Monthly Monitor Report: December 2014
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GCC In-Depth

“Business as Usual in Bahrain”
By Adam Simpson

Nearly four years have passed since Bahraini activists began a concentrated campaign of non-violent protests aimed at achieving an array of structural changes to the country’s political system. Despite sharing the historical moment with Egypt, Libya, Tunisia, and Yemen, where uprisings resulted in the ouster of long-standing authoritarian leaders and regimes, Bahrain’s presumptive revolutionaries have thus far failed to affect such a transition or achieve meaningful concessions from their government.

A Suppressed Awakening

The persistence of the protesters has been matched by the regime’s persistently oppressive security forces and intransigent ruling family. A national dialogue process that limped along for two years and recent parliamentary elections—among other initiatives—have all failed to satisfy demands for democratic reform and social equality between Sunnis and Shi’ites. How then has Bahrain remained in such stasis given this apparent tumult?

Simon Henderson of the Washington Institute for Near East Policy and other analysts continue to propagate the paradigm of a tense triumvirate leading Bahrain. With Prime Minister Sheikh Al Khalifa representing the regime’s so-called ‘hard-liners’ and Deputy Prime Minister and Crown Prince Salman Al Khalifa among the ‘reformers’, King Hamad is said to be the “vacillating” force at the center that balances out these two apparently opposed forces.

However, this is the same scenario the Gulf Arab nation found itself during the 1990s when then-Crown Prince Hamad was said to be the reformer battling Sheikh Al Khalifa over Bahrain’s future. Sheikh Al Khalifa has been a source of tension between the regime and the opposition since he began his enduring tenure as Prime Minister in 1971. King Hamad’s re-appointment of Sheikh Al Khalifa should serve to complicate this narrative, as should the larger implications—or lack thereof—of Bahrain’s recent parliamentary elections, held in November 2014.

Beyond the actual composition of Bahrain’s parliament lies the body’s inherent impotence, the reform of which remains a primary demand of the country’s opposition. The eighty-member body is divided evenly into forty-member upper and lower houses; the parliamentarians in the upper house are all appointed by the king, while the lower house is elected by popular elections. The lower house’s general lack of political power is plainly expressed in the body’s inability to affect ministerial appointments whatsoever,
which remain the exclusive purview of the king. Moreover, a lack of reform of Bahrain’s political districts—subject to long-running accusations of gerrymandering—has fueled the ire of the opposition.ii Criticism of the actual electoral process is difficult to determine as a result of the government’s refusal to allow foreign observers.iii

The previous 2010 elections resulted in eighteen seats for al-Wefaq, a Shi’ite political society that constitutes the largest component of the opposition. However, the group boycotted the most recent elections, as did Wa’ad, a predominantly Sunni secular leftist political society. The boycott was the result of disputes between opposition factions and the ruling Al Khalifa family.

Despite the government rescinding the various legal actions against the opposition’s political societies (political parties are banned in the kingdom), including a move to ban al-Wefaq, the ultimate reasons for the boycott came down to the aforementioned practical matters of parliamentary powers and gerrymandering.iv In various statements, al-Wefaq and others continued to refer to the elections as a sham.v Acceding to elections in the face of these conditions could have resulted in Bahrain’s opposition losing credibility with constituents who are growing continually frustrated by the lack of progress. However, it remains to be seen how their constituents will come to view being exiled from what space for popular representation remains in the kingdom. On January 4, the head of al-Wefaq, Ali Salman, was formally charged with crimes related to speeches given since 2012, including statements made recently deriding the November elections.vi

Bahrain’s Friends in the West

Unfortunately, Bahrain’s western allies remain married to the ruling family and the governing structures that they have created. Most of the criticism from western officials seems to be primarily leveled at the opposition’s decision to boycott, rather than the government’s obstinate refusal to compromise with their demands. The United Kingdom’s ambassador to Bahrain Iain Lindsay, echoing the European Union’s statement, expressed only congratulations for the flawed process, calling it “encouraging” and wagging a finger at the opposition’s decision to boycott. In various statements, al-Wefaq and others continued to refer to the elections as a sham. Acceding to elections in the face of these conditions could have resulted in Bahrain’s opposition losing credibility with constituents who are growing continually frustrated by the lack of progress. However, it remains to be seen how their constituents will come to view being exiled from what space for popular representation remains in the kingdom. On January 4, the head of al-Wefaq, Ali Salman, was formally charged with crimes related to speeches given since 2012, including statements made recently deriding the November elections.

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Despite Washington’s recent friction with Manama, the U.S. has also towed this line.ix Assistant Secretary of State for Democracy, Human Rights, and Labor Tom Malinowski was expelled from the country in July 2014 for meeting with al-Wefaq members, but has since returned to the country to call the elections a moment of “opportunity” for the government and opposition to seize on new dialogue talks. However, it is difficult to project that any such dialogue would be constructive given the ongoing climate of
intimidation, particularly the charges leveled against activists, which Malinowski chose not to comment on during his visit in late 2014.\textsuperscript{xii}

Days after Malinowski’s departure from Bahrain, the country hosted the tenth annual Manama Dialogue, where all speakers focused on the threat of Daesh (“Islamic State”). Bahrain’s role as host to U.S. forces and Manama’s new commitment to host more U.K. forces has played a key role in the monarchy’s ability to avoid serious action with respect to human rights and democratic reform. Crown Prince Salman’s remarks at the forum are particularly instructive on the Bahraini regime’s view of the popular uprising.\textsuperscript{xii} “I prefer to call the events of 2011 the Arab Storm; it was certainly not a spring.” Salman went on to link the uprisings to Daesh’s rise to power in Iraq and Syria, claiming that uprisings of 2011 were driven by an ideological agenda to replace secular state structures with theocratic models, an erroneous historical revision. Salman continued:

“We must use all resources to hold accountable those who place themselves above other ordinary human beings and claim they have a divine right to rule… What we cannot have is a man, an individual, placed at the top of an ideology, who has the power by religious edict to strip someone of their hereafter and use that for political gains. It sounds very much like the seventeenth century to me, and ladies and gentlemen, the seventeenth century has no place in our modern twenty-first century.”

It is with a rather extraordinary lack of self-awareness that the heir to a monarchy can condemn the religious extremists of Daesh in such terms. Salman, despite his reputation as Bahrain’s presumptive reformer, had no comment on the anachronism of the Persian Gulf’s Arab monarchies.

**Bahrain’s Vulnerability to Extremist Forces**

While the Western and Arab states involved in the U.S.-led military campaign against Daesh in Iraq and Syria, or “Operation: Inherent Resolve”, continue to cultivate broader strategic relations with allies in the Gulf, the role of pre-existing autocratic models remains a key pillar of the extremists’ ability to gain influence and flourish. Peaceful protesters took to the streets in Bahrain and elsewhere not due to a yearning for theocracy but because states and the social contracts they had enshrined had failed them. Where the vacuums of those failures were most extreme—in Libya or Syria, for instance—extremists filled the void.

Bahrain’s leadership has good cause to be concerned about protesters turning to violence. Indeed violent groups have already begun carrying out operations while the government’s attention remains fixated on doctors and human rights activists.\textsuperscript{xiii} Despite Bahrain’s populace showing few signs of relenting to the ruling family’s autocratic vision, the government presses on with renewed vigor, from intensifying campaigns against activists to the reconstitution of a new—albeit traditionally meaningless and powerless—
parliament. Meanwhile Bahrain’s Western allies remain just as resolute about the status quo as the ruling family. Under these conditions, it is more likely that Bahrain’s tense political landscape will regress and stagnate rather than change positively.

