The Gulf Military Balance

Volume III: The Gulf and the Arabian Peninsula

By Anthony H. Cordesman, Robert M. Shelala II, and Omar Mohamed

September 4, 2013

U.S.-Iranian Competition Series

Request for comments:
This report is a draft that will be turned into an electronic book. Comments and suggested changes would be greatly appreciated. Please send any comments to Anthony H. Cordsman, Arleigh A. Burke Chair in Strategy, at acordesman@gmail.com.

ANTHONY H. CORDESMAN
Arleigh A. Burke Chair in Strategy
acordesman@gmail.com
Acknowledgements

Chloe Coughlin-Schulte acted as the editor and reviewer in preparing this analysis.
EXECUTIVE SUMMARY

The Gulf and the Arabian Peninsula are critical to US strategic interests and collectively represent the single most important theater in the US-Iranian strategic competition. The proximity of the Arab Gulf states to Iran; the region’s geostrategic value to the stability of the global economy; the shifting military balance; and the social, demographic, and economic tensions that threaten to create political upheavals in several key states make it a potential flash-point for tensions between Washington and Tehran.

While each state in the region pursues its own approach to security and faces its own unique challenges, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE all share many of the same strategic priorities and security interests, and are allied together in the Gulf Cooperation Council (GCC). All six states must react to the same major changes now taking place in their strategic environment:

- **Changes in the Strategic Posture of the United States.** The United States issued new strategic guidance in early 2011 that called for the US to avoid any repetition of the kind of involved in open-ended wars that occurred in Afghanistan and Iran. This guidance gave the Middle East and the Gulf that same strategic priority as Asia, and stressed the threat posed by Iran and its search for nuclear weapons, but called for the United to build up strategic partnerships rather than take a unilateral lead or dominate the commitment of military force.

  Since that time, the US has faced growing pressures on both government and national security spending, had to cut its forces and modernization plans, and faced growing domestic political pressures as a result of “war fatigue” and focus on domestic issues. It also has differed with many of its Gulf allies over its lack of support for President Mubarak and then the military takeover in Egypt and its uncertain role in dealing with Iraq and the Syrian civil war. The US faces a serious crisis of confidence in dealing with each of its Gulf allies as well as its other allies in the region.

- **The Security and Strategic Importance of Petroleum Exports:** The large reserves of oil and natural gas in the Arabian Peninsula make the security and stability of the region of vital importance to the US.

  Estimates of oil and gas reserves as a percent of the world total are highly uncertain – and are changing rapidly as more unconventional sources of oil and gas come to play a far greater role in global supply. However, the size of proven oil reserves in these states ensures that these countries will continue to be major players in the global oil trade so long as there is demand.

  Three of the world’s top 10 producers of oil are located on the peninsula – Saudi Arabia (1), the United Arab Emirates (7) and Kuwait (9). According to reserves data from the US Energy Information Agency (EIA) and country rankings from the Central Intelligence Agency, as of May 2013 Saudi Arabia had the largest proven oil reserves of any country in the world, with 267.91 billion barrels or 18.17% of the world total. Kuwait (104 billion barrels) and the UAE (97.8 billion barrels) followed with the sixth and seventh-largest proven reserves, comprising 7.05% and 6.63% of the world total, respectively. Iran has 154.58 billion or 10.48%; Iraq has 141.35 billion or 9.59%.

  While other estimates differ in detail, sources like the BP Statistical Review of Energy for 2012 produce broadly similar estimates. It estimated that the GCC states alone had 19.2% of the world oil reserves versus 9.1% for Iran and 8.7% for Iraq. Some estimates put the GCC shares of the world’s proven conventional oil reserves as high as 45%, with the potential to rise steadily in the future.

  The region also has key natural gas producers – namely Qatar and Saudi Arabia. The BP Statistical Review of Energy for 2012 estimates that the GCC states have 20.4% of world gas reserves versus 15.9% for Iran and 1.7% for Iraq. Some estimates indicate that the GCC has 17% of the world’s conventional gas reserves. In terms of proven reserves of natural gas, Qatar has
• Geography and Strategic Competition with Iran: The Arab Gulf states are in close range of rapidly growing Iranian missile, air, and naval capabilities, and their exports and many of their imports move by sea. The presence of US military assets and facilities throughout the Arabian Peninsula offers them security in terms of both deterrence and warfighting capability, but the states that host US bases may also be treated as targets for retaliation in the event of a conflict in the Gulf or a preventive US or Israeli strike against Iranian nuclear infrastructure.

The Strait of Hormuz – which passes between the UAE, Oman, and Iran – is an essential passageway for maritime commerce from the east coast of Saudi Arabia, Kuwait, Qatar, Bahrain, and the UAE to the outside world. Roughly 35% of all oil moved via ocean and 20% of all internationally traded oil passes through the Strait – some 17 million barrels daily. According to the EIA, “[t]he Strait of Hormuz is by far the world’s most important chokepoint [for oil trade].”

• Iran’s Nuclear and Missile Programs: Iran’s steady progress towards developing the capability to deploy nuclear weapons confronts the Arab Gulf states with the need to find a new form of deterrence and defense that can deal with a nuclear-armed Iran. This has led the US to offer its Arab Gulf allies “extended deterrence” of the kind it once offered its NATO allies in dealing with the nuclear threat posed by the former Soviet Union and the Warsaw Pact. Senior Saudi officials have publically noted that the Kingdom has studied nuclear options. The nuclear threat has also given missile defense an even higher priority, and led to debates over containment versus preventive strikes to deny Iran a nuclear capability.

