



مركز الجزيرة للدراسات
ALJAZEERA CENTRE FOR STUDIES

Report

The Growing Arms Deals in the Gulf: Existential Need or Fear Politics?

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22 January 2018



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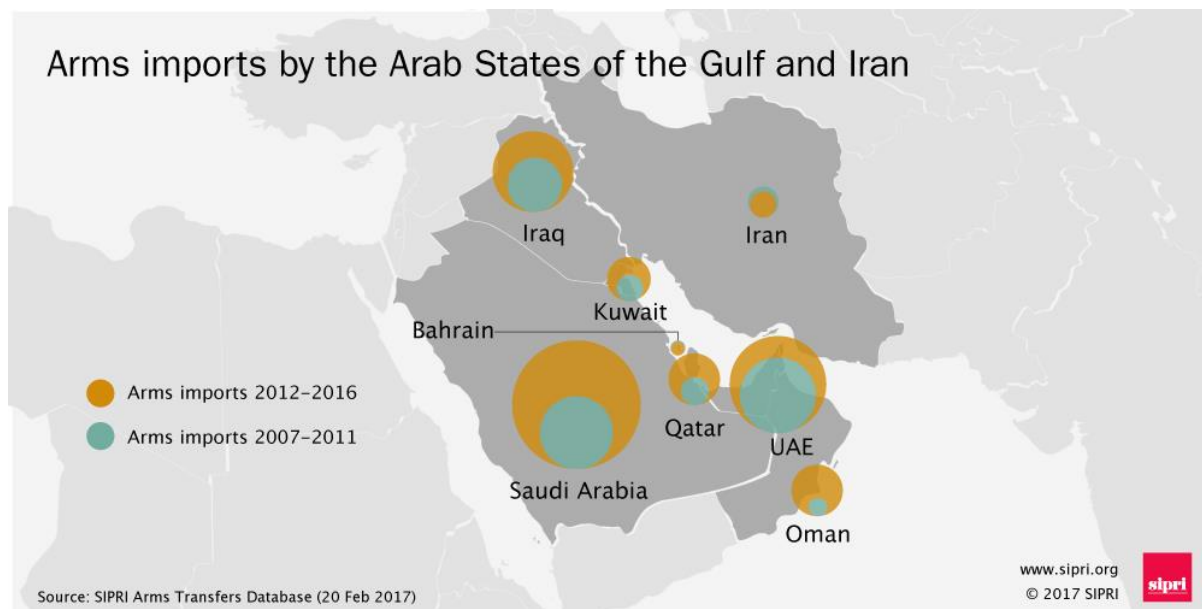


[Getty Images]

Political and ideological rivalries among several ambitious players in the Gulf region perpetuate perceived fear and instability, and breed escalation. Geopolitical tensions between the two 'heavyweights', Iran and Saudi Arabia, and the new Gulf crisis have accentuated the region-wide arms build-up since mid-2017. This paper probes into how the perceptions of threats have solidified an endless pursuit of arms purchases. The Saudis seem to be countering Iran's quest for regional dominance and have increased their arms expenditure. Similarly, the Iranians remain sceptical about the Saudi-US alliance, which add to the decades-long perceived 'threats' against the Islamic Republic. The complexity of historical rivalries and the dynamics of the new Gulf crisis have hindered the possibility of an alternative balance of power, much less a region free of instability. The civilian devastation in Yemen has provoked a moral dilemma in Europe for delivering arms to the Saudi-led Arab Alliance and indirectly fuelling war atrocities.

Return to the Arms Bazaar

Purchases of expensive weaponry by various Arab states have reached the highest volume since the end of the Cold War era. Between 2012 and 2016, arms imports jumped by 86%, accounting for 29 percent of global arms sales, according to the Stockholm International Peace Research Institute (SIPRI). Saudi Arabia has rapidly built up its arsenals, accounts for 8.2 percent of total global imports, and ranks the second biggest arms importer after India. It increased its purchases by 212 percent in the previous four years compared with the period between 2007 and 2011. Similarly, the United Arab Emirates increased its arms imports by 63% between 2012 and 2016. Other Gulf States decided substantive increases in their arms purchases: Qatar 245 percent, Kuwait 175 percent, and Iraq by 123 percent.