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“The Lingering Impasse in Iraqi-Saudi Arabian Relations”
By Dr. Sulaiman Wasty

Former Iraqi Prime Minister Nouri al-Maliki’s departure from power on August 14, 2014 has led certain voices to speculate that Iraq will establish closer ties with Saudi Arabia under Maliki’s successor, Haider al-Abadi. Despite Baghdad and Riyadh’s history of distrust, Daesh’s rise to power in Iraq and Syria along with the organization’s destabilizing impact on the region’s geopolitical order are said to create unity between the two neighboring Arab nations.

Indeed, the Maliki government’s treatment of Sunnis and Baghdad’s alignment with Iran largely contributed to Iraqi and Saudi Arabia’s toxic relationship following Saddam Hussein’s fall in 2003. When Iraq’s President Fuad Masum visited Saudi Arabia on November 11, 2014—marking the highest-level diplomatic exchange in years between the two governments—he went with the purpose of “normalizing diplomatic and political relations.” However, while both states share grave concerns about Daesh’s potential to seize greater swathes of territory, their incompatible strategies for reacting to this threat and other conflicting geopolitical interests in the greater Middle East diminish the potential for a meaningful improvement in relations to materialize in 2015 and beyond.

The Legacy of Ambivalence and Mistrust in Iraqi-Saudi Arabian Relations

Throughout the 20th century, tensions, suspicions, and ideological differences shaped Iraq and Saudi Arabia’s tense relationship. An exception was the period of relative cordial relations at the climax of the Iranian Revolution in 1979, which resulted from Baghdad and Riyadh sharing the same perception of the new Iranian regime as a threat. Their common fear fostered an unprecedented degree of cooperation during the Iran-Iraq war (1980-1988). Though Riyadh declared neutrality at the war’s outset, the Saudis aided Saddam Hussein’s regime in many non-military ways. For example, Saudi Arabia provided Iraq with an estimated USD 25 billion in low-interest loans and grants. Riyadh also assisted with the construction of an oil pipeline to transport Iraqi oil across Saudi Arabian territory.

This period of cordial relations soon ended once Iraq pressed its historical claims to Kuwaiti territory by invading and occupying Kuwait in 1990, only two years after Baghdad and Tehran ceased hostilities. Though the U.S. was the principal military power in the coalition of forces that ejected the Iraqi military from Kuwait, the kingdom’s air bases served as main staging areas for aerial strikes against Iraqi targets, and personnel of the Saudi armed forces participated in both the bombing assaults and the ground offensive. In turn, Iraq responded by firing Scud-B missiles at Riyadh and numerous Saudi towns.

Saddam Hussein’s ouster in 2003 and al-Maliki’s rise to power created new tensions and elements of distrust in Iraqi-Saudi Arabian relations. Riyadh perceived al-Maliki’s
Shi’ite government as an “Iranian agent” and Baghdad blamed Saudi Arabia for fomenting militant Sunni extremism in Iraq’s al-Anbar Province. Throughout the post-Saddam era, Saudi Arabia has spared no effort to weaken Iraq’s efforts to play a more active role in the region’s evolving state of affairs.

Both sectarianism and geopolitical factors drove Riyadh foreign policy vis-à-vis Iraq following Saddam’s fall. Saudi Arabia views the extension of Iranian influence in the Middle East and West Asia as a threat to Riyadh’s traditional role as the anchor of a Sunni-dominated order in the region – Saudi Arabia is the de facto leader of various international and regional institutions, including The Arab League, Organization of Petroleum Exporting Countries (OPEC), Organization of Islamic States (OIC), the Gulf Cooperation Council (GCC), and the Islamic Development Bank (IsDB). Moreover, Iran’s support for Shi’ite states and non-state actors is understood in Riyadh as a destabilizing force capable of heightening sectarian violence in Saudi Arabia’s restive Eastern Province (EP), home to nearly all of the kingdom’s Shi’ite citizens and crude oil reserves (roughly one-fifth of global supply).

**Syria’s “Arab Spring” and the rise of Daesh**

The Syrian crisis further contributed to the poor state of Iraqi-Saudi Arabian relations, as both governments were opposing stakeholders in the conflict from its earliest stage. Iraq viewed the anti-Assad rebellion as a threat to the government in Baghdad given the potential for Assad’s enemies to establish a Sunni Islamist government in Damascus that would sponsor armed Salafists in western Iraq.

Saudi Arabia—while not known for sponsoring revolutions in the Arab world—backed the rebellion, viewing a Sunni takeover of Syria as an opportunity for Riyadh to gain influence in the Levant at Tehran’s expense. For Saudi Arabia’s King Abdullah—whom Bashar al-Assad called a “half-man” for not supporting Hezbollah in the 2006 war with Israel—it was partially driven by personal reasons.

After Daesh’s rise to power in the summer of 2014, the two governments exchanged accusations and neither viewed the other as a realistic partner in the struggle to defeat the group.

Iraq’s government blamed Saudi Arabia and Qatar for the crisis, accusing Riyadh and Doha of supporting Daesh as a means to topple the Syrian government and counter Iran’s geopolitical clout in the Middle East. In fact, one Qatari official even stated, “[Daesh] has been a Saudi project.”

Meanwhile, Riyadh pointed its finger at the Iraqi and Syrian governments, attributing Daesh’s rise to Baghdad and Damascus’ human rights abuses and sectarian politics that marginalized large segments of their Sunni populations. Insult was added to
injury after the kingdom began building a fence along the 500-mile border between Iraq and Saudi Arabia.\textsuperscript{xxiv}

There is truth to both the Iraqi and Saudi Arabian governments’ claims. Few would doubt that Riyadh has conducted a dual policy of appeasing and repressing domestic discontent while sending their indoctrinated youth to foreign countries, including Afghanistan, Libya, Pakistan, Syria, and Yemen. But how did this group of mercenaries find a haven in Iraq?

The most plausible explanation lies in the opportunity afforded by the dysfunctional state of post-U.S.-occupation Iraq. A twenty-year old Iraqi has seen nothing but war and crippling economic sanctions. The poor economic conditions are underscored by the fact that the average resident in Baghdad only receives six hours of electricity each day, despite being in the capital of the world’s fourth largest oil exporter.\textsuperscript{xxv} What we witnessed in Mosul, Tikrit, and the outskirts of Baghdad was the widespread economic divide between Iraq’s corrupt government and war-burdened society, which had hitherto been the beneficiaries of an entitlement economy. In sum, Daesh’s rapid rise to power is far more attributable to the disenfranchised population’s unmet basic needs than the organization’s ultra-violent and misogynistic brand of political Islam.

Conclusion

Iraq is currently divided into three \textit{de facto} states – the Southern Provinces under Baghdad’s control, the Kurdistan Regional Government (KRG), and the “caliphate” under Daesh’s rule. The resilient Assad regime is bolstered by its allies, most notably Iran, which is emerging as a winner in Syria and other countries in Tehran’s contest with Riyadh. On the whole, the region will likely remain in turmoil and countless uncertainties will linger.

The failed state of Iraq, situated in the middle of the region’s geopolitical crises, will have to accept an imposed marginalized role. Much is being said of the transfer of power in Iraq and discussion of an “inclusive government” as a catalyst for major improvements in Iraqi-Saudi Arabian relations in 2015. Yet, mutual avoidance and finger pointing will likely continue to shape ties between Baghdad and Riyadh given their ongoing conflicts of interest in Syria and beyond.