• The Challenge of Containment and Preventive Strikes: All the Arab Gulf states have supported US, EU, and P5+1 efforts to use sanctions and negotiations to pressure Iran to halt its nuclear efforts, and all are actively building up their own conventional air and sea forces to deter and defend against Iran and doing so in partnership with the US and other outside powers like the UK and France. Each, however, must also consider whether to back the US in preventive strikes against Iran’s nuclear facilities, the relative merits of such strikes versus containment, and how they would react to an Israeli preventive strike on Iran.

• Sunni versus Shia and Alawite Tensions: Iran is a Persian Shia state with a different language than the Gulf Arab states, and is an ambitious foe seeking regional and religious dominance. With the exception of Oman, all of the Arab Gulf states have Sunni leaders, and most have a strong Sunni majority in their native populations. All, however, also have a significant number of Shia citizens, including Bahrain, which has a Shia majority. These sectarian differences affect both their internal stability and competition with Iran.

In several Arab Gulf countries, the Shia portion of the population sees itself as being socially, politically, and economically discriminated against by the regime, and less well off than their Sunni counterparts. Iran has been politically active and has sometimes used covert elements to try to win support from such Shia and use them in putting pressure on Arab Gulf regimes. This has led the governments of Bahrain, Kuwait, Saudi Arabia, the UAE, and Yemen to tighten their internal security policies, resulting in clashes between native Shia and internal security forces in Bahrain and Saudi Arabia, and fighting between Shia tribes and the government in Yemen.

The Arab Gulf governments are also concerned about Iranian links to these communities and possible Iranian efforts to use their native Shia to undermine the Sunni leadership. The Quds Force of Iran’s Islamic Revolutionary Guard Corps (IRGC) and Lebanese Hezbollah are seen as key elements of such threats.

• Terrorism and Sunni Extremism: The Arab Gulf states must also deal with a minority of violent Sunni extremists that reject many of the values of orthodox Islam and see Arab Gulf regimes as illegitimate. Saudi Arabia has had to conduct a major counterterrorism campaign since attacks by Al Qa’ida in 2003, and Yemen has fought similar battles. All of the Arab Gulf countries have faced some threat from native extremists and from the flow of such extremists from the outside.
The recent fighting in Syria and violence in Iraq and Lebanon has increased this threat, as have struggles between such extremists and moderate governments throughout the Islamic world.

- **Iraq, Syria, and the Impact of the Rising Instability in the Arab World:** The tensions in the Gulf include the concerns the Arab Gulf states have over the future alignment of Iraq with the US and Arab Gulf states versus Iran, and the renewal of Sunni and Shia sectarian violence in Iraq. The civil war in Syria has become another sectarian struggle between Alawites and Sunnis. It is also a struggle between the US and Arab Gulf states that back the rebels and Iran, which backs the Assad regime. This struggle has spilled over into Turkey, Lebanon, and Jordan.

More broadly, the political and economic issues that are the result of what was initially called the “Arab Spring” have led to a military takeover and the risk of civil war in like Egypt, and growing tensions and instability in Jordan. The US and Gulf states have divided in choosing sides in Egypt, with the US seeking compromise, Saudi Arabia and the UAE backing the Egyptian military, and Qatar support the Moslem Brotherhood.

- **The stability of Yemen, the Bab el Mandab, and the Red Sea:** Yemen is not formally a member of the GCC or a Gulf state, but shares common borders with Oman and Saudi Arabia, has large numbers of expatriate workers in the Gulf, and plays a critical role in the stability and security of the Arabian Peninsula and the Gulf. It has been caught up in the political upheavals in the Arab world, a low level civil war with its Houthi minority, and faces serious challenges from Al Qa’ida in the Arabian Peninsula. From a strategic perspective, it is a Gulf state although it also plays a critical role in determining the security of the Red Sea and its eastern gate, the Bab el Mandab. It affects the security of most of the traffic through the Suez Canal as well as the flow of some 3.4 to 4.0 million bbl/d of petroleum.

Each of these challenges helps shape the US strategic partnership with the Arab Gulf states, the competition between the US and Iran, and the military balance in the Gulf. At the same time, they are only part of the factors shaping Arab Gulf security. The Arab Gulf states must deal with the broader aspects of religious extremism and terrorism; internal sectarian, ethnic, and tribal divisions; the need to deal with massive demographic pressures and a “youth bulge” that requires the creation of massive numbers of jobs and new social infrastructure; and the need for stable political and social evolution to avoid political upheavals that can do as much or more to disrupt reform and modernization as to achieve it.

Moreover, Arab Gulf governments must deal with all of these challenges at the time US strategy and the US force posture in the world is changing and uncertain. It is also a time when Gulf military and internal security forces must shift from a past focus on conventional warfare and compartmented internal security efforts to a spectrum of four interactive challenges:

- Internal security, counterterrorism (CT), and civil-military stability operations – often involving outside powers and arms transfers.
- Low to mid-level asymmetric wars that may involve conventional forces.
- Conventional wars using asymmetric means
- Use of weapons of mass destruction (WMD), weapons of mass effectiveness, and cyberwarfare – wild card patterns of conflict and escalation.

