond. By contrast, comparatively few European educational institutions have been represented in this expansion of foreign educational and academic presence in the Gulf States.

Thirdly, one cannot but note the still very limited extent of Gulf studies in Europe – a few striking exceptions notwithstanding. This not only fails to help ameliorate mutual misconceptions, it also undermines European interests in the political and economic realms.

Finally, a feature that stands out is a pattern of relative EU neglect of the GCC, and an unwillingness to contemplate funding initiatives concerning the GCC. The space is lacking to develop the former theme here.<sup>1</sup> The latter is understandable – perceptions of European taxpayers’ money being funnelled to the oil-rich Gulf states is politically unpalatable – but the underlying instinct seems to have blinded some on the EU side to the more creative ways in which mutually beneficial initiatives could be financed (indeed without necessarily transferring European funds to the Gulf at all).

\* Based on a presentation to the German Ministry of Foreign Affairs, Berlin, January 2007.

\*\* Gerd Nonneman holds the Al-Qasimi Chair in Arab Gulf Studies at the University of Exeter, where he is also Professor of International Relations & Middle East Politics.

1 See Gerd Nonneman, “EU-GCC Relations: Dynamics, Perspectives and the Question of Good Governance,” *Journal of Social Affairs* (Sharjah: AUS), 2007; or in an earlier version, “EU-GCC Relations,” in: *International Spectator* (Rome: IAI), 59-74. Also Ana Echagüe, “The European Union and the Gulf Cooperation Council,” FRIDE Working Paper 39, Madrid, May 2007.

## Opportunities and Possibilities

Suggestions for ways in which, and areas where, these challenges could begin to be addressed and the opportunities grasped, can be made both for the primary/secondary and the tertiary sectors. Let us start with the latter.

### Tertiary level

- For a start, there are opportunities for a significant contribution from the European higher education sector in the teaching of (1) particular ‘niche’ subjects, (2) European Studies, (3) technical subjects where there exists particular expertise in EU universities, and (4) European languages.
- Twinning arrangements should be initiated between EU and GCC institutions of higher education to advance teaching quality in specialist technical subjects, including through temporary postings, staff exchange, and student exchange.
- The EU should aim to have one major “European University” institute in each GCC capital plus Jeddah.
- Distance learning structures, programs and arrangements should be developed.
- Joint research projects and research exchange needs to be fostered.
- Finally, this would seem to be a good time to consider restarting the Gulf Studies/European Studies project that the European Commission was about to launch in 1999.<sup>2</sup> although a few elements envisaged there have begun tentatively to sprout shoots independently, a concerted framework facilitating the above suggestions would make a major difference.

### Primary /Secondary level

- It may be worth supporting French schools, English schools, German schools etc. – although there may be an argument over whether that could perhaps be left mainly to existing national cultural foundations.
- By contrast, it would be worth exploring the idea of “European Schools,” which would be proactively open to a wider (local and regional) public than traditional expatriate audience.

- Exchanges could be sponsored or otherwise facilitated between schools and in particular school staff.
- The contribution of European language teachers could be particularly important.
- European schools and teacher-training colleges would ideally become more involved in the training of GCC teachers, offering training both in Europe and in the GCC itself.
- It would be particularly worth encouraging the use of European Muslim teachers in all the above.

### Practical EU role and Possible Mechanisms

In general, the role of the European Commission should be one of providing practical encouragement and facilitation in both directions of such a collaborative EU-GCC relationship in the field of education. Three possible frameworks come to mind. Most obviously there is the ERASMUS Mundus framework in which educational exchanges within wider Europe have now been expanded to other countries – at least in principle. The possibility of a ‘GCC Window’ within the program was in principle agreed to at the 16th EU-GCC Joint Council in May 2006, but this remains to be activated.<sup>3</sup> The trouble is also that this framework is cumbersome and complex – and it is only aimed at Masters-level study.

A second option would be to explore whether and how any space could be made for the sort of cooperation envisaged, within the 7th Framework Program (which the GCC at the May 2006 EU-GCC Council formally expressed its interest in expanding its participation in). A promising third possibility would be to develop the envisaged educational cooperation and exchanges also under the EU’s new *Thematic Programme on Cooperation with Industrialised and other High-income Countries*, for 2007-2013, (TPIC), as this avoids the problem that the GCC, as rich countries, do not come under any of the normal external aid frameworks and budgets from which initiatives with other developing countries are financed. Indeed, in the Commission document that introduces TCIP, the GCC countries are specifically included, and one of TPIC’s five priority areas is ‘People-to-people links including the development of education cooperation.’<sup>4</sup>

<sup>2</sup> See my brief article “Back to the Future: EU and Gulf Regional Studies,” in: *GCC-EU Research Bulletin*, no.4 (February 2006).