Source: SIPRI Arms Transfers Database (Feb. 20, 2017)

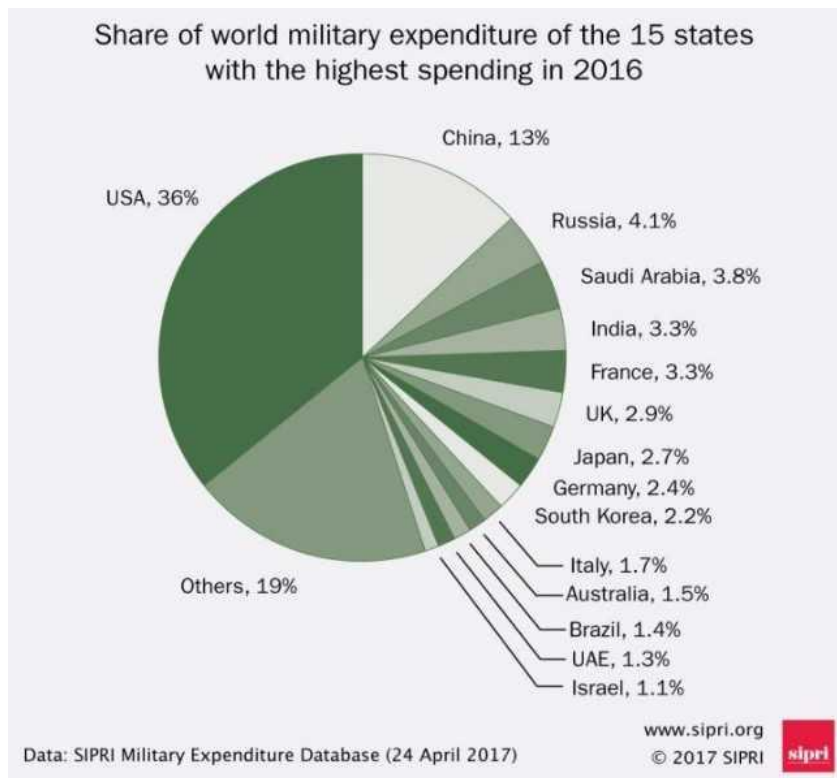
This militarisation trend in the Gulf region implies another comparison of the arms spending ratio vis-à-vis the respective gross domestic product (GDP) in these countries. Seven Middle Eastern countries are among the top 12 countries with the highest proportion of their GDP on military spending in the world. In 2015, Oman was on the top of the list with 14.58 percent of its GDP, followed by Saudi Arabia with 13.50 percent. The 2016 data show a similar pattern: Oman with 16.75% and Saudi Arabia with 10.41%, firmly holding the two top positions.

Diederik Cops, an expert on international conventional arms transfers at the Flemish Peace Institute in Belgium, considers the growing arms expenditure a direct result of the involvement of some countries in the Yemeni conflict. Another reason derives from the perceived sense of insecurity in the region and the perceived existential needs of those countries. Cops also argues that Saudi Arabia, and its allies namely the United Arab Emirates, aspire to be the regional power, which implies a strong military capability vis-à-vis Iran. Most Gulf States consider the benefits of the Nuclear Agreement signed between Iran and six Western nations a potential threat to the regional balance of power. This Iranian-Western nuclear detente has become another precursor of the military speeding in the region. Still, business is booming for the world's major arms exporters. U.S. exports grew by 21 percent. Highly sophisticated systems accounted for part of that increase, including missile defense systems and long-range airborne intelligence, surveillance, and reconnaissance systems.