This means dealing with the emergence of complex or hybrid warfare which can occur at many different levels without clear probabilities – other than opponents like Iran and violent extremists who will seek to exploit any perceived weaknesses and do so as cheaply as possible. Each Gulf state must also individually and collectively deal with
enduring political, social, and economic pressures that threaten its stability and that of its neighbors. These are pressures where the US and outside powers can have limited influence, but where success or failure will occur is based largely on national and local basis.

**The US and the Arab Gulf States: Challenges and Interests**

While it has never been stable, and keep evolving, the strategic partnership between the US and the Arab Gulf states serves a wide range of common strategic interests. Since the early 1970s, the US has sought to protect and secure the stable flow of oil and gas exports at world market prices, promote security and stability in the region, forge useful military cooperation programs to advance broader US strategic aims, and encourage economic development and trade while protecting trade lanes. Iran’s unconventional military developments and nuclear weapons program pose a risk to each of these interests, and thus to the ability for the US to advance its own goals of national security and global economic stability.

In the seventy-odd years that the US has been actively engaged in the region, Washington has advanced these interests through numerous variations of alliances and containment. Saudi Arabia played an important role – along with Iran – in the US strategy to contain the Soviet Union. As a result of the 1979 Islamic Revolution, Iran began to emerge as the major regional threat to US interests.

The Iran-Iraq War, the Iran hostage crisis, various acts of terrorism, and the Iranian targeting of Kuwaiti tankers in the Gulf made this threat real, while the subsequent collapse of the Soviet Union allowed the US to focus more on containing Iran. At the same time, the aggression displayed by Saddam Hussein during the 1990 invasion of Kuwait and the brief Iraqi incursion into Saudi Arabia demonstrated that an ambitious and hostile Ba’athist regime in Baghdad was also a threat to US security interests in the Gulf.

The US characterized the decade that followed in terms of “dual containment,” when the US sought to limit hostility from both Baghdad and Tehran. Economic sanctions and a no-fly zone were put into effect to mitigate future Iraqi hostility, while Washington remained cautious of developments in Iran and built up the militaries of the Gulf Arab states.

The Iraqi threat to Gulf security ended after the US-led invasion of Iraq in 2003, but created a new Iraqi threat to the US. While Iraq once had the fifth-largest army in the world, the US invasion destroyed Iraq’s forces while triggering a mix of clashing Sunni, Shia, and Kurdish factions and an insurgency hostile to the US. This – followed by the election of the conservative Iranian President Mahmoud Ahmadinejad and growing concern with the Iranian nuclear program – has made the containment of Iran the principal strategic objective of the US in the Gulf region.

**Enhanced US Partnership with the Southern Gulf States**

The US is now engaged in both an effort to redefine its overall strategic posture to limit its level of involved in regional wars, to reduce the cost of its military and national security expenditures, and to redefine its regional role in the Gulf region to emphasize strategic partnerships and strengthen its allies. It also confronts the uncertainties create by
the political upheavals in the region since 2011, upheavals that have create major challenges in dealing with Egypt and the Syrian civil war, that affect each of the Arab Gulf states, and that are compounded by the US failure to create a stable strategic partnership with an Iraq which is now the scene of a major competition for influence between Iran and the US and Arab Gulf states.

The military balance in the Gulf region is being shaped by a US effort to deter and defend against Iran by strengthening its military capabilities in the Gulf and those of its partner countries on the Arabian Peninsula – particularly in the realm of air power, missile defense, and air-sea operations. The resulting partnership must deal with a range of threats the goes from low-level attacks or clashes in the Gulf to a possible effort to close the Strait of Hormuz to Iranian intervention in the Syrian civil war to Iran missile strikes.

At the same time, the US and its Arab Gulf partners must deal with the political unrest and uprisings that have surged in the MENA region since the first set of upheavals in Tunisia in early 2011, the possible impact of Israeli preventative military action against Iran’s nuclear infrastructure, and growing extremist and terrorist threats like AQAP and AQIM.

The US and its Arab Gulf partners must also deal with the fact that the past political barriers that somewhat insulated the Gulf from political and security issues to the west have largely broken down, as Gulf security has already been affected by Iraq as well as Iran. The competition between Iran and the Arab Gulf states for influence in Iraq is both serious and one where Iran now has the lead. The low level civil war between Sunni and Shi’ite that continues in Iraq cannot be separated from Iran’s efforts to support the Assad and Alawite side in the Syrian civil war and Hezbollah in Lebanon. The broader tensions and sometimes conflicts between hardline Sunni Islamists and modern Sunnis and Sunni regimes, and between such Sunnis and Shi’ites and other Islamic minorities, now affect the entire Islamic world and all of the Gulf states as well. They feed extremism, violence, and serious terrorist threats like AQAP throughout the Gulf region.

The relative balance of US, European, Arab Gulf, and Iranian military capabilities to deal with military challenges like the threat posed by Iranian asymmetric, conventional, and missile forces – and Iran’s potential acquisition of nuclear weapons -- is analyzed in detail in the first two volumes of this three volume series: The Gulf Military Balance, Volume I: The Conventional and Asymmetric Dimensions and The Gulf Military Balance, Volume II: The Missile and Nuclear Dimensions.