<sup>3</sup> Joint communiqué, 16th EU-GCC Joint Council and Ministerial Meeting (Brussels, 15 May 2006) ([http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressdata/en/er/89619.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/en/er/89619.pdf)). See also: Commissioner Ferrero-Waldner’s communication to the European parliament: “At the last EU-GCC Joint Council and Ministerial meeting in May 2006, the parties agreed to explore ways to strengthen co-operation in the field of education and expressed their ambition to help strengthen the participation of GCC countries in the EC’s Erasmus Mundus programme through the possible creation of a ‘GCC Window’. Erasmus Mundus is intended to strengthen European co-operation and international links in higher education by supporting high-quality European Masters Courses, by enabling students and visiting scholars from around the world to engage in postgraduate study at European universities, as well as by encouraging the outgoing mobility of European students and scholars towards third countries. Through the Erasmus Mundus programme, students from the GCC countries would benefit from European academic education and familiarize themselves with European values.” [Answer E-3165/06EN given by Mrs Ferrero-Waldner on behalf of the Commission (11.09.2006)].

<sup>4</sup> Communication from the Commission to the European Parliament and to the Council, ‘Thematic Program on Cooperation with Industrialised and other High-income Countries under the future Financial Perspectives (2007-2013),’ Brussels, 25.1.2006, COM(2006) 25 final.

**Specific initiatives that could be taken would include the following:**

- An EU-GCC support system could be conceived for European Universities that wish to establish themselves in GCC.
- The GCC side could commit to providing land and buildings etc. (as has already happened in the case of Qatar on a bilateral basis mainly for US institutions).
- The EU Commission could issue a tender for EU universities, aiming to have one major “European University” institute in each GCC capital plus Jeddah (7 institutions)
- Subject-specific EU tenders, on subjects deemed to be of particular relevance, could be a useful way forward.
- Support could be given for distance learning structures, programs and arrangements.

Admittedly, there is a financing issue for those EU universities who do not depend for their funding on attracting extra students (foreign and other): these institutions (more prevalent in some countries than in others) will need incentives to partake in such initiatives.

Specifically on the question of funding, it should not be beyond the bounds of possibility to develop mechanisms that, aside from the established ‘co-financing’ principle (where, as in the EU-GCC University cooperation project that fell by the wayside,

each side pays its own costs), could ensure cooperation initiatives were sustainably financed. For instance:

- A dedicated fund could be established to receive contributions from EU, GCC and private sources.
- Government contributions could be scaled according to a particular ‘key’ related to oil prices (for the GCC states) and taxes on oil and petrochemical imports (for the EU)

*In general, the role of the European Commission should be one of providing practical encouragement and facilitation in both directions of such a collaborative EU-GCC relationship in the field of education.*

Clearly, these ideas need to be refined, complemented, and thought through in some detail: a range of practical issues need to be explored and empirical data analyzed. Hence the suggestion to the January 2007 EU-GCC relations workshop convened at the German Foreign Ministry on the occasion of the country’s pending assumption of the EU Presidency, that, from the European side, a working group could be established to report with detailed analysis and proposals after six months. Some six months have elapsed since the suggestion was made: time, perhaps, for another attempt?

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# The EU and the GCC: Challenges and Prospects for Economic Cooperation\*

The web of bilateral economic relationships between the EU member states and the GCC member states has been extensive and steeped in history and political strategy of both sides. The establishment of the Gulf Cooperation Council in 1981 provided an opportunity to enhance and streamline those relationships through a free trade area (FTA) agreement. This attempt has proved to be a major challenge. Because of the strategic importance both sides attach to the relationship, the FTA negotiations have taken on a shape and significance that go beyond those of a traditional FTA agreement. This factor, along with the fact that neither side has ever concluded a bloc-to-bloc FTA, has led to a delay in concluding the agreement. While all the important issues have been resolved for some time now, fine details have so far delayed the signing of the agreement. Both sides now expect to resolve the remaining issues before the end of the year, but of course the nature of such multilateral negotiations makes it difficult to be certain that this target would be met.



Dr. Abdulaziz  
Aluwaisheq\*\*

## Multilateral Framework

The June 1988 EU-GCC Cooperation Agreement included provisions for cooperation in various fields between the two sides, such as energy, industry, trade and services, agriculture, fisheries, investment, science, technology and environment. Initially, there was some movement along most of those lines. However, FTA negotiations later became the focus of EU-GCC multilateral contacts, subordinating all other aspects of economic cooperation. For example, the 16th Ministerial Council meeting (May 2006) made only scant reference to other issues in the economic sphere, even the “strategic partnership” has been delayed to after FTA conclusion.

It has been argued, with some validity, that the protracted FTA negotiations may have impeded substantive discussions on other

issues, as nuts-and-bolts negotiators preferred to use all avenues for the success of the negotiations. However, a few cases of significant multilateral cooperation took place:

- **Economic Dialogue:** The first Economic Dialogue, held in September 2003 at the GCC HQ in Riyadh, Saudi Arabia, was the first of its kind between the European Commission and the GCC. It covered issues of mutual interest, including the customs union, common market, monetary union and the relationship with Iraq, and was extremely successful. Holding a second dialogue has been delayed because of the delay in concluding the FTA but is now back on track. It is planned for later this year.
- **The ECB & the GCC Monetary Union:** In February 2002, a month after the GCC summit had approved the timetable for the monetary union at the Muscat Summit (30-31 December 2001), the GCC Secretary-General instructed the author to approach the European Central Bank (ECB) about cooperation between the two sides on the establishment of the GCC monetary union. Discussions were inaugurated in February 2002 in Frankfurt. The groundwork was laid down for future cooperation, which has included several economic, legal and administrative studies on the shape and path of the GCC monetary union.
- **Business Forum:** A conference was organized with the collaboration of business groups. However, lack of funds has prevented a repeat of that experience.
- **Fighting money laundering and financing of terrorism:** Joint work between the two sides has intensified in recent years to coordinate the fight against money laundering.
- **Cooperation on banking matters,** such as harmonization of payment systems across the GCC.