The Saudi Check Book

Saudi Arabia has been the second largest arms importer in the world for the past 5 years and the largest recipient of US weapons, accounting for 13 percent of US arms exports. Last May, it sealed a multi-billion arms deal with Washington worth \$350 billion over the next 10 years and \$110 billion that will take effect immediately. The Trump-White House

considered the deal as "a significant expansion o [the] security relationship" between the two countries. Additionally, Saudi Arabia has agreed to buy about \$7 billion worth of precision-guided munitions from U.S. defence contractors. However, the deal has raised concerns over the use of U.S.-manufactured arms against civilians in the Saudi-led campaign in Yemen. Later, this study will address the moral dilemma of selling arms in the context of the new resolution of the European Parliament criticizes EU members for selling arms to the Saudi Arabia.



Source: SIPRI Arms Transfers Database (Feb. 20, 2017)

As Jeff Abramson, senior fellow at the Arms Control Association asserts, "Trump has made clear that he values arms sales and will pursue large ones, frequently without real concerns about human rights or other appropriate restraint". There has been growing opposition to the U.S. role in enabling the Saudi-led intervention in Yemen within U.S. civil society and Congress in Washington. However, some analysts predict this opposition is unlikely to interrupt large deals like a recent \$15 billion offer of U.S. missile defence technology to Riyadh. Still, political pressure may eventually succeed in blocking future sales of U.S. bombs or interrupt U.S. refuelling of Saudi aircraft.

Video 1:

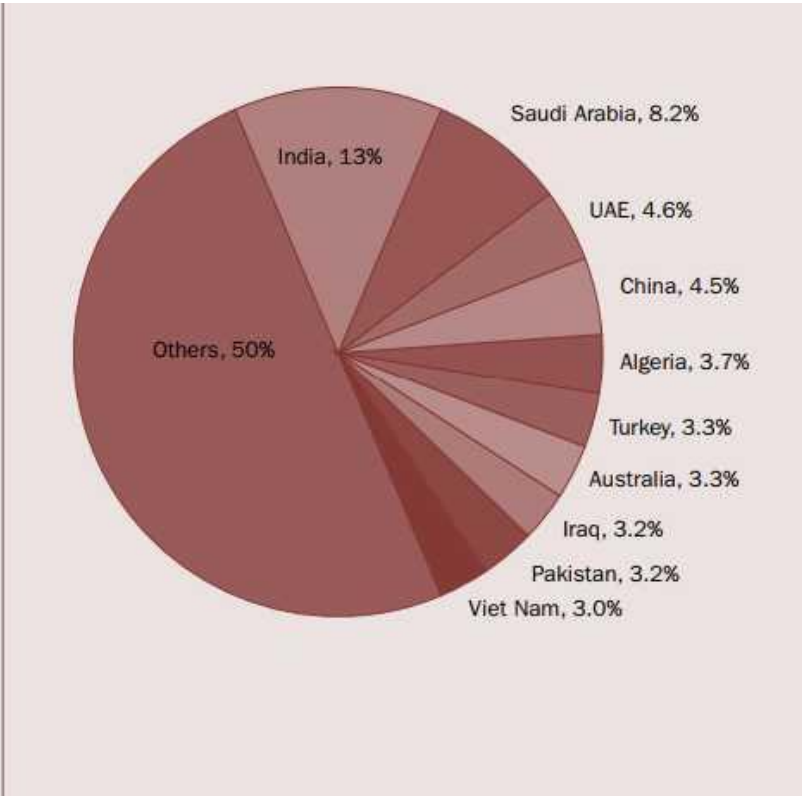
<https://youtu.be/QV9rNIEUIQ>

The Emirati Shadow of an Emerging Power

The United Arab Emirates has led an increasingly interventionist foreign policy in hot spots like Libya, Syria and, most recently, Yemen. It has developed the appetite for becoming an influential regional power and has invested heavily in its military capabilities in recent years, and has become the second biggest arms importer in the

region. UAE was the first country in the region to acquire missile defence systems (THAAD and PAC-3), drones (Predator XP), warships (Baynunah) and other most modern military equipment in the world. UAE's defence expenditures were valued at US\$23.6 billion in 2016, according to SIPRI data. They are projected to grow to US\$31.8 billion by 2021. The key drivers of the country's future spending are the protection of vital infrastructure, the territorial dispute with Iran, and ongoing domestic defence industry building.