Several factors are particularly important in shaping the attitudes of the leaders of the Southern Gulf states towards the US and Iran, and the need for effective political, military, and economic unity and action by the Arab Gulf states:

- **Terrorism and Civil Unrest:** There is a history of Iranian-linked terrorism and civil unrest dating to the infancy of the Islamic Republic. Bahrain in particular has alleged that numerous uprisings, attempted coups, and recent bombings have been linked to Iranian support for Shia factions in that country. Kuwait also has a history of dealing with Iranian-linked terrorism as early as the 1980s, with another attempted attack recently uncovered. Plots in Bahrain and Kuwait have been linked to both Hezbollah and the IRGC Quds Force.

- **Threat to Maritime Trade:** The security of maritime commerce for much of the Arabian Peninsula is contingent upon safe passage through the Strait of Hormuz. The threat of Iranian mines, small boat attacks, and anti-ship missiles is a serious risk to regional commerce. At the same time,
Yemen is scarcely the only unstable state in the Red Sea, and Saudi Arabia now needs to strengthen its Red Sea fleet and air capabilities. Saudi Arabia exports petroleum and refined products through its port at Yanbu and has a major trading port at Jeddah. In 2011, some 3.4 mmb/d of petroleum products flowed through the Bab el-Mandab at the eastern entrance to the Red Sea, and 3.8 mmb/d flowed through the SUMED pipeline and the Suez Canal at its western entrance.13

- **Missile Threat:** Iran’s airpower capabilities are limited by sanctions and the aging nature of the country’s fixed-wing air force. However, Iran has compensated for these shortcomings with short to intermediate range missile capabilities that put major population centers and critical infrastructure on the Arabian Peninsula in range of Iranian strikes.

- **Nuclear Threat:** The GCC Supreme Council meeting in December 2012 made it clear that the leaders of the Arab Gulf states supported Iran’s right to make peaceful use of nuclear power. However, these leaders were deeply concerned about the growing evidence that Iran is developing a nuclear weapons breakout capability and has plans to arm its missile forces with nuclear weapons.

- **Competition for the Levant and Iranian Support to Other Violent Non-State Actors:** As has been the case with Hezbollah in Lebanon and Shia groups in Iraq, Iran has been accused of providing material support to violent non-state actors (VNSAs) in the Arabian Peninsula. The IRGC Quds Force is accused of meeting with and providing arms to Houthi militants in Yemen, which have been battling the US-backed regimes of Yemen and Saudi Arabia.

- **Iranian and Arab Gulf competition for influence in Iraq and Training and Support of Shia Militias in Iraq:** While Iran has largely supported the Maliki government; its Al Quds Force not only plays a role in Iraqi politics but trains, funds, and equips various Shia military factions.

- **Competition for Influence in Syria, and Role of Iranian Advisors and Arms Transfers in Syria:** Iran has become a major source of military advisors and trainers for the Shia militias backing Assad and a key source of arms, spare parts, and other military equipment to the pro-Assad elements of the regular military services and Syrian security forces. Along with its support of the Lebanese Hezbollah’s efforts in Syria, it has become a key military factor in keeping the Assad regime in power.

- **Growing threat of instability in Jordan, Egypt, and the rest of the Arab world:** What some experts once called the Arab Spring now threaten to become the Arab quarter century. Political upheavals in Egypt and Syria, a civil war in Syria, growing violence in Lebanon, and instability in Jordan combine to form a new threat to Arab Gulf stability, and give Iran growing influence in Iraq, Syria, and Lebanon. This has fed Islamic extremism throughout the region, threatens to create an Iranian influenced “axis” that extends to the Mediterranean, and raises questions about the future security of Saudi Arabia’s western border.

- **The risk of a broader conflict between Sunnis and Shi’ite and Islamic minorities and other minorities:** What some experts once called the “clash between civilizations” has become a “conflict within a civilization.” Islam risks repeating all of the mistakes and horrors of the Christian reformation and counterreformation and atrocities like the Albigensian crusade. Hardline violent Sunni extremists now struggle against modern Sunnis and Sunni regimes, Shi’ite and Alawites, other Islamic minorities, and Christian and other minorities in Islamic states. The result is a mix of political struggles, local violence, terrorism and extremism, and insurgency and civil war. It directly affects Gulf states like Bahrain and Saudi Arabia with significant divisions between their Sunni and Shi’ite populations, but Sunni on Sunni tensions are a growing issue in Gulf states like the UAE and Qatar. The struggle for tolerance and modernization affects every Gulf and Islamic state.

**Key Areas of Gulf Security Cooperation**

The US has responded to these threats with a series of major security cooperation initiatives in the region geared towards containing and deterring Iran. These have
included deploying US special forces and mine units to the Gulf, making the Gulf Cooperation Council (GCC) states partners in its Combined Air Operations Center (CAOC) in Qatar, sharply increasing the number of multilateral military exercises – especially with the US 5th Fleet – and helping the GCC states make major improvements in their deterrence and defense capabilities.

While the major Western European states and China have cut their weapons exports to the region in recent years relative to the mid-2000s, the US increased its arms agreements with GCC states by over eight times between 2004-2007 and 2008-2011. Saudi Arabia made the most drastic increases, with a nine-fold increase in 2008-2011 in versus 2004-2007. Kuwait, Oman, the UAE, and Qatar have also experienced considerable growth in weapons imports from the US. Similar increases have also taken place in arms deliveries.14

The US commitment to the security of the Arab Gulf states has steadily grown stronger as the Iranian asymmetric and missile threats and the prospect of Iranian nuclear weapons has become more threatening in spite of growing US domestic political pressures on US national security spending and commitments overseas. There is no doubt that Washington and the Southern Gulf states take Iranian threats seriously, and are making significant investments in building the region’s defensive capabilities.