## Bilateral Developments

Despite the relatively slow progress on the multilateral track,

\* These remarks were presented in an earlier form at the seminar on “The EU and the GCC: Challenges and Prospects for Cooperation,” organized by the Bertelsmann Foundation & the Gulf Research Center at the Federal Foreign Office, Berlin, 30 January 2007. It has been updated for this publication to reflect recent developments.

\*\* The author is Minister Plenipotentiary and Director of Economic Integration at the Gulf Cooperation Council (GCC). However, the views expressed here are those of the author and do not necessarily represent the views of the GCC or its member states.

bilateral relations flourished during the past two decades, albeit mostly one-way in favor of the European Union member states.

Merchandise trade has increased almost five fold during the past 20 years, from \$24 billion in 1986 to \$108 billion in 2005. EU exports share of the total in those two years was 58% and 62% respectively i.e., there has been a consistent surplus in favor of

*Signing the FTA is not going to make drastic changes unless the two sides move quickly to establish modalities to take advantage of its content. Judging from the past, this may take time.*

the EU. That surplus amounted to \$209 billion during the period (1986-2005), i.e., a net flow of \$209 billion from the GCC region to the EU region.

Neither side keeps detailed statistics for intra-regional trade in services, but it is common knowledge that there is far more trade going from the GCC to the EU, whether in tourism, insurance, financial services, or shipping.

Published figures on investment are inaccurate. They indicate only small movements of FDI between the two sides; which may be a reflection of poor bookkeeping rather than lack of cross-regional investment. However, the figures are indicative: they show larger flows of investment from the GCC to the EU.

On financial assets, there are no reliable data, but it is commonly believed that GCC private ownership of financial assets in EU countries exceeds \$400 billion. There are no significant flows in the other direction. In addition, GCC official holdings of euros and euro-denominated assets have been on the increase over the past few years, although still miniscule compared to dollar-denominated assets.

The reasons for this one-sided relationship are complicated. At the risk of oversimplification, we can think of four different reasons:

- Exclusions and barriers to entry: legal and economic barriers in the EU have kept GCC industrial and agricultural products at bay, limiting their inroads into EU economies.
- Relative maturity of markets- compared to GCC markets: EU markets are more capable of attracting FDI and financial investment. Relatively speaking, GCC markets are limited by their low capacity absorption to accommodate their vastly growing wealth.

- Security concerns: EU investors have shied away from investing the GCC due to perceptions about security concerns in the region.
- Inadequate information: Limited information about the GCC legal and business environment have also contributed to the slow pace of EU investments in the GCC.

### The Way Forward

There are encouraging signs that the FTA may be concluded soon, opening the way to substantive progress on all tracks. Some areas of future economic cooperation could include:

- Removal of trade and investment barriers in both sides. Taking advantage of the FTA, both sides could liberalize investment environment, both ways. The GCC has a comparative advantage in petrochemicals and energy-related industry and trade, while the EU has the edge in other manufacturing and financial services. Mutual removal of entry barriers would benefit both sides.
- Effective mechanisms to manage the competition in the service sector, including in financial services.
- Opening access in GCC financial markets.
- Resumption of economic dialogue: As the FTA is concluded, there will be need for a forum for economic dialogue, which has to be more frequent than it has been, more encompassing, and more open to the private sector, press and the academic and research community.
- Resumption of business-to-business fora and conferences for business leaders, not just trade exhibits.

*Because of the strategic importance both sides attach to the relationship, the FTA negotiations have taken on a shape and significance that go beyond those of a traditional FTA agreement. This factor, along with the fact that neither side has ever concluded a bloc-to-bloc FTA, has led to a delay in concluding the agreement.*

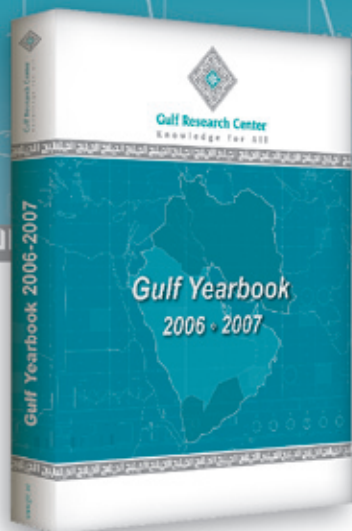
However, caution is necessary. After the expected euphoria of concluding the agreement which is really expected to take place before the end of the year, there is a real risk of bureaucratic inertia. Signing the FTA is not going to make drastic changes unless the two sides move quickly to establish modalities to take advantage of its content. Judging from the past, this may take time.