UAE has diversified its sources of arms while it receives 19 percent of all US arms exports. France comes second on the list of UAE's main suppliers. The Emirati army is equipped with the LeClerc tank, Mirage fighters, and Baynunah corvettes. Russia, Italy and Sweden are important suppliers as well. The UAE is also investing heavily in the development of a national arms industry, becoming a relevant arms exporter itself, to join the club of the top 30 global exporters. However, The Emirati role in the Yemeni conflict has been often overshadowed by its ally Saudi Arabia. The arms transfers to UAE have gone largely unquestioned. Part of the reason may be that the Saudi-led coalition has been very secretive about operations carried out by individual coalition members.



Source: SIPRI Arms Transfers Database (Feb. 20, 2017)

Qatar's Plan B

The Qatari military procurement has increased in the last four years after the political rift between Doha and other Gulf capitals in 2013, which led to an expedited record of

purchase of military equipment. Doha also acquired strategic airlift capability of C-17 and C-130 transport aircrafts. Doha secured tanks from Germany and Patriot air/missile defence systems from the United States. By 2015, Qatari officials made the request of the first 24-Rafale combat aircraft from France, and ordered a complete naval fleet from Italy in 2016.

After the June 5 crisis and the economic blockade of Qatar, neighbouring Saudi Arabia, UAE, Bahrain, as well as Egypt, sought to impose a 13-demand list on the Qatari leadership. This shift in the inter-Gulf relations has triggered security concerns and solidified a rather militarised mind-set across the region. Doha has significantly increased its arsenal, and purchased aircrafts from the United States including a \$12bn deal finalized in June 2017 to buy U.S. F-15 fighters jets. It also signed an \$8 billion Typhoon-fighter-jet deal with the United Kingdom and Rafale fighter jets and armoured vehicles from France. Paris and Doha have also signed commercial contracts worth \$14.1 billion.



President Trump and King Salman sign a \$110 billion arms deal in Riyadh, May 2017 [The News]

Some analysts argue that Qatar intends to pursue parallel political investment with powerful nations, along those large military purchases, with the hope of greater support in its conflict with Saudi Arabia and other members of the Gulf Cooperation Council. It has also diversified the list of partners in the procurement program. Pieter Wezeman of the SIPRI Arms and Military Expenditure Programme explains that the decision of the United Kingdom, the United States, and France to supply arms to Qatar maybe driven by economic reasons; but at the same time, signal clearly to the region that they do not consider Qatar, or its leadership, as a destabilizing country. Despite Trump's support for the Saudi position in June, the United States did not reject the November notification of

the F-15 deal for Qatar. This decision indicated, "The Trump administration will not withhold arms to any Gulf Cooperation Country despite the splits within the group."

Video 2:

<https://www.youtube.com/watch?v=o4FiEPvfVwg>

Iran: a Military Dwarf or a Strategic Giant?

Iran is keen on modernizing its military arsenal after a decades-long arms import embargo. Analysts estimate that Iran would need to spend up to \$40 billion to fully revamp its museum-status military in the long term. However, any arms deal with Iran still requires a green light from the UN Security Council, where the United States has the power of veto. The Trump administration will not allow any major arms sale to Iran. This means Iran cannot finalize any purchase until 2020, the expected date of lifting the current constraints under the provisions of the Nuclear Deal. Hence, Iran's arms imports has been at a very low level at 1.2 percent of total arms transfers to the Middle East between 2012 and 2016.