The US has focused on helping the Southern Gulf states develop their air, naval, asymmetric warfare, and counterterrorism capabilities. It has also helped them develop improved missile defense capabilities, particularly in Qatar and the UAE.

Many GCC states are acquiring PAC-3 capabilities for the PATRIOT missile defense systems. Unlike the PAC-2 variant, the PAC-3 can accommodate 16 missiles per launcher rather than four and offers “more advanced radar and electronics systems” as well as “hit to kill” capabilities, whereas the PAC-2 uses a “proximity fuse.”15 This system can be used “against short-range ballistic missiles, large-caliber rockets, and air-breathing threats.”16

Additionally, the US is selling Terminal High Altitude Area Defense (THAAD) capabilities to Qatar and the UAE. THAAD, like PAC-3, also offers “hit-to-kill” capabilities, and is able to intercept ballistic missiles in the last segment of their flight, but is a wide area missile defense system. The ability of the system to intercept missiles at high altitude – including above the Earth’s atmosphere – makes it a potentially effective system to intercept nuclear, chemical, or biological-tipped missiles.17 This system will offer additional protection to these countries and US facilities and assets within them by working synergistically with PATRIOT PAC-3 and Aegis systems already in the region.18 According to Lockheed Martin, “[t]he system [THAAD] has a track record of 100% mission success in flight testing.”19

In addition to missile defense developments, the US has taken steps to enhance the air and maritime security capabilities of each friendly state to protect against threats from the air, land, and sea. The US has also offered Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR) assistance to many of the states most vulnerable to instability – such as Yemen and Bahrain – as will be discussed in greater detail later in this assessment.
The Gulf Security Dialogue (GSD) initiated by the Bush Administration has been sustained as Washington engages the region. There has been discussion indicating the possibility of US security guarantees or “extended deterrence” in an effort to protect these states against Iranian threats. Such efforts could reduce the possibility that some Gulf states would acquiesce to Iranian pressure and limit the threat of proliferation in the event that Iran actually equips its force with nuclear weapons.  

**The New US Strategy and the Role of Gulf Allies**

The Obama Administration made these policies a key part of the new strategy it announced in early 2012. While some press reports have since discussed this strategy as based on a “pivot to Asia,” this description is based on rhetoric and not the actual strategy. The actual strategy talks about “rebalancing” a limited portion of US air and sea forces from Europe to Asia but gives equal priority to improving US deterrence and defense capabilities in the Middle East and Asia. The Department of Defense strategic guidance, which was submitted with the President’s FY2013 budget request in February 2012, stated that:

The U.S. economic and security interests are inextricably linked to developments in the arc extending from the western Pacific and East Asia into the Indian Ocean region and South Asia, creating a mix of evolving challenges and opportunities. Accordingly, while the U.S. military will continue to contribute to security globally, we will of necessity rebalance toward the Asia-Pacific region. (p. 2-1)

In the Middle East the aim is to counter violent extremists, prevent destabilizing threats from developing, while upholding our commitment to allies and partner states. The U.S. continues to place emphasis on U.S. and allied military presence in the region, by working with partner nations in the region. (p. 2-1)

… DoD will tailor its global presence and posture with the right capabilities in the right places. We will rebalance toward the Asia-Pacific, emphasizing our existing alliances and expanding our networks of cooperation with emerging partners throughout the Asia-Pacific to ensure collective capability and capacity for securing common interests. We will maintain an emphasis on the greater Middle East to deter aggression and prevent the emergence of new threats… (p. 2-2)

…[The President’s strategic guidance calls for a [r]ebalance [in] force structure and investments toward the Asia-Pacific and Middle East regions while sustaining key alliances and partnerships in other regions. (p. 4-1)

… Our defense efforts in the Middle East will be aimed at countering violent extremists and destabilizing threats, as well as upholding our commitments to allies and partner states. U.S. policy will emphasize gulf security to prevent Iran’s development of a nuclear weapon capability and counter its destabilizing policies. The United States will do this while standing up to Israel’s security and a comprehensive Middle East peace. (p. 7-6)

**A Continuing Commitment in Spite of Budget Cuts**

The US is engaged in what may well be a lasting internal political debate over the size and cost of its national security commitments, but it made no changes in these policies, or in its emphasis on forces in the Middle East and Asia in the FY2014 budget request it submitted in April 2013, in spite of ongoing defense budget cuts and sequestration:

There will be a rebalance of force structure and investments toward the Asia-Pacific and Middle East regions while sustaining key alliances and partnerships in other regions… More change is taking place as U.S. economic and security interests are inextricably linked to developments extending from the western Pacific and East Asia into the Indian Ocean region and South Asia. Accordingly, while the U.S. military will continue to be central to ensuring global security, we
will of necessity rebalance forces and funding priorities toward the Asia-Pacific region. In the
Middle East the aim is to counter violent extremists, prevent destabilizing threats from developing,
and uphold our commitments to allies and partner states (p. I, I-2).