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# *Ministerial Communiqué*

## *17th Session of GCC-EU Joint Council Meeting*

*May 8, 2007*

*Riyadh, Kingdom of Saudi Arabia*

The seventeenth session of the Joint Council established in accordance with the Co-operation Agreement between the European Community on the one hand, and the States of the Co-operation Council for the Arab States of the Gulf (United Arab Emirates, Kingdom of Bahrain, Kingdom of Saudi Arabia, Sultanate of Oman, State of Qatar and State of Kuwait) on the other hand, was held in Riyadh on 8 May 2007. The GCC delegation was led by H.R.H. Prince Saud Al-Faisal, Minister of Foreign Affairs of the Kingdom of Saudi Arabia and President of the Ministerial Council of the GCC. The GCC Secretariat was represented by H.E. Abdulrahman Bin Hamad Al-Attiyah, Secretary-General. The EU delegation was led by Mr. Frank-Walter Steinmeier, Federal Minister for Foreign Affairs of Germany and President of the Council of the European Union. The European Commission was represented by Commissioners Benita Ferrero-Waldner and Peter Mandelson.

The meeting took place in a friendly and constructive atmosphere. In preparation of this meeting, GCC and EU officials had met in Brussels on 27 February 2007 in the Joint Co-operation Committee and on 12 March 2007 in the Regional Directors' meeting respectively.

As regards the implementation of the 1988 Cooperation Agreement, the Joint Council stressed its shared political will to strengthen relations and co-operation in all areas covered by Agreement. It was agreed to reinforce co-operation in the field of energy taking into account recommendations and proposals made by the Energy Expert Group held on 27 April 2007. The Joint Council looked forward to their implementation. It insisted on the urgency of finding practical ways to strengthen co-operation in the field of education between universities in both regions, and on strengthening the participation of GCC countries in the EC's Erasmus Mundus the Joint Council welcomed the new opportunities opened by the Seventh EU Framework Programme in the field of science and technology. Both parties agreed to establish contacts at expert level for concrete action in both fields. The Joint Council, emphasizing the importance of furthering co-operation on environmental issues, welcomed the first EU-GCC experts meeting on climate change, held in Brussels on 22 January 2007. The GCC and the EU encouraged holding this meeting on a regular basis. The Joint Council agreed that a second Economic

Dialogue meeting should take place in 2007. Finally, expert contacts should take place in the field of satellite navigation. It also agreed to promote cultural dialogue.

The Joint Council, recognizing that important progress has been made on negotiations of a Free Trade Agreement and noting that the parties are getting closer to an agreement, reaffirmed its commitment to such an agreement and encouraged the negotiators to further intensify their efforts to reach a mutually satisfactory outcome in the nearest future.

The Joint Council heard an overview on the state of play regarding developments in the GCC – in particular concerning the result of the Supreme Council Summit (“Jaber Summit”) in Riyadh in December 2006 – and in the EU.

The GCC and the EU reviewed a number of international and regional political issues of mutual interest with a view to supporting and enhancing regional peace, security and stability, which remain shared foreign policy objectives of key importance. The GCC and the EU reiterated their determination to develop and advance this political dialogue on the basis of mutual respect in order to seek common solutions to the common challenges facing their respective regions and peoples, fully respecting international law and the UN Security Council resolutions.

As regards the Middle East Peace Process, the GCC and the EU confirmed their shared positions not to recognize any change to the pre-1967 borders other than those arrived at by agreement between the parties. The GCC and the EU welcomed the Arab Peace Initiative as reaffirmed in the declaration of the Arab League Summit of 29 March 2007 held in Riyadh, and support it as an important opportunity to move the Middle East Peace Process forward. In this context, they are looking forward to the meeting between the EU and the Arab League designated working group to take place in Brussels on 14 May. They also welcomed the Quartet's intention to work closely with regional partners in that respect. They welcomed the recent efforts undertaken by the Quartet to promote a result-oriented dialogue between Israeli and Palestinian leaders in the framework of a renewed political process, with the aim of ending the 1967 occupation and creating an independent, sovereign, democratic and viable Palestinian



*GCC-EU Joint Council Meeting – May 2007 in Riyadh*

state, living side by side in peace and security with Israel as a step towards achieving comprehensive peace in the Middle East. They welcomed the formation of a Palestinian Government of National Unity pursuant to the agreement reached in Makka on 8 February 2007, which lays the foundation for Palestinian reconciliation.

The GCC and the EU reiterated the continuing need to coordinate and mobilize international assistance in support of the Palestinian people and welcomed the continued efforts by the international community to providing humanitarian relief to the Palestinian population. They called on Israel for the immediate transfer of all withheld Palestinian tax and customs revenues. The GCC and the EU also recalled the utmost importance of the full implementation of the Agreement on Movement and Access. They furthermore called for the immediate release of Palestinian ministers and legislators as well as of the Israeli soldier. They stated that a just, lasting and comprehensive peace must meet the legitimate aspirations of both the Israeli and Palestinian people, in line with the relevant UNSC resolutions, the Arab Peace Initiative and the Road Map and would include Lebanon and Syria.