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December 2014 Chronicles

Bahrain Monitor

- United Kingdom announces deal with Bahrain to open a naval base in the island kingdom
- U.S. State Department Official Tom Malinowski returns to Manama following his expulsion in July 2014
- Explosion leads to two deaths and several injuries in Karsakan, Damistan, and Bani Jamra, underscoring a tense environment following the November 2014 parliamentary elections boycotted by the Shi’ite opposition
- Government arrests the leader of al-Wefaq and a renowned human rights activist

DECEMBER 1
Prominent human rights activist is jailed for a year

Maryam al-Khawaja, the director of advocacy at the Bahrain Centre for Human Rights, was jailed in absentia for a year. The chief prosecutor of the Muharraq district found her guilty of physically assaulting two policewomen. Khawaja issued a statement declaring that she did not recognize the court’s legitimacy and that the charge was fabricated by the Bahraini authorities.xxvi

DECEMBER 2
Washington announces Tom Malinowski’s return to Bahrain

The New York Times reported that almost five months after Tom Malinowski—U.S. Assistant Secretary of State for Democracy, Human Rights and Labor—was expelled from Bahrain on orders from officials in Manama, he is planning to return. On July 7, 2014, Malinowski was ordered to end early a visit to the island kingdom after meeting with the leader of Bahrain’s dominant Shi’ite opposition party, al-Wefaq. By doing so, Manama alleged that Malinowski breached “conventional diplomatic norms.” The State Department official’s return was announced after Secretary of State John Kerry called his Bahraini counterpart to address the matter and to take issue with Manama’s demand that an official from Bahrain’s Foreign Ministry attend each meeting between Malinowski and the political opposition.xxvii

Analysis: News of Malinowski’s return has broken during the aftermath of Bahrain’s parliamentary elections, which were held in November and boycotted by al-Wefaq and other Shi’ite groups. Kuwait has been acting as an intermediary between the U.S. and the Bahraini leadership regarding the incident, during which time Manama’s expectations for arms sales from Washington were lowered. Interestingly, as the U.S.
State Department placed greater pressure on Manama regarding Malinowski, Bahraini officials went to Russia to discuss arms imports with leaders in Moscow.

DECEMBER 4
U.S. praises Bahrain’s role in multilateral efforts against Daesh (“Islamic State”)

Anne Patterson, U.S. Assistant Secretary of State for Near Eastern Affairs, and Tom Malinowski, Assistant Secretary of State for Democracy, Human Rights, and Labor, commended Manama’s contribution to the U.S.-led military campaign against Daesh and other militant Islamist extremists in Iraq and Syria.

Patterson stated: “The United States and Bahrain share a deep interest in regional security, and today we’re working more closely than we ever have before counteracting common threats... Bahrain is a key member of the international coalition that has joined together to oppose Daesh and put an end to this criminal terrorist group. While much of the media coverage of the coalition has focused on military strikes, Bahrain and the other Gulf Cooperation Council countries have been leaders of other lines of effort aimed at undermining Daesh and other terrorist networks... Last month, Bahrain hosted an international conference focused on countering terrorist financing, and Bahrain on Friday will host the tenth annual Manama Dialogue, which will provide a useful opportunity for governments to discuss anti-Daesh measures and provide a crucial forum to discuss other regional issues... Bahrain hosts the US Navy’s Fifth Fleet and we clearly share important strategic objectives. But increasingly our ties extend beyond our militaries and touch on shared economic and civil society interests, as well.”

Malinowski added: “The United States is grateful for Bahrain’s leadership and partnership in confronting shared challenges in this region, from our longstanding security relationship to our current efforts against Daesh... Assistant Secretary Patterson and I had a very constructive visit with government officials over the last two days, including His Majesty the King and the Crown Prince, and a broad cross-section of Bahrain’s political and civil society groups. We think that the recent elections provide a real opportunity to move forward.”

DECEMBER 6
U.K. announces agreement to open a British naval base in Bahrain

British Foreign Secretary Philip Hammond signed a deal to build a naval base on the Persian Gulf island, which will be the U.K.’s first permanent military base in the Middle East since it withdrew from the region over four decades ago. According to British Defense Secretary Michael Fallon, the base should enable London to assert the Royal Navy’s presence in the Gulf. Fallon told Bahraini officials, “Your security concerns are our security concerns... In a globalized world, our domestic security and prosperity depends on developments beyond our shores.” Bahrain’s Foreign Minister Khalid Al-
Khalifa stated that the agreement “reaffirms our joint determination to maintain regional security and stability in the face of challenging circumstances.”

Analysis: The U.K.’s return to the Persian Gulf after 43 years is a significant development for Britain. In essence, the plan to build a naval base answers calls for “A Return to the East of Suez”, a strategy, formulated by the Royal United Services Institute (RUSI). The U.K. intends to act on the Gulf region’s geostrategic changes and to have a permanent forward presence. The safety of tens of thousands of British expats as well as the need to protect British assets in the region are prime motivations. According to GCC interlocutors, the base will be part of the 5th Fleet, which is currently undergoing a USD 580 million base expansion.

Announcement of British naval base opening in Bahrain fuels protests in Sitra

After the British government announced plans to open a naval base in the island kingdom, hundreds of protestors held marches in Sitra, a predominantly Shi’ite island situated south of Manama that is considered the heart of the anti-government rebellion, and called for removal of British ambassador, Iain Lindsay. According to certain activists, the decision to open the base in Bahrain was a reward for the U.K.’s silence on the question of human rights in the Gulf Arab nation.

DECEMBER 8
Government blames Lebanon’s Hezbollah for deadly bomb explosion

A blast occurred in Damistan, a village situated 12 miles southwest of Manama, resulting in the death of a Jordanian policeman. The Foreign Ministry declared that the attack was carried out with “a bomb made by the terrorist Hezbollah” organization.

Analysis: The government’s blaming of Hezbollah is typical of officials in Manama who view a Bahraini Hezbollah cell as part of the violent campaign against the Sunni monarchy. Manama’s use of the name “Hezbollah” is meant to also draw attention to how Lebanon’s Hezbollah uses cells throughout the region to strike against adversaries, most notably in Syria.

DECEMBER 9
Explosion kills two in Shi’ite village

A bomb blast killed one Bahraini citizen and an Asian expatriate in Karsakan, a predominantly Shi’ite village situated along Bahrain’s western coast, according to the Interior Ministry. The explosion came one day after a blast killed a policeman in Damistan (see December 8). Bahrain’s main Shi’ite opposition party, al-Wefaq, condemned both deadly acts and demanded that the government launch an investigation.
Analysis: The target selection of this bomb blast differs from the explosion in Damistan on the previous day (see December 8), which the government viewed as an attack against the Sunni authorities. The bomb blast in Karsakan may have very well been an attack against foreigners. Bahrain is said to grant citizenship to many expatriates in order to balance neighborhoods and districts, in the Bahraini equivalent of gerrymandering. Nevertheless, al-Wefaq’s call for an investigation into both acts indicates that the Shi’ite opposition group intends to clear itself from alleged involvement in the violence.

Court sentences human rights activist to 16 months in jail

A Bahraini court issued a 16-month jail sentence to Zainab al-Khawaja, a democratic activist who was charged with insulting a government employee and destroying state-owned property. The charges were first made in 2012. The sentence came five days after Khawaja received a three-year jail sentence and a fine of USD 7,960 after she tore up a photograph of King Hamad. The December 9 verdict went into effect immediately and her lawyer Mohammed al-Wasati said she “can be taken to jail at any time.”

DECEMBER 10
European Union officials condemn terrorist attacks in Bahrain

Catherine Ray, spokesperson for EU High Representative Federica Mogherini, condemned the bomb blasts that occurred during the previous two days (see December 8 and 9). Ray stated, "We offer our sincere condolences to the families of the victims and wish a speedy recovery to the injured. These dramatic events underline the need to urgently seek a solution to the current difficulties in Bahrain through constructive and peaceful dialogue.”