Across the globe, the United States will seek to be the security partner of choice, pursuing new
partnerships with a growing number of nations...In the Middle East, the aim is to counter violent
extremists, prevent destabilizing threats from developing, and uphold our commitments to allies
and partner states. Social movements like the Arab revolutions may introduce tensions between
and within existing governments and societies, but will ultimately result in more stable and
reliable partners of the United States as governments in the region become more responsive to the
legitimate aspirations of their people. The United States continues to place emphasis on the U.S.
and allied military presence in the Middle East region by working with partner nations in the
region. (2-1 to 2-2)

All of these measures represented a continuing US commitment to the containment and
deterrence of Iran in the Gulf and addressing the conventional and unconventional threats
posed to these states. At the same time, the US has encouraged economic, social, and
political reform; the development of energy exports; and the expansion of trade.

The Strengths and Weaknesses of Gulf Partners

The Southern Gulf states are the key strategic bloc in the region, and one whose ties to
the US are critical to its competition with Iran and the security of world oil flows and the
global economy.

As the most powerful state on the Arabian Peninsula, Saudi Arabia maintains a larger
defense budget than any of the other countries in the region – spending roughly five times
as much on defense in 2011 ($46.2 billion) as the next largest spender on the peninsula,
the UAE ($9.32 billion.) Saudi Arabia is estimated to have spent nearly four times more
on defense than Iran spent in 2011.23

The differences in size of active forces in the Gulf largely reflect the differences in
population size between the Gulf countries, with Saudi Arabia and Yemen having the
largest active forces on the peninsula in 2013 – 233,500 and 66,700, respectively. Despite
the considerable gap between the Kingdom’s defense budget and that of Iran’s, Tehran’s
active force is over twice the size of Riyadh’s, with 523,000 active personnel.24

Energy exports are an important factor in driving defense spending – at least for the
region’s main exporters. The region’s largest defense budgets in 2011 also happened to
be in the two countries with the highest crude oil export rates – Saudi Arabia and the
UAE.25 It is believed that spending on defense will continue to rise as revenues from
energy exports also increase, at the expense of spending on social programs.26 The highly
socialized economies of the Gulf states are dependent on energy export revenues to
finance social programs and create jobs for the unemployed population. The allocation of
a greater share of energy export revenue toward security could exacerbate economically-
driven social problems, possibly leading to greater internal security challenges.

Southern Gulf Alignments with the US

The US is divided from the Southern Gulf states by its different political system and
values, and its ties to Israel. At the same time, Iran’s actions, political upheavals in the
region, and the threat of terrorism and internal extremists have steadily pushed the
Southern Gulf states towards building up their military capabilities and creating a more effective partnership with the US, the UK, and France.

The leaders of each state made this clear in the official press statement issued after the December 2012 (33rd) Supreme Council meeting of the GCC. This statement not only highlighted the Iranian threat, but indirectly challenged Iran on Syria and any Iranian role in Yemen.:

- The Supreme Council reiterated its firm stance as per previous statements rejecting the Iranian occupation of the UAE's three Islands namely: (Greater Tunb, Lesser Tunb and Abu Musa), asserting the right to supremacy on the three islands and regional territorial waters, airspace and continental cliff and free economic zone which form an integral and inseparable part of the United Arab Emirates.

- The Supreme Council expressed sorrow because no positive results could be reached through communications with the Islamic Republic of Iran as to culminate in a solution for the issue of the three UAE's islands so as to contribute into boosting the security and stability of the region.

- Any acts or practices implemented by Iran on the three islands will be deemed null and void and should not entail any change in legal or historic status of the Islands that confirm the right of supremacy of the United Arab Emirates over its three Islands.

- The Supreme Council did not rule out considering all peaceful means which could lead to reinstating the right of the United Arab Emirates over its three islands, inviting the Islamic Republic of Iran to respond to the UAE's efforts to solve the issue through direct negotiations or resorting to the International Court of Justice.

- The Supreme Council rejected and denounced continual Iranian interference in the GCC states' internal affairs and urged Iran to immediately stop these practices for good and to refrain from policies and acts that increase tension or threaten regional security and stability. The Supreme Council emphasized the need for Iran's full compliance with the principles of good neighborliness and mutual respect and non-intervention in internal affairs and solving disputes by peaceful means without resorting to force or threats.

- The Supreme Council asserted that the Iranian nuclear program does not only threaten regional security and stability but also international security and stability, urging Iran to cooperate with the International Atomic Energy Agency (the IAEA), and renewed the GCC firm stance regarding the significant need for Iran's compliance in order to make the Middle East region, including the Arabian Gulf region, free from weapons of mass destruction as well as from nuclear weapons, praising international efforts aimed to solve the Iranian nuclear program through peaceful means.

- The Supreme Council affirmed the right of countries, including Iran, to harnessing peaceful nuclear energy on condition of responsibility of the operating country for the safety of its nuclear facility whilst taking into consideration environmental safety in the large geographic region and the need to fully comply with standards of safety and security and non-nuclear proliferation. Now that Iran began operating the Bushehr reactor, the GCC countries urge Iran to maintain full transparency vis-a-vis this matter and to join the agreement on nuclear safety and enforce maximum safety standards in its facilities.

- The Supreme Council reviewed latest developments on the Syrian arena, under continually deteriorating conditions and the human suffering of the brotherly Syrian people. The Council expressed utmost pain and grief towards continuous bloodshed and loss of innocent lives, destruction of cities and infrastructures that necessitates a speedy political power transition. The Council urged the international community to move seriously in order to promptly stop these massacres and blatant violations that contradict with all heavenly commandments, international laws and human values.