The GCC and the EU called on all Lebanese to work for uniting ranks, enhancing security and stability through dialogue, complying with democratic and constitutional legitimacy in order to preserve the unity, sovereignty and identity of an independent Lebanon. They reminded its neighbors of their obligations to respect Lebanon's sovereignty. Both parties underlined they would extend support for Lebanon politically and economically, including for reconstruction and welcomed the results of the Paris III Conference to support Lebanon on 25 January 2007. The GCC and the EU underlined the importance of full implementation of all relevant UNSC Resolutions, including 1559, 1680, 1701 and UNHCR related resolutions, and stressed the need for all parties

to co-operate towards this end. They encouraged the Government of Lebanon to extend its control over the entire Lebanese territory.

The GCC and the EU expressed deep concern about the seriousness of the situation in Iraq and called for respect for the unity, sovereignty, territorial integrity and independence of Iraq. The GCC and the EU reiterated their firmest condemnation of the terrorist attacks, sectarian violence, murders and hostage-takings committed in Iraq. They expressed regret that the campaign of terrorist violence in Iraq is prolonging the suffering of the Iraqi people and hampering the political process and reconstruction in Iraq. The GCC and the EU consider national reconciliation as key to the solution of Iraq's problems. A process of national reconciliation is of utmost importance for achieving stability in Iraq. They called on the Iraqi government to ensure the establishment of a safe, stable, independent, prosperous and democratic Iraq that is at peace internally and with its neighbors, that upholds international law, human rights, cooperates constructively with its neighbors, and whose territorial integrity is preserved.

The GCC and the EU reaffirmed their commitment to continue helping Iraqi reconstruction. They reaffirmed their support to the central role of the UN in the political and economic reconstruction. The GCC and the EU warmly welcomed the launching of the International Compact with Iraq in Sharm El Sheikh on 3 May, 2007. They expressed their support for the initiatives aiming at strengthening dialogue, co-operation and stability in and around Iraq, such as conferences of the Neighboring Countries. The GCC and the EU welcomed the outcome of the Conference of Iraq's Neighboring States with international participation in Sharm El Sheikh on 4 May, 2007 convened by the Government of Iraq and hosted by the Government of Egypt. They reiterated their support for the International Compact with Iraq.

With respect to Iran, the GCC and the EU expressed their concern at the Iranian nuclear program and their commitment to a diplomatic solution. They reaffirmed the importance of reaching a negotiated solution to the crisis and in this regard urged for full compliance with the requirements set forth by the IAEA. The GCC and the EU underlined that the international community is united and determined to uphold the authority of the IAEA and the United Nations Security Council. They emphasized their commitment to fully implement all relevant UNSC resolutions.

Both sides expressed concern at the lack of progress towards resolution of the territorial conflict between the United Arab Emirates and Iran over Abu Musa and the Tunbs Islands. They reiterated their support for a peaceful solution to the conflict in accordance with international law, either through direct negotiations or by referring the issues to the international Court of Justice.

The EU and the GCC exchanged views on regional security issues. They agreed that regional and territorial conflicts, international terrorism, organized crime, the illicit trade in small arms and light weapons and proliferation of weapons of mass destruction and their means of delivery, present serious threats to security that can only be contained by increased international and regional cooperation in these fields. Both sides acknowledged that security and stability, as well as regional integration, are necessary factors for peaceful development both within and in-between countries and regions.

The EU and the GCC agreed that a more stable and prosperous future will be built by continuing to focus on and promote values of tolerance and moderation. They will continue working together to build bridges between different cultures and promote mutual knowledge, understanding, respect and dialogue. The GCC and the EU welcomed the appointment by the UN Secretary-General of his High Representative for the Alliance of Civilizations and commit themselves to support his endeavors to put into practice the principles and recommendations of the Alliance of Civilizations initiative.

The GCC and the EU reiterated their strong and unequivocal condemnation of terrorism in all its forms and manifestations, whatever the origin, cause or alleged motives. The GCC and the EU have undertaken to prevent any financing and supporting of terrorism and incitement of terrorist acts. They reaffirmed their resolute commitment to combat terrorism in full respect of human rights and fundamental freedoms. Recalling their commitment to strengthening the UN framework for the fight against terrorism, the GCC and the EU appealed to all States to ratify and implement the 16 international counter-terrorism Conventions and Protocols without reservations, and to implement all relevant UN Security

Council Resolutions. They confirmed their commitment to working together to conclude a comprehensive convention on international terrorism, including a legal definition of terrorist acts. The GCC and the EU welcomed the new Global Counterterrorism Strategy and stand ready to implement it in full. The GCC and the EU expressed their appreciation for the efforts to combat terrorist financing. They welcomed that the fourth EU-GCC Joint Seminar on Combating Terrorist Financing would take place on 22 and 23 May in Doha.