Prime Minister hails strong ties with Kuwait

Bahrain’s Prime Minister Prince Khalifa bin Salman Al Khalifa received Kuwait’s Emir Sheikh Sabah al-Ahmad al-Jaber Al Sabah. The Prime Minister called Bahrain’s relations with Kuwait a “bright model” and he expressed gratitude for the Kuwaiti leadership’s support for Bahrain. The Bahraini and Kuwaiti officials were joined by Emir Al Sabah’s delegation, members of Bahrain’s ruling family, and both states’ ambassadors.

DECEMBER 19
Bomb blast in Shi’ite village injures three policemen

Bahrain’s interior ministry stated via Twitter that a “terrorist blast” in Bani Jamra, a Shi’ite village situated northwest of Manama, resulted in three policemen being injured. The government provided no details regarding the attack, but mentioned that the authorities were taking “necessary steps” in response.
DECEMBER 22
Bahraini and Omani prime ministers discuss increasing bilateral trade

Bahrain’s Prime Minister Sheikh Khalifa bin Salman Al Khalifa, along with other high ranking officials in Manama, received Oman’s Prime Minister Yousef bin Alawi bin Abdullah at the al-Qudhaibia Palace. The Bahraini and Omani officials discussed the two Gulf Arab nations’ historic ties and their interest in growing trade relations and improving cooperation in the fields of energy, water, agriculture, education, and tourism.xxxviii

DECEMBER 28-30
Al-Wefaq leader is arrested; United Nations (UN) and European Union (EU) express concern

Two days after being re-elected for another term as leader of al-Wefaq (Bahrain’s dominant Shi’ite opposition group), authorities arrested Sheikh Ali Salman. According to his lawyer, Salman was charged with “inciting hatred against the regime.” Two days earlier, Salman took part along with thousands of Bahraini Shi’ites in protests in Manama aimed at dismissing the government and parliament. Al-Wefaq responded to Salman’s arrest, describing it as “a perilous and arbitrary adventure which will seriously complicate the political and security scene in Bahrain.” After the opposition leader’s arrest was announced, violent clashes between his backers and security forces occurred outside his house.xxxix

On December 30, the UN human rights chief urged Manama to release Salman and “all other persons convicted or detained for merely exercising their fundamental rights to freedom of expression and assembly.” EU officials declared that the opposition leader’s arrest “carries the risk of jeopardizing an already difficult political and security situation.xxx
Kuwait Monitor

- Kuwait offers discounted oil prices to Asian buyers
- Government announces plan to sack jobs of all expatriates in the Gulf Arab state after 30 years to increase the ratio of native Kuwaitis to foreigners
- Authorities arrest three supporters of Daesh (“Islamic State”)

DECEMBER 3
Kuwait and Pakistan finalize an energy deal for 2015

Pakistan, dependent on Kuwait for 90 percent of its fuel imports, signed a gasoil deal with Kuwait Petroleum Corp (KPC). The deal stipulates that Pakistan State Oil Company will purchase approximately 2.5 million tons a year of high sulfur gasoil from KPC.

DECEMBER 8
Washington’s allies prepare to send approximately 1,500 additional personnel to Iraq to assist Baghdad in the armed conflict with Daesh (“Islamic State”)

Speaking to reporters in Kuwait City, Lieutenant General James Terry stated that certain members of the Washington-led coalition against Daesh made pledges to deploy “close” to 1,500 forces to Iraq, yet Terry did not specify which countries would provide the additional troops. This move came on the heels of Washington’s decision to increase its military presence in Iraq to 3,100 troops.

Analysis: According to local sources, the plan to deploy more forces from the coalition in Iraq is still in process. Delays are due to determining the number of additional country representatives. Disputes over payment for operations further complicate the picture.

DECEMBER 10
Government pledges USD 6 million to United Nations (UN)

Ambassador Jamal al-Ghunaim, Kuwait’s permanent delegate to the UN, stated that Kuwait would donate USD 1 million to the UN High Commission of Refugees (UNHCR) and USD 5 million to other UN agencies.

Kuwait Petroleum Corporation (KPC) offers Asian buyers largest discount in six years

The KPC stated that it will sell crude oil in Asian markets at USD 2.10 a barrel, marking the largest discount since December 2008. By doing so, Kuwait is joining neighboring Iraq and Saudi Arabia in selling crude oil to Asian countries at a discounted price.
DECEMBER 14
Finance Minister vows to improve conditions in Kuwait’s stock market

As the market’s main index plummeted, Finance Minister Anas al-Saleh stated that the government authorities will work with “unprecedented coordination” to reverse the downward trend by seeking “comprehensive solutions to conditions of the Kuwait Stock Exchange.” Specifically, the official spoke of amending legislation that covers Kuwait’s market regulator, the Capital Markets Authority and “slashing current expenditure and lifting capital spending.” Yet, al-Saleh said that large-scale economic development projects would not be cut, and that the government would sustain budget deficits by borrowing from Kuwait’s general reserves and/or via commercial loans.xlv

DECEMBER 18
Foreign Ministry Undersecretary announces that Kuwait accepts Iraq’s request to delay payment on compensation for Gulf war

Kuwait’s state-run news agency, KUNA, reported that the government had accepted Baghdad’s request to defer payment of the required compensation for damages inflicted during Iraq’s invasion and occupation of Kuwait in the 1990/91 Gulf War. The decision was made in light of sliding oil prices that have created grave budgetary dilemmas for Baghdad at a time when the Iraqi government’s ongoing struggle against Daesh is proving costly. KUNA quoted Kuwait’s Foreign Ministry Undersecretary Khaled al-Jarallah: “The brothers in Iraq have presented the request formally and unilaterally and Kuwait has accepted and responded to this request.”xlvi

Court jails three supporters of Daesh

For the first time, a Kuwaiti court jailed three people on charges of backing Daesh. A Kuwaiti man received the harshest sentence, 10 years, for urging his fellow citizens to support Daesh and for insulting the Emir of Kuwait. The other two individuals, an Egyptian and Jordanian, received four-year terms for their role in distributing pro-Daesh leaflets. Although the three are imprisoned, their verdicts can be appealed.xlvii

DECEMBER 23
Kuwait Airways and Boeing finalize order for 10 jets

Kuwait Airways and Boeing Co. finalized a deal worth USD 3.3 billion for ten 777-300ERs. The order was originally announced in November. The CEO of Kuwait Airways, Rasha al-Roumi, stated, “Kuwait Airways has plans to renew its fleet as well as expand its operations and the 777-300ER is a perfect airplane for our strategy.”xlviii
DECEMBER 25  
**Speaker Marzouq al-Ganem addresses the TV show that offended the UAE’s leadership**

Kuwait’s parliament began to take legal action against former Kuwaiti MP and Muslim Brotherhood (MB) member Mubarak al-Duwailah, who spoke out against the UAE’s decision in November to brand the MB and its affiliates as terrorist organizations. Al-Ganem stated, “Relations between Kuwait and the UAE are not the result of a diplomatic decision; rather [both nations] share common destiny and our history is as old as our existence as Emiratis and Kuwaitis… I am not talking here as the parliament’s speaker but on behalf of all Kuwaitis who reject any offending remark against a brother such as Sheikh Mohammed whose place is engraved in the hearts of all Kuwaitis and no one can ever taint this high status in our hearts.”

DECEMBER 29  
**Kuwaiti officials announce plans to terminate jobs held by all expatriates for over thirty years**

The *Arab Times* reported that Kuwait’s government will sack all expatriates who have been working in the Gulf nation for over thirty years. The Minister of Social Affairs and Labor approved the list of foreign workers whose jobs will be terminated. The online media outlet did not provide the reason for their jobs’ termination, yet for years Kuwait’s government has sought to decrease the number of foreigners in Kuwait.