- The Supreme Council asserted its support to the Syrian National Coalition which is the sole lawful representative of the Syrian people formed in Doha in November 2012 under the kind patronage of
His Highness Sheikh Hamad bin Khalifa the Emir of the State of Qatar and auspices of the Arab League, urging the international community to urgently provide all sorts of humanitarian assistance to the brotherly Syrian people who suffer from harsh living conditions.

The Supreme Council expressed its support to the mission of the UN Arab Envoy to Syria, Mr. Lakhdar Brahimi, provided that this gains consensus from the UN Security Council especially its permanent members, in accordance with the powers and responsibilities of the UN Security Council in maintaining international security and stability.

… The Supreme Council was informed by King Hamad bin Isa Al Khalifa about the message he had received from Yemeni President Abdourabou Mansour Hadi regarding accomplishment of the GCC Initiative for Yemen's part one who thanked the GCC leaders for protecting Yemen from the ghost of civil war and solving its problem.

The Council praised the Yemeni President's recent resolution in favor of restricting the Yemeni Armed forces as part of the GCC Initiative and its executive mechanism in a key step aimed to boost security and stability in Yemen.

The Supreme Council looks forward to Yemen's implementation of the second phase of the GCC Initiative for Yemen after convening the national dialogue with participation from all segments of the Yemeni people and their concurring on what is in the best interest of Yemen and its unity, security and stability.

The Supreme Council reiterated its previous resolutions and firm stances vis-a-vis Iran in terms of respecting its territorial integrity and independence, urging Iraq to comply with UN resolutions regarding its borders and pending issues with the State of Kuwait.

A later press release on a press conference by Shaikh Khalid bin Ahmed Al Khalifa, Minister of Foreign Affairs of the Kingdom of Bahrain and Dr. Abdullatif bin Rashid Al-Zayani, Secretary General of the GCC, reported that:

'The efforts to communicate with the Islamic Republic of Iran have not stopped and will not stop and relations with it always passes stages and there are things which we disagree with Iran. GCC is keen to put its relationship with Iran in the correct path without allowing to any party to intervene in the affairs of the other party and not endanger the region, whether to the danger of violence, of environment or that of war or to the threat of nuclear reactors, even in situations of peace, and news about the danger of nuclear reactors was circulated and that was clarified for the Islamic Republic.'

…He also said 'We want a radical solution ending the tragedy of the Syrian people,'

On the issue of Yemen, Dr. Al-Zayani said that the GCC member States support Yemen's stability and they have had their efforts through the GCC initiative, and that the amount collected was eight billion, of which most of it came from the GCC member States and we are optimistic about the situation in Yemen for our confidence in the wisdom of the Yemeni brothers.

Also, the Bahraini Foreign Minister explained that the GCC efforts in resolving the issue of the occupied islands of the United Arab Emirates (UAE) are still going on and our stance is solid towards it and they are UAE islands occupied by Iranian forces and must be returned to the UAE either through negotiations or arbitration, and that any action carried out by Iran on these islands won't result in any legal interest in Iran's favor and we support all the UAE steps in this regard.

…On the assessment of Russian efforts to resolve the Syrian crisis, the Foreign Minister of Bahrain stressed that Russia's role is an important role, and that there is a dialogue between the GCC countries and Russia, and work is going on to remove any misunderstanding between the two sides.

Concerning the negotiations between the 'Five Plus One' group and Iran on the latter's nuclear program, Sheikh Khalid Al Khalifa said that 'if the talks are about the region, we are the region, and we need to know hidden things.'
On the nuclear negotiations, Sheikh Al Khalifa wished them success and that the two sides may reach an agreement to spare the region the scourges. In this regard, he also said that 'If you look at the language of the final statement issued earlier today by the summit, you will find a new language added to it, we want the Iranian program to be transparent and clear after international news on some of its risks.'

Answering a question on the Iraqi situation, the Foreign Minister of Bahrain said 'Ties with Iraq included in the final statement, and the relationship should be strong and the situation in Iraq now is not the optimal one.'

The Impact of the Divisions Between the Arab Gulf States

The long series of tensions between the Southern Gulf states and Iran – beginning with the Iran-Iraq War and now shaping the growing tensions over Iran’s nuclear efforts and growing asymmetric threat in the Gulf – have made it clear to Southern Gulf capitals that security cooperation with the US is necessary to ensure national security, whether it be protecting tankers transiting the Gulf, or repelling an Iraqi invasion, as was the case for Kuwait and Saudi Arabia.

The growing partnership between the US and the Southern Gulf states has greatly improved the combined abilities of the US and these states to both deter and defend against any threat in the region. At the same time, it has important limitations that have limited the effectiveness of the GCC, its military integration, and its level of interoperability. They are dictated by nationalism, divisions between the Arab Gulf states, and by the fact that the smaller states fear Saudi dominance:

- **Bahrain**: Bahrain is closely tied to Saudi Arabia, and is the headquarters of the US Fifth Fleet. It sees Iran as a major source of its current Shia and Sunni tensions. There is still some residual tension with Qatar over past disputes over the waters and reefs between them, and the fact that the Qatari ruling Al Thani family seized the peninsula in the mid-1800s from the Bahraini Al-Khalifa royal family after the Al-Khalifa’s had occupied Bahrain.