Iran's military spending amounted to just above \$12 billion in 2016, in comparison to the Saudi spending of more than \$61 billion, according to SIPRI. As Hartung explains, "the new Saudi leadership is seeking to beat back Iranian influence in Iraq, Syria, and elsewhere in the region, and drag the United States into the fight, including possible military action against Iran. This is part of a struggle for regional dominance which is not related to any alleged Iranian arms build-up." Still, Russia's delivery of four air defence systems to Iran in 2016, which do not fall under the UN arms embargo, was the first significant import of major arms by Iran since 2007. Whatever Iran will manage to achieve in military modernisation in the coming years or decade is unlikely to truly alter the current military asymmetry between the Persian state and the Arab states.

Video 3:

<https://www.youtube.com/watch?v=4hcGt0GfG0s>

EU Options: Red or Green Lights?

The killing of civilians and worsening humanitarian crisis in Yemen has revealed a moral dilemma among Western nations. The European Parliament has adopted a resolution, (2017/2849(RSP), which calls for an EU-wide embargo on arms sales to Saudi Arabia over the alleged war crimes in Yemen, and criticizes EU members for selling arms to the Saudi Arabia. The European Parliament also called on the EU foreign policy chief, Federica Mogherini, to launch "an initiative to impose an EU arms embargo against Saudi Arabia" in light of the serious allegations of war crimes in Yemen. A similar proposal to the EU authorities was included in another resolution (2016/2515(RSP) on the situation in Yemen adopted in February 2016.

Maja Kocijančič, spokesperson for Foreign Affairs and Security Policy/European Neighbourhood Policy and Enlargement Negotiations at the European Commission, explains that “decisions on the issuing of an arms embargo rest fully with the Council. This would be a decision for the Council to take by unanimity (all Member States).” But, the largest EU arms exporting countries are very likely to block such an embargo. This contrast derives from the different perspectives of EU Member States towards Saudi Arabia in their national foreign policies. The call for an arms embargo on Saudi Arabia has, therefore, only symbolic value.

Nevertheless, both resolutions recognize that arms transfers to Saudi Arabia violate the European arms export regulations as outlined in the Common Position adopted in 2008 (2008/944/CFSP). As Kocijančič points out, EU Member States take into account the Common Position on arms exports when deciding whether or not to export military equipment to a third country. The Common Position provides for information-sharing, which is well-developed, between the export control authorities of EU Member States and towards the public.” Thus, a non-binding resolution should be regarded mainly as a political statement from the European Parliament (which historically has been more prone to accommodating popular feelings) directed at European governments (which are following their strategic and commercial interests). Kocijančič asserts “the final decision on whether to authorise or deny an export is at the national discretion of Member States.”

Video 4:

<http://www.aljazeera.com/programmes/insidestory/2017/11/weapons-trade-regulated-171128164733543.html>

Some EU countries, in particular the Netherlands, have unilaterally decided to restrict arms exports to Saudi Arabia. However, the United Kingdom and France clearly have no interest in doing the same. The perceived economic and political benefits of continuing the arms trade with Saudi Arabia, and for that matter the other Arab Gulf states, are clearly significant. In Germany, there has been an ongoing controversy about arms deals with Saudi Arabia. It is too soon to foresee what approach the new government coalition will adopt out of the coalition talks between Merkel’s Christian Democrats (CDU) and the Social Democrats (SDP).

Prominent members of the ruling Syriza party in Greece have questioned the morality of selling arms to Saudi Arabia. In November, the Greek parliament’s Military Procurements Committee raised concerns over a €66 million weapons agreement with the Saudis signalling that Greece may halt the deal. The Greek government’s spokesman said Athens would apply the law “by the letter” if EU sanctions were announced. “We are waiting to see the decisions of the European Parliament and will act accordingly.” While

Athens' final decision is still unclear, the final decision will depend on the strength of the political and public debates and salience of the delivery of arms to Saudi Arabia.

But it is highly unlikely that other European states with important stakes in selling arms to the Gulf will follow this trend. This may be especially be true for the UK and France whose exports to Saudi Arabia (and other Gulf States) represent 50% or more of their total arms exports. Stopping these exports would thus be a huge blow to their respective defence industries.

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