Syrian government official announces that Damascus will reopen its embassy in Kuwait

A Syrian official spoke with The Associated Press about three Syrian diplomats who traveled to Kuwait to reopen a Syrian embassy in the Gulf state. According to Khaled al-Jarallah, an official in Kuwait’s Foreign Ministry, Syria’s diplomats voluntarily departed Kuwait after the Syrian crisis erupted and their return was also voluntary. He also stated that the reopening of the embassy did not indicate that Kuwait City and Damascus have normalized bilateral relations, as Kuwait’s government has supported forces in Syria seeking to overthrow Bashar al-Assad’s government.
Oman Monitor

- Standard & Poor’s downgrade outlook for Oman’s sovereign rating, citing the economy’s vulnerability to sliding oil prices
- Oman and Pakistan’s militaries conduct joint drill
- Sultan Qaboos remains in Germany as concern lingers about the country’s succession question
- Majlis al-Shura proposes a ban on alcohol, raising concerns within Oman’s tourism industry

DECEMBER 1
High-ranking official in Iranian government emphasizes promotion of bilateral relations

Iran’s Deputy Foreign Minister for Arab and African Affairs Hossein Amir-Abdollahian addressed the Iran-Oman Joint Strategic Committee’s meeting, held in Muscat. The Iranian officials addressed the common threat of terrorism and Islamist extremists while calling for deeper security cooperation between both governments. Amir-Abdollahian accused certain states in the U.S.-led coalition against Daesh in Iraq and Syria of pursuing their own national interests. Oman’s Deputy Foreign Minister Ahmed Alharethi stated that Iran plays a special role in Oman’s foreign policy and that increased cooperation with the Islamic Republic is a high priority for Muscat.

Analysis: As usual, Iran is betting that Oman can serve as a crucial link between the Islamic Republic and the West, and its Sunni Arab allies, in terms of addressing Daesh. Muscat has been the choice location of numerous governments for talks with Tehran about a variety of issues, including regional security dilemmas. Iran’s government hopes that by using the Iran-Oman Joint Strategic Committee as a new platform for discussions and initiatives, Iran’s security interests can be advanced.

DECEMBER 5
Standard & Poor’s cuts outlook for Oman’s sovereign rating

Underscoring how sliding oil prices are creating painful economic realities for Oman, the credit rating agency Standard & Poor’s revised its outlook for the sultanate’s rating from stable to negative, citing the potential deterioration in the country’s fiscal and external positions as a result of plummeting oil prices.

Analysis: While many analysts have attributed the downgrading to the impact of sliding oil prices on Oman’s 2015 budget, concerns about Oman’s political transition in the post-Sultan Qaboos era are also a factor. With an uncertain political and economic future, foreign investors are concerned.
DECEMBER 7
Ministry of Oil and Gas plans to double gas prices charged to two cement firms

Oman Cement and Raysut Cement stated that Oman’s Ministry of Oil and Gas will double gas prices to fill Muscat’s bourse. Oman Cement said that its gas price would rise USD 17.22 million and Raysut Cement forecasted that its gas prices would increase to USD 166 million.

DECEMBER 9
Majority of legislative body votes to ban alcohol trade and consumption

Eighty-four percent of the Majlis al-Shura council voted to prohibit the trade and consumption of alcohol in Oman. The recommendation is expected to be forwarded to the Council of Ministers. The Times of Oman reported that one member of the Majlis al-Shura council who did not vote on the ban voiced concerns about the legislation’s negative impact on the sultanate’s tourism industry.

On December 23 the Times of Oman reported that the prohibition on alcohol would result in government coffers losing USD 260 million. The article stated that hotel owners in Muscat expressed concerns that such a ban would severely harm Oman’s tourism industry, given alcohol’s role in generating income.

Analysis: The Majlis al-Shura’s move to ban alcohol follows a trend of “creeping conservatism” as seen in other GCC states. Moves to impose a more rigid form of Sharia are intended to please conservative nationals who treasure national values, and seek to lessen attention from Islamist extremists who associate liberal alcohol policies with ‘corrupt behavior and practices.’ According to GCC interlocutors, members of the Majlis al-Shura want to prohibit alcohol because of Oman’s sensitive political environment, which is causing the government to cater to the sultanate’s conservative Ibadi Muslim citizens.

DECEMBER 12
Human rights activist is arrested

The Gulf Centre for Human Rights (GCHR) reported that Omani authorities arrested Saed Jadad at his home in Salalah. According to GCHR, Jadad was arrested without charge and was not granted access to a lawyer or any family members while in detention. Jadad, described by GCHR as a “prominent” defender of human rights, played a role in leading anti-government demonstrations in Dhofar during the sultanate’s brief “Arab Spring” episode in early 2011.
Royal Navy of Oman and Pakistan Navy conduct joint exercises

According to a senior Pakistan Navy officer, the joint naval exercises were held to deepen bilateral relations. The Omani navy’s latest ship, RNOV Rasikh, participated. The exercises were conducted in large part due to Muscat and Islamabad’s shared interest in stemming piracy, terrorism, and other illicit activities in the region.

Analysis: Oman is increasingly involved in patrolling and conducting maritime domain awareness with partner countries around the Gulf of Oman. Information sharing was a key part of the exercises, which factor into Muscat’s intention to become more secure from the threats, such as piracy, that can emanate from Oman’s territorial waters. In fact, local sources have stated that Oman will soon conduct multilateral naval patrols with Islamabad and Tehran.
Qatar Monitor

- Qatar and Egypt’s relationship begins to thaw
- Doha hosts the GCC’s 35th Summit
- Head of the Qatar Investment Authority (QIA) is replaced
- Rumors circulate that Qatar’s government will expel Hamas’ leadership from Doha to fulfill Egyptian demands for improved relations
- Qatari embassy in Turkey is attacked

DECEMBER 4
Royal family member takes over as chief of the Qatar Investment Authority (QIA)

Qatar News Agency reported that Sheikh Abdullah bin Mohammed bin Saud Al Thani will replace Ahmed al-Sayed as head of QIA, one of the world’s largest sovereign wealth funds. QIA manages approximately USD 300 billion and has high stakes in Harrods, Crédit Suisse, and Barclays. Mr. Sayed, who became the chief of the QIA several days after Qatar’s sitting emir inherited the throne, held the post for roughly one year. Members of Qatar’s business community have posited that Sheikh Abdullah bin Mohammed bin Saud Al Thani’s replacement of Mr. Sayed plays into the emir’s agenda of installing a new team of his loyalists into high-ranking positions.

DECEMBER 9
Leaders from other five Gulf Cooperation Council (GCC) monarchies arrive in Doha for the Council’s 35th Summit

The Emir of Qatar hosted Saudi Arabia’s Crown Prince Salman bin Abdulaziz Al Saud, the UAE’s Prime Minister, Vice President, and monarch of Dubai, Sheikh Mohammed bin Rashid Al Maktoum; Bahrain’s King Hamad, and Oman’s Deputy Prime Minister for the GCC’s 35th Summit. The talks focused on sliding oil prices, conflicts in Iraq, Syria, and Yemen, and the GCC’s relations with Iran.

Analysis: The conference demonstrated that much of the bickering between GCC states may soon be resolved. The formation of a GCC joint command, much anticipated in the press, was pushed back to the GCC Military Technical Committee for further review. Yet the GCC leaders did announce the formation of a regional police force, known as GCC-POL and based out of Abu Dhabi, in addition to a joint naval force located in Bahrain. It is telling that Bahrain and the U.K. announced on the day before the GCC ministerial meeting that Britain is to open a new naval base in Bahrain. Not only does the announcement signal the U.K.’s return to the Persian Gulf after pulling out of the region over forty years ago, but it also underscores Britain’s commitment to help the joint force police Gulf waters and confirms London’s plan to implement the resurgent “East of Suez” policy.
Two specific threats drive the GCC-POL’s development. First is the internal threat of extremist forces, such as Daesh, al-Qaeda, and other militant Islamist factions. Second is Iran, seen as a foreign power intent on meddling in the GCC’s affairs. GCC-POL will focus also on drug trafficking, money laundering, and cyber-crime within the Council, as well as on external crime networks. While the GCC interior ministries maintain information sharing, preserving maritime security in the Persian Gulf is driving the GCC’s members to act with greater cooperation.