- **Kuwait**: Kuwait was the key country leading to US intervention in the Iran-Iraq War in 1987-1988 after the US agreed to reflag Kuwaiti tankers being attacked by Iran. It has been closely tied to the US since the Iraqi invasion of Kuwait in 1990, and provided assistance for the invasion of Iraq. Kuwait maintains close cooperation with the US, with major basing and prepositioning facilities since 2002 when the US prepared for the invasion of Iraq. Kuwait’s security concerns focused on the threat from Iraq until 2003, and Kuwait is careful to avoid provoking Iran when possible. There is a legacy of Kuwaiti-Saudi tension from the period in which Kuwait was the more developed state. Kuwait is partly divided from Saudi Arabia by a Neutral Zone, but there is no evidence of serious tension over management of the zone, and all boundary, offshore, and island issues seem to have been resolved well over a decade ago.

- **Oman**: Oman plays a key strategic role in Gulf security because of its location at the Strait of Hormuz, at the entrance to the Gulf, and with access to the Gulf of Oman and the Indian Ocean. It has a long history of low-level tension with Saudi Arabia over past border disputes, the Omani search for an increased role in the GCC and aid for its forces, and Oman’s desire to avoid Saudi domination of the GCC. Oman had some past tension with UAE over maritime boundaries. It offers the US contingency bases and prepositioning facilities, and Oman has close security ties to the UK. Muscat has tried to maintain correct and “friendly” relations with Iran – which sits across from Oman at the Strain of Hormuz – but has been careful to assert its sovereignty and avoid any Iranian interference.

- **Qatar**: Qatar is a key partner of the US. It hosts the US Combined Air Operations Center (CAOC), and provides air basing and prepositioning facilities. Qatar shares the same interpretation of Islam as Saudi Arabia, but there is a history of border disputes with Saudi Arabia which seemed to be
resolved in 2001, along with its border disputes with Bahrain, but have led to some discussion of border revisions between Qatar, Saudi Arabia, and the UAE.

There was ongoing tension existed between Saudi Arabia, Abu Dhabi and Qatar’s ruler – Amir Hamad bin Khalifa Al Thani. Amir Hamad overthrew his father in a bloodless coup in 1995 and then felt Saudi Arabia and the UAE supported a failed countercoup attempt by his father. The Amir and his brother, the Foreign Minister and Prime Minister Sheikh Hamad bin Jassim al-Thani often took positions that challenged or disagreed with Saudi Arabia.

This situation may have changed, however, in late June 2013. Amir Hamad gave up the throne and made his son, Sheikh Tamim bin Hamad al-Thani, the new Amir. Amir Tamin replaced Foreign Minister and Prime Minister Sheikh Hamad bin Jassim al-Thani, and supported Saudi Arabia and the UAE in support the Egyptian Army’s overthrow of Morsi in Egypt.

Amir Tamin did make it clear in his first speech, however, that. “We don't take direction (from anyone) and this independent behavior is one of the established facts”...As Arabs we reject splitting countries on a sectarian basis... and because this split allows for foreign powers to interfere in the internal affairs of Arabs and influence them...We are a coherent state, not a political party, and therefore we seek to keep relationships with all governments and states...We respect all the influential and active political trends in the region, but we are not affiliated with one trend against the other. We are Muslims and Arabs who respect diversity of sects and respect all religions in our countries and outside of them.”

Both Qatar and Saudi Arabia supported the rebel side in the Syrian civil war, but Qatar supported more hardline Islamist elements while Saudi Arabia supported more moderate factions. Qatar supported the Muslim Brotherhood in Egypt, opposed the Egyptian military’s overthrow of President Morsi’s government, and backed some elements of Muslim Brotherhood-linked entities in Syria. Saudi Arabia, the UAE, and Kuwait strongly backed the Egyptian military in overthrowing Morsi and provided some $12 billion in aid – opposing both Qatar and the US which had pressed the military to reach some settlement with Morsi, avoid civil violence and repression, and move quick towards elections. These differences have led to quiet rifts within the GCC, creating challenges for the US as it works to build consensus on regional issues.

- **Saudi Arabia:** Saudi Arabia is the largest power by far in the Southern Gulf and the only GCC state large enough to have great strategic depth. It has been a key security partner of the US since World War II, and was the co-commander with the US and leader of the Arab forces in the coalition that liberated Kuwait in 1990-1991. Saudi Arabia no longer provides basing facilities to the US, but provided quiet support to the US during its invasion of Iraq in 2003, has strong US advisory teams for its military, National Guard, and internal security forces, and has bought massive numbers of arms from the US. Saudi Arabia has sought correct and “friendly” relations with Iran, but has long challenged any Iranian effort to lead the Gulf.

  The Kingdom has leveraged its power, as well as the ambiguity of border demarcations, to influence energy developments in the region. It is reported to have initially opposed the Dolphin natural gas pipeline, which links Qatar and the UAE. Though that opposition eventually ended, some reports indicate Riyadh blocked efforts by Qatar to develop a pipeline with Kuwait. These issues underscore the need for increased cooperation through the GCC to formalize borders and cooperatively address energy issues.

- **UAE:** The UAE has become the most effective military force in the GCC, and now cooperates closely with the US in its military development and security affairs in the Gulf. Like Qatar, it is one of the two states now buying THAAD missile defenses, and has played an overt role in supporting insurgents in Libya and Sunni forces in Syria. The Emirates have been divided in the past in dealing with Iran; Dubai is a key transshipment and training partner with Iran, but Abu Dhabi and Sharjah have long led the GCC-wide challenge to Iran’s control of Abu Musa and the Tunbs – islands