The GCC and the EU reaffirmed that they share the universal values of respect for human rights and democratic principles, which form an essential element of their relations. They welcomed recent development relating to representative bodies in the region, including those related to Al-Shura. Both sides reiterated their continued commitment to the promotion and protection of all human rights. They expressed their shared willingness to reinforce their dialogue and develop concrete cooperation on human rights, including in the context of the UN Human Rights Council. The common wish for enhanced dialogue would lead to greater understanding and tolerance among civilizations and cultures. The two sides expressed their commitment to promote the universal values which they share, while bearing in mind the significance of national and regional particularities and their various historical cultural and religious backgrounds.

The GCC and the EU reaffirmed that the proliferation of WMD and their means of delivery both to state and non-state actors represents one of the most serious threats to international peace and security. The international community shares a responsibility for actively preventing these threats. The multilateral treaty system is the cornerstone of the global non-proliferation system. The GCC and the EU will ensure full compliance with, and national implementation of, their existing obligations under non-proliferation and disarmament treaties and agreements and work for the strengthening and universalisation of these instruments, in particular in view of the first Preparatory Committee of the NPT 2010 Review Conference.

The GCC and the EU stressed the importance of the establishment and implementation of effective systems of national export controls in accordance and principles of the Proliferation Security Initiative. The GCC and the EU reiterated their shared objective to pursue the establishment of a zone free of WMD and their means of delivery in the Middle East, including the Gulf region. Regarding the GCC Supreme Council decision to conduct a GCC study to develop a joint program in the field of nuclear energy for exclusively peaceful purposes, the EU welcomes the GCC's intention to closely co-operate with the IAEA in accordance with international standards and regulations.

## Interview with Germany's Foreign Minister Frank Walter Steinmeier

**“The door to negotiations remains open”** – Federal Foreign Minister Steinmeier in an interview with the *Handelsblatt* newspaper on Iran and other security issues.

**Published on February 19, 2007**

**Handelsblatt: Mr. Steinmeier, will the dispute over Iran's nuclear programme escalate or subside?**



*Frank Walter Steinmeier  
Germany's Foreign Minister*

The fact that Iran's chief negotiator Ali Larijani took the opportunity in Munich to outline Iran's position, as well as the fact that Tehran refrained from announcing the development of further centrifuges, are positive signs. Contrary to expectations, Larijani hasn't yet given any reliable indication in his talks with the EU High Representative Javier Solana and myself that Iran is prepared to make concessions. However, there is a new reflectiveness in Iran. I hope that in the foreseeable future Iran will respond in concrete terms, for example to the proposals put forward by the International Atomic Energy Agency (IAEA) on returning to the negotiating table.

**What will happen when the UN Security Council deadline for a renewed assessment by the IAEA expires on Wednesday?**

In the resolution adopted unanimously just before Christmas, the international community once again spelled out what it expects of Iran. This week the IAEA will report on whether Iran has complied. Should the conclusions drawn in the report be negative, we will have to consult on what further action is required. Regardless of this, we are still prepared to keep the door to negotiations with Iran open, especially if Iran takes tangible steps towards meeting the international community's demands in the near future.

**Why does the option of a tougher resolution have to be discussed if the deadline has already passed?**

The most recent resolution doesn't map out a course of action for the eventuality that Iran doesn't honour its obligations. We therefore have to talk soon about what to do next. I'm in favour of resolute action while upholding the united international front. After all, the example of North Korea shows that this is worthwhile despite all the difficulties.

The US is arguing that success in the case of North Korea was only possible because the thumbscrews were tightened. Does North Korea therefore serve as a model on how to deal with Iran?

North Korea and Iran are not in the same situation. North Korea doesn't have fossil energy and has been isolated both politically and economically for some time now. Iran's situation is completely different.

**Does Iran's situation require a tougher response?**

The central and key point in the case of North Korea is that the international community demonstrated a united front and opted for persistent diplomacy. It may be that economic pressure has to be stepped up in the case of Iran too if nothing else works. But I'm still hoping we'll find another solution.

**How concrete are the plans for an international organization to supply emerging economies such as Iran with fuel so that they can do without uranium enrichment?**

We proposed in the IAEA last autumn that such a project be considered: a multilateral uranium enrichment plant on an extraterritorial site, under the auspices of the IAEA and its export controls. The international supply of nuclear fuel could thus be guaranteed and emerging economies such as Iran wouldn't have to complete the fuel cycle themselves. The proposal on such a structure, perhaps in one of the G77 states, is, at any rate, concrete enough for the IAEA to deal with it when the time comes. We are conducting intensive talks on this at present.

**Would a sanctions package mean that the incentives on offer would also have to be enhanced?**

To be frank, I can't think of much which could be added to the package already offered to Iran. The package has something to offer for almost all key sectors of Iran's economy, including the supply of high-tech. But first of all Iran has to restore the confidence it has destroyed with 18 years of secret development in the nuclear sector.

**The US Administration has called upon China not to conclude new energy contracts with Iran. Do you support this demand?**

We've noticed that the growing uncertainty has led German companies to refrain from further developing their activities in Iran in sanctions-free sectors. This restraint is reflected in the German-Iranian trade statistics, which show a fall. I'm certain China is aware of how important it is that the international community presents a united front to Iran.