The growing security dilemmas throughout the greater Middle East were also on the GCC’s agenda at the conference. In addition to Daesh, the summit focused on the Houthis in Yemen, the plethora of armed groups in Libya, GCC-Egypt relations, and Iran’s alleged regional ambitions. The GCC is considering adopting the terrorist lists issued by Saudi Arabia and the UAE in March and November 2014, respectively. According to an Arab official, the GCC move is meant “to close ranks with its GCC brothers, because both the United States and Britain are rejecting these terrorist lists.” Indeed, the GCC seeks to create a united list of groups deemed to be extremist, independent of Western definitions of “fanatical.”

The GCC also addressed Egypt and Libya, two Arab countries where the Gulf Arab monarchies and the West have high stakes. The GCC strongly endorsed Egyptian President Abdel Fattah el-Sisi and the Libyan government of Prime Minister Abdullah al-Thinni, based in Tubruq, Libya. These validations signal the GCC’s commitment to become increasingly involved in Egypt and Libya’s future if the security crises in both states deteriorate even further. As European powers share the GCC’s concerns, given their concerns for Mediterranean security, it can be expected that EU-GCC cooperation vis-à-vis Egypt and Libya will expand. Despite the decline in oil prices, analysts contend that the GCC will probably provide the Egyptian and Libyan governments with more money as such threats persist.

Resolving issues surrounding Iran did not gain much traction at the GCC summit. Significantly, in the run-up to the GCC annual ministerial meeting, Saudi Crown Prince Muqrin Bin Abdulaziz and Iranian President Rouhani met secretly in Muscat to try to settle differences on a host of issues including oil prices, the fight against Daesh, and other security questions. According to a Jordanian diplomat, “The two sides didn’t get past the letter “I” in ISIS in their discussion. The discord between Riyadh and Tehran is still high because of the P5+1 nuclear negotiations and the impact that an agreement between Iran and the six world powers (most importantly the United States) would have on GCC security. This is in addition to the perception of Iran’s support of the Houthis in Yemen, especially in the wake of the Houthis’ power-grab in Sana’a, and the declining price of oil.” Many had hoped that an accommodation could be reached between the GCC and Iran on Daesh because of Tehran’s air strikes against the extremist group. But from the GCC’s perspective, too many other issues still stand in the way. Consequently, the debate about Iran’s place in the region is still subject to the interpretation of Tehran’s behavior in the coming six months, especially at the end of the
second quarter of 2015. Overall, the GCC is witnessing one of the most critical periods in its history.

DECEMBER 9
Washington, DC-based neo-conservative think tank releases report on Doha’s alleged support for Daesh (“Islamic State”)

The Foundation for Defense of Democracies released a report stating that Qatar has ignored the transfer of funds from its citizens to Daesh in Iraq and Syria and al-Qaeda-affiliated organizations operating across the greater Middle East and Africa, including the Khorasan Group, Jabhat al-Nusra, al-Qaeda in the Arabian Peninsula (AQAP), al-Shabaab, the Taliban, and Lashkar-e-Taiba. The report warned that, “Qatar-based terror finance challenges have metastasized into a pressing, world-class crisis” that is only likely to end with a “serious change in U.S. policy.” Acknowledging that Doha contributed to the U.S.-led military campaign against Daesh in Syria in September, the report dismissed such cooperation as solely “symbolic.”

DECEMBER 11
Western and Gulf officials mark tenth anniversary of the North Atlantic Council – Istanbul Cooperation Initiative partnership at seminar in Doha

NATO Secretary General Jens Stoltenberg, along with ambassadors of NATO’s 28 members, and the four partners of the Istanbul Cooperation Initiative (ICI) -- Bahrain, Kuwait, Qatar, and the UAE -- held a seminar in Qatar, marking the tenth anniversary of the North Atlantic Council-ICI partnership. Speaking at the seminar, Stoltenberg stated, “NATO’s relations with its Gulf partners have grown deeper and stronger... The more we cooperate, the safer we will be."

Analysis: NATO’s relationship with the ICI has been moving forward slowly over the past decade. The focus of the initiative is to cooperate and to share information on a host of security issues related to illicit crime, terrorism, cooperation on border security, counter-WMD, training and education. The UAE appears to be leading the rest of the GCC participants by sending an ambassador to NATO’s headquarters. Several GCC interlocutors note that ICI will be challenged by changes in the regional security architecture because of the split between Russia and the West.

DECEMBER 22
Doha suspends Al Jazeera Live Egypt

This channel, an Egyptian affiliate of Qatar’s Al Jazeera, was the only popular news outlet in Egypt that broadcast footage of the MB’s anti-government protests or referred to the military-orchestrated ouster on Mohammed Morsi on July 3, 2013 as a “coup.”
**DECEMBER 24**

Qatari officials meet Egyptian counterparts, signaling a thaw in Qatari-Egyptian relations

Qatar’s intelligence chief, Ahmed Nasser Bin Jassim Al Thani, and other Qatari officials, met with their Egyptian counterparts in Cairo to discuss reconciliation between the two Arab states. The meeting followed an 18-month period in which relations between the Gulf emirate and Egypt’s military-led government had deteriorated due to Doha’s backing of the ousted Muslim Brotherhood (MB) leadership. The Qatari and Egyptian officials discussed the possibility of holding a meeting between Qatar and Egypt’s heads of state in early 2015, either in Saudi Arabia or Egypt. The meeting was arranged via the Saudi Arabian leadership, which has been a backer of the military-led government in Egypt and has placed substantial pressure on neighboring Qatar to end support for the Egyptian MB.

Analysis: Qatar and Egypt have started to reconcile their differences, yet certain issues remain. First, in Libya, where Doha is allegedly backing Fajr Libya and Egypt is backing Libya Dignity, the two governments have conflicting interests. Second, questions surrounding the Hamas leadership’s presence in Doha antagonize Egypt’s government. However, with Hamas leaders possibly on the verge of leaving Qatar for Turkey or Iran, the issue may not undermine the potential for full reconciliation. Finally, Qatar’s financial and diplomatic activity in Sudan constitutes another sore point in Qatari-Egyptian relations. Qatar has allegedly given indirect aid to Islamists in Sudan, which has also contributed to tensions between Doha and Cairo. Overall, it may take years for the Qatari and Egyptian officials to reach an understanding, yet the process has certainly commenced.

**DECEMBER 26-28**

Hamas assesses the regional implications of Qatar’s improved relationship with Egypt and how the developments may impact its ties with Doha

On December 26, speculation that Qatar will sever ties with Hamas increased after Egypt’s government issued a statement that Doha will end its relationship with the Palestinian movement in Gaza in order to facilitate the reconciliation between Doha and Cairo. On the same day, another Egyptian official stated anonymously that Hamas had urged authorities in Doha to use Qatar’s improved ties with Egypt as a means to pressure Cairo into reducing its tension with Hamas, a Muslim Brotherhood-affiliate. Also on December 26, Egyptian news sources reported that the Egyptian government had threatened to sever relations with Hamas if the Palestinian group refused to extradite 13 Hamas members accused of conducting armed operations on Egyptian soil. According to the source, Cairo would consider upgrading relations with Hamas only after such extradition proceedings have concluded.