### What did you think of President Putin's speech in Munich?

Anyone who knows Russia well has heard every single point of criticism put forward by President Putin before. Admittedly however, the tone and content of his speech was decidedly clear and hard-hitting. Personally I'm disappointed that President Putin failed to seize this opportunity to canvass support for his country's positions. Despite differing interests in some spheres, we need each other in many conflicts. Iran is such a case in hand. It would have been good if President Putin had highlighted Russia's contribution towards the stabilization and resolution of many regional conflicts.

### Are the US plans to station a missile defence shield in Eastern Europe wise?

As the stationing locations are closer to Russia, the Americans should have spoken to Russia beforehand. At least the debate in Munich has encouraged the American and Russian defence ministers to discuss this matter.

### Do you believe the system makes sense?

There are several different factors at play here. Firstly, there's a debate in NATO about providing Europe with a shield against missile attacks. The Prague NATO summit in April 2002 issued a mandate on examining this issue and this process hasn't yet been completed. In addition, the current discussion is about a US project to protect American territory. To this end, the US would like to station defence missiles in Europe to intercept attacking missiles at a very early stage. The experts will have to decide whether this system makes military sense. In view of the strategic nature of such projects, however, I would urge caution and an intensive dialogue with all partners either directly or indirectly affected.

### Do you believe Europe faces a threat from Iranian missiles?

I'm not an expert on military technology. According to maps showing the missiles' range, Iran's weapons technology is not advanced enough at present to pose a threat to Europe.

### What other countries could pose a threat?

I don't want to speculate on that. But it's precisely because some questions remain unanswered that discussions should be held beforehand.

### What impact will President Putin's speech in Munich have on the debates on Kosovo and the Middle East?

We witnessed an interesting simultaneity between President Putin's speech and Russia's decidedly cooperative stance in, for instance, the Middle East Quartet. I therefore haven't detected any signs which indicate a change in Russia's conduct in international conflicts.

### But confrontation is looming in Kosovo.

Well, Russia's position has always been that we have to negotiate with the Serbs and Kosovo Albanians until agreement has been reached on a new status for Kosovo. Other governments, including our own, are sceptical as to whether any solution can be found through negotiation when the positions are so irreconcilable. During the coming weeks, we have to try to address the proposals and wishes of both the Serbs and the Kosovo Albanians. But if no solution can be found within a reasonable space of time, then the Security Council will have to decide Kosovo's status.

### The Russian Government warns that the separation of Kosovo would set a dangerous precedent which wouldn't enhance stability.

Kosovo is certainly a unique case. It is the long-range result of Milosevic's policies, which provoked instability and war. However, the aim of the international efforts was to end the violence in the Western Balkans. That won't be possible in the long term unless the Kosovo status issue is resolved.

### Do you fear the impact on other separatist movements?

Kosovo should and must not serve as an international-law model. Although Kosovo wasn't a recognized Yugoslav republic, the international community was obliged to intervene after the Serbs began to torment the Kosovo Albanians. The UN Special Envoy Martti Ahtisaari is after all not delivering a lecture to a seminar on international law. If he were to propose that Kosovo be forced to rejoin the Serbian state, this would mean war. At the same time, he has to make it clear that Kosovo and Serbia don't have the same status under international law. That's why he's proposing controlled independence.

### Russia could use its veto to prevent partial sovereignty. The US

is threatening unilateral recognition of Kosovo should it do so. What will the German Government do?

I can only say that anyone considering making use of a veto or declaring unilateral recognition has to think very carefully about the repercussions this could have on the Balkans. We therefore have to work towards preventing both scenarios within European bodies, the Kosovo Contact Group and then

in the Security Council. Anyway, a government now has to be formed in Belgrade before the status issue can be referred to the Security Council. As the Security Council won't deal with this matter until the second half of the year, the situation should calm down.

**By courtesy of *Handelsblatt*. The interview was conducted by Andreas Rinke and Roland Tichy.**



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## *April 2007 to June 2007*

### **April 2007**

- 4 Britain proposes “direct bilateral discussions” with Iran over the 15 naval personnel detained by Tehran, after revealing that the two countries had “further contacts”. British Prime Minister Tony Blair’s Downing Street office says the two countries share a desire to resolve the impasse, just hours after Foreign Secretary Margaret Beckett cautions against hope of a “swift resolution” to the stand-off.
- 5 Fifteen British sailors freed by Iran fly home to London, in a dramatic end to a two-week ordeal in captivity that had triggered a tense international standoff. The sailors and marines leave Tehran on a British Airways flight 14 days after they were seized by Iranian forces in the northern Gulf accused of violating Iranian territorial waters.
- 8 Saudi Arabia has been awarded membership in the European Annual Medical Conference and Exhibition, the first Arab country to receive an invitation to participate in the prestigious symposium.
- 8 British troops could be serving in Iraq for at least another five years, a newspaper reports quoting what it said was a confidential military planning document. The Sunday Telegraph says the document, parts of which had been disclosed to the newspaper, “reveals that troops will be serving on operations in the Gulf until at least 2012”.
- 9 France is putting a lot of effort into attracting UAE students to its universities. According to the French Embassy in Abu Dhabi, no less than 17 higher educational institutes will be part of the Gulf Education and Training Exhibition (Getex), which will take place in Dubai from April 11 to 14.
- 17 Iranian President Mahmoud Ahmadinejad vows that Iran would not give in to Western demands over its nuclear drive, saying Tehran would “resist to the end” in the intensifying crisis. “The Iranian people will resist until the end on acquiring their rights and will not shift an inch,” Ahmadinejad says in a speech in the southern city of Shiraz broadcast live on state television.
- 19 The Dubai Knowledge Village announces the signing of a Memorandum of Understanding (MOU) with the European Association for International Education (EAIE) to boost the development of education in the United Arab Emirates.
- 23 Italian Prime Minister Romano Prodi calls for cooperation to promote economic development and religious tolerance in an address to Saudi Arabia’s appointed Shura (consultative) Council.
- 28 European Union foreign policy chief Javier Solana calls for the United States to open a “channel of communication” with Iran on all subjects.