On December 28, Palestinian Minister of Labor Mamoun Abu Shahla said that Doha has postponed financial aid for Gaza’s state employees. However, Husam Badran, a
Doha-based Hamas spokesperson, stated, “There is no suspension of the Qatari financial support for the movement, since their relationship is ongoing.” Yousef Rizqa, a former Hamas official and current advisor to the group, asserted that Qatar’s relationship with Hamas will not be negatively impacted by the recent reconciliation between Cairo and Doha. Rizqa stated, “The Hamas-Doha relationship is stable and Qatar’s support for the movement is sustained and has never ceased. Moreover, Qatar’s position on Hamas is strategic.”

DECEMBER 29
Qatar’s embassy in Turkey is attacked

A shooter fired a hunting gun three times at Qatar's embassy in Ankara from a parked car. One security guard suffered hip and shoulder injuries. Government officials thus far have found no link between the shooter and any organization. The Peninsula stated, “The incident will in no way affect the brotherly relations between our two countries of Qatar and Turkey.”
Saudi Arabia Monitor

- King Abdullah is admitted to hospital, heightening discussion and concern about Saudi Arabia’s succession challenge
- Standard & Poor’s cuts Saudi Arabia’s long-term outlook
- Daesh (“Islamic State”) affiliates in the kingdom claim responsibility for shooting of Danish citizen in November 2014
- Riyadh maintains position that oil output will not be capped
- Government unveils 2015 budget

DECEMBER 1
Pro-Daesh media outlet releases video showing the shooting of Danish citizen in Riyadh

Al-Battar Media Foundation, a media group that supports Daesh, released a video that contained footage of the November shooting of Thomas Høpner. The group which claimed responsibility identifies itself as “Supporters of the Islamic State in the Land of the Two Holy Mosques.” The shooting came on the heels of Abu Bakr al-Baghdadi and Abu Mohammed al-Adnani, Daesh’s leader and spokesman, respectively, calling on the group’s sympathizers in the Kingdom of Saudi Arabia to wage attacks against citizens from Western nations whose governments (including Denmark) are involved in military operations against Daesh in Iraq and Syria.\textsuperscript{lxvii}

Analysis: The targeting of Thomas Høpner, a Dane, was not only about Denmark’s involvement in the U.S.-led military operations against Daesh, but was also part of the recent history of anti-Islamic programs against Muslims in the Scandinavian country. The origin of the violent dispute started with the Muhammad Cartoon Crisis of 2005/2006, which exploded after the Danish newspaper Jyllands-Posten published a dozen cartoons under the headline “The Face of Muhammad.” Hundreds of thousands protested the cartoons, leaving nearly 250 dead and 800 or so wounded. This episode touched off confrontations between Muslims and non-Muslims in Denmark that continue to this day.

DECEMBER 5
Standard & Poor’s cuts Saudi Arabia’s long-term outlook

As oil prices slide, S&P downgraded Saudi Arabia’s long-term rating outlook from positive to stable. The agency stated, “We view Saudi Arabia’s economy as undiversified and vulnerable to a sharp and sustained decline in oil price, notwithstanding government policy to encourage non-oil private sector growth.”\textsuperscript{lxviii}
DECEMBER 7
Authorities in Riyadh arrest 135 on terrorism charges

In response to growing concerns of supporters of Daesh ("Islamic State") in Saudi Arabia waging further attacks, the government arrested 135 individuals suspected of involvement in terrorist organizations. Twenty-six were foreigners, and while most were from Syria, others came from Afghanistan, Bahrain, Egypt, Ethiopia, Iraq, Lebanon, and Yemen, according to Saudi Arabia’s Interior Ministry. The 135 individuals were allegedly plotting acts of violence inside Saudi Arabia and in other countries. The charges included fighting abroad, mobilizing Saudi youth to join Daesh’s ranks, and terrorist financing. Seventeen of the arrests took place in the Shi'ite village of Awwamiya, located in the Eastern Province (EP).

DECEMBER 8
Saudi Arabian and Indian governments sign domestic workers agreement

Saudi Arabia’s council of ministers, deputy premier, and minister of defense approved Riyadh’s agreement with Delhi. The agreement is intended to protect the rights of domestic workers in the kingdom, and reduce costs of recruitment in both Saudi Arabia and India while further organizing the process.

DECEMBER 10
As crude oil prices slide, Saudi Arabia’s Oil Minister indicates that Riyadh has no intention of capping the country’s output

While in Lima, Peru, at the United Nations climate change talks, Saudi Arabia’s Oil Minister Ali al-Naimi spoke with reporters about the kingdom’s oil output. Al-Naimi asked rhetorically, “Why should I cut production?” He continued, “You know what a market does for any commodity. It goes up and down and up and down…. This is a market and I’m selling in a market. Why should I cut?”

Analysis: Saudi Arabia’s oil policy is meant to reshape the international oil market and enable the sale of cheap oil to Riyadh’s partners, namely China, in the Far East. In addition, Riyadh’s strategy is to force shale producers, specifically in the U.S., to go bankrupt, thus delaying their emerging presence on the energy market. Al-Naimi’s comment in Lima is one of many on the topic of the low price of oil. Furthermore, the Saudi minister’s mission at the climate talks was to illustrate that oil production is still more “environmentally-friendly” than shale production.

DECEMBER 20
Riyadh hails thaw in Qatari-Egyptian relations

According to Saudi Arabia’s state-run news agency, Saudi Press Agency (SPA), officials in Riyadh said that Qatar and Egypt responded with “full conviction” to King
Abdullah’s initiative that called for a Qatari-Egyptian rapprochement. SPA quoted a Saudi Royal Court:

“The Kingdom of Saudi Arabia has expressed its welcome regarding ongoing steps that will strengthen relations between the Arab Republic of Egypt and the State of Qatar, including the visit made by Special Envoy of the Emir of Qatar Sheikh Mohammed bin Abdulrahman Al Thani to Egypt… Saudi Arabia stressed its support and keenness on opening a new page between the two countries for enhancing integration and cooperation between the two countries to achieve higher interests of the Arab and Islamic nations, hoping of all honorable scientists, intellectuals, writers and men of the media outlets responding and supporting this step.”

**Security forces kill four “terrorists” in the Eastern Province (EP)**

Government forces shot and killed four militants in the town of al-Awamiya, situated in Saudi Arabia’s restive EP. The spokesman for Saudi Arabia’s Interior Ministry, Mansour al-Turki, stated that the four “terrorists” killed included a man who had shot and killed a security official five days earlier. According to al-Turki, a police officer was moderately injured as the security guards and four militants exchanged gunfire.

**DECEMBER 21**

**Riyadh blames non-OPEC producers for sliding oil prices**

Along with the UAE’s government, Riyadh reiterated its commitment to maintaining steady levels of production while blaming oil-producing states outside of OPEC for tumbling oil prices. Consistent with Riyadh and Abu Dhabi’s interest in defending their shares in the international oil market, as opposed to maintaining high profits, OPEC decided at its meeting on November 27, 2014, not to cap production in order to raise oil prices. Saudi Arabia’s Oil Minister Ali al-Naimi expressed confidence that prices will rise as economic growth increases demand for oil/gas.

**DECEMBER 25**

**Riyadh unveils 2015 budget**

The Saudi Arabian government made public its 2015 budget, which indicated that the kingdom will maintain a high level of spending despite plummeting oil prices. Officials in Riyadh project that expenditures will reach USD 229.3 billion, marking an increase of approximately 1% from 2014. The Minister of Finance Ibrahim bin Abdulaziz Al-Assaf stated that the government will likely run a higher deficit and will need to rely on cash from the kingdom’s reserves to maintain high levels of spending on projects in the health and education sectors.
Two women are referred to ‘terror’ court for driving in the kingdom

Loujain al-Hathloul and Maysa al-Amoudi were referred to a special court in Riyadh that tries terrorism suspects, to face charges of violating the ban on female drivers in the Kingdom of Saudi Arabia. According to activists, this marked the first time that female drivers had been referred to this ‘terror’ court. The two women told the media that their crimes were not driving per se, but voicing their opinions on the internet about the nation’s ban on female drivers. Al-Hathloul and al-Amoudi expressed their views via Twitter to an audience of more than 355,000 followers.