### **May 2007**

- 9 EU External Relations Commissioner Benita Ferrero-Waldner says she is hopeful of concluding a free trade agreement with the oil-rich Gulf Cooperation Council by the end of June.
- 17 The 17th session of the Joint Council between the European Community and the Gulf Cooperation Council (GCC) states is held in Riyadh. Since the previous joint council meeting in Brussels in May 2006, expectations had been high that the Riyadh meeting would produce consensus on the long-awaited Free Trade Agreement (FTA), and thereby carry the relationship between the EU and the GCC to a new level.
- 26 The European Union attacks Iran’s human rights record and says it is deeply concerned about injustices there, just days before sensitive talks between Tehran and the EU over its nuclear program.
- 27 U.S and British forces clash with Moqtada al-Sadr’s supporters in Baghdad and Basra, even as Iraq’s politicians cautiously welcome the radical Shiite cleric’s return to the political scene.
- 30 Iran’s top nuclear negotiator Ali Larijani and EU foreign policy chief Javier Solana will meet in Spain in their latest bid to break the deadlock over the Iranian atomic standoff. “Ali Larijani and Javier Solana will meet and talk on May 31 in Madrid,” a source in Iran’s supreme national Security Council tells the state-run IRNA agency.

- 31 Iraqi and British officials scramble to get to the bottom of the brazen daylight kidnapping of five British contractors snatched from a finance ministry building in Baghdad. The Britons -- a consultant and his four armed bodyguards -- were taken on by a large group on gunmen in Iraqi police uniforms.

### **June 2007**

- 1 London is considering approaching Tehran for help in finding five Britons kidnapped in Baghdad, The Guardian newspaper says, citing officials.
- 1 EU foreign policy chief Javier Solana and Iranian nuclear negotiator Ali Larijani fail to break the deadlock over Tehran’s nuclear program but agree to meet again in a fortnight.

- 2 US Secretary of State Condoleezza Rice expresses scepticism about talks between Iran and the European Union producing any commitment from Tehran on suspending uranium enrichment. "The only question is are we getting to a point at which the Iranians are prepared to suspend so that negotiations can begin," she said on a visit to Madrid. "I don't see evidence of it."
- 6 General Shaikh Mohammed bin Zayed Al Nahyan, Abu Dhabi Crown Prince and Deputy Supreme Commander of the UAE armed forces receives British Defence Minister Des Browne and his accompanying delegation in Abu Dhabi. Shaikh Mohammed exchanges views with the British minister on prospects of joint cooperation in defence and military sectors and explores ways of enhancing such cooperation to achieve greater coordination between the two countries.
- 8 Britain's future prime minister Gordon Brown should not withdraw British troops from Iraq, the war-torn country's foreign minister says, cautioning that it was important not to show insurgents any sign of weakness.
- 9 The Group of Eight powers threaten to take new measures against Iran if the Islamic republic continues to ignore UN demands to halt its uranium enrichment.
- 10 As Britain eagerly awaits Gordon Brown's occupying 10 Downing Street by month-end, British government's Arabic spokesperson in Dubai says the new prime minister will follow his predecessor's policy on Iraq, despite speculations that he could order a withdrawal of British troops.
- 12 The BBC says that Britain's Defence Ministry authorised secret payments totalling more than one billion pounds (\$ 2 billion) to be made to a Saudi prince in connection with a major Saudi defense deal.
- 24 Top EU and Iranian officials met to try to find a way out of the growing crisis over Tehran's refusal to suspend its uranium enrichment program as demanded by the UN Security Council. EU foreign policy chief Javier Solana begins talks with Iran's nuclear negotiator Ali Larijani, less than 24 hours after Larijani met Mohamed El Baradei, head of the International Atomic Energy Agency.
- 30 The Gulf Cooperation Council (GCC) welcomes the appointment of Tony Blair as the new envoy of the international diplomatic Quartet for the Middle East. GCC Secretary General Abdulrahman Al-Attiah hopes in a statement the appointment of the former British Prime Minister will help push regional and international efforts to achieve peace in the Middle East in line with the Arab peace initiative and relevant UN resolutions.



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