DECEMBER 31
King’s hospital visit raises questions about Saudi Arabia’s succession process

The royal court declared that Saudi Arabia’s King Abdullah bin Abdulaziz was admitted to the King Abdulaziz Medical City in Riyadh to undergo “medical checks.” Saudi Arabia’s state-run media provided no further details. Rumors that the 91-year-old king’s health is deteriorating circulated on social media throughout 2014. In October 2011 and November 2012 King Abdullah underwent two operations on his upper back. Saudi Arabia’s state-run media provided no further details.

Analysis: King Abdullah’s hospitalization brings up a number of key questions concerning Saudi Arabia’s succession issues.

First, there are rumors that King Abdullah will abdicate. The original idea for the king’s abdication was first floated in April 2014 due to the monarch’s health problems, which included back surgery and emphysema. According to certain sources, King Abdullah has lung cancer.

Second, there is the scenario of an imminent transition. Taking the king to a Saudi Arabian National Guard (SANG) hospital suggests a dramatic medical emergency. It is important to take note of who is responsible for guarding King Abdullah, and who remains in the barracks, because such questions shed light on which way the pendulum is swinging in terms of a princely factional fight over succession. Furthermore, the Allegiance Council has a medical testing component that will check the new monarch’s health.

Observers question if Crown Prince Salman bin Abdulaziz is healthy enough to inherit the throne. Salman is reportedly in good shape -- bright, alert, and talkative each morning. Yet, he often becomes tired and confused by the afternoon. Recently, Salman made a trip to East Asia and, according to sources, the travel was meant to provide him with appropriate rest.

Third, while according to GCC interlocutors, former interior minister Ahmed bin Abdulaziz is not a contender, is furthermore unpopular, and in no position to climb the
ladder, he could be a troublemaker behind the scenes. Ahmed’s support of Crown Prince Salman would be essential, yet if Salman is perceived as a transitional monarch, it may be the consensus that the time has come to transfer power to a young Sudairy, namely Mohammed bin Nayef. Yet bin Nayef is busy dealing with the threat of Daesh and al-Qaeda—both outside the kingdom and within—and it appears unlikely that he will soon ascend to the throne.

Fourth, King Abdullah’s abdication and/or death could result in a jump over Salman to either Deputy Crown Prince Muqrin or SANG Minister Prince Miteb bin Abdullah bin Abdulaziz. While the idea of a jump to Muqrin over Salman would be nothing short of astonishing, the other scenario being bantered about is that the struggle between King Abdullah’s sons (Minister of SANG, Riyadh Governor, Deputy Foreign Minister, etc.) and Muqrin may come to fruition, even though Muqrin has 70 percent support from the other princely factions. Clearly, King Abdullah’s sons will support their brother Miteb to be the Deputy Crown Prince. However, it is questionable if that position will continue to exist in the event of a succession.

In 2015, it is possible that Saudi Arabia will be led by: King Salman, Crown Prince Muqrin, and Deputy Crown Prince Miteb, or by King Muqrin, Crown Prince Miteb, and Deputy Crown Prince Mohammed bin Nayef. Overall, the possibilities and implications for policy are tantalizing.
United Arab Emirates Monitor

- American expatriate is murdered in Abu Dhabi by Emirati citizen with a “terrorist ideology”, weakening the UAE’s image of security and moderation
- U.S. State Department meets with U.S.-based groups listed by the UAE government as “terrorist organizations”
- Iraq’s Prime Minister visits the UAE for first time since assuming office

DECEMBER 1
American citizen is stabbed to death in Abu Dhabi

Ibolya Ryan, a 47-year American expatriate teacher in the UAE, was stabbed in the restroom of a shopping mall in Abu Dhabi. On December 4, the authorities arrested a suspect, Dalal al-Hashemi, a 38-year UAE citizen originally from Yemen. Allegedly Hashemi had unsuccessfully attempted to detonate a bomb at an apartment where an Egyptian-American doctor resided. According to the UAE’s Interior Minister Interior Minister Saif bin Zayed Al Nahyan, al-Hashemi targeted the two based on their nationality.

Analysis: The death of the American school teacher was an unprecedented event in the UAE. According to UAE interlocutors, al-Hashemi is semi-illiterate. Thus, she had to have help in tracking the Americans and building her crude bombs, which apparently had “sophisticated” fuses. Rumors are circulating that a larger cell has been arrested, including citizens from Syria, but this information is not substantiated. According to authorities, the suspect adopted an extremist ideology from the internet.

However, key questions remain about which websites she accessed if she is semi-illiterate, not to mention that these websites are blocked in the UAE. Interestingly, Daesh members tweeted that she was fulfilling the “Dabiq Epic” in that she acted as a lone-wolf on Daesh’s behalf. There has been no solid evidence to date of an actual plan by Daesh to attack Americans in general in the UAE. Nonetheless, Emirati authorities are concerned about the possibility of copy-cat occurrences, including “demonstration killings” in public places.

DECEMBER 4
Kyrgyzstan and UAE sign a decree to establish a Kyrgyz embassy in Abu Dhabi

Kyrgyzstan’s President Almazbek Atambaev visited the UAE and signed a deal to open an embassy in the Gulf Arab state. While in the UAE, the Kyrgyz president held talks with Sheikh Mansour bin Zayed Al Nahyan, the UAE’s Deputy Prime Minister and Foreign Minister, and other Emirati officials. Atambaev spoke about the UAE’s investment opportunities in the Central Asian country’s agricultural, logistics, and transport sectors.
DECEMBER 7
UAE government reports that Ibolya Ryan’s murderer was influenced by “terrorist ideology”

The UAE’s state-run media outlet, WAM, stated that while authorities found no direct connections between the UAE national responsible for murdering Ibolya Ryan (see December 1) and any terrorist organizations, she was driven by a “terrorist ideology” that she embraced through online networks. According to a security source, the investigation revealed that the act was “the result of a personal instigation and a lone terrorist act.” WAM reported that the investigation demonstrated that the murderer’s intention was not to kill an American national specifically, but was instead seeking to kill a random foreigner.\textsuperscript{\textit{xxxi}}

DECEMBER 15
Iraqi Prime Minister makes first visit to the UAE

Iraq’s Prime Minister Haider al-Abadi travelled to the UAE for the first time since replacing Nouri al-Maliki roughly four months earlier. According to a statement issued by the Iraqi Prime Minister’s office, the Abu Dhabi crown prince, Sheikh Mohammed bin Zayed Al Nahyan, greeted al-Abadi, who thanked the UAE for its role in the international coalition against Daesh. Al-Abadi and Sheikh Mohammed discussed regional security dilemmas and economic ties between Iraq and the UAE.\textsuperscript{\textit{\textit{xxxi}}}

DECEMBER 22
Two U.S.-based NGOs discuss the UAE’s “terrorist” designation with U.S. government officials

On November 15, the Council on American-Islamic Relations (CAIR) and the Muslim American Society (MAS) were both listed as “terrorist” entities by the UAE government, along with roughly 80 other organizations worldwide. CAIR and MAS representatives met with officials in Washington and pledged to cooperate on efforts to achieve a “positive solution to the UAE designations.”\textsuperscript{\textit{\textit{xxxiii}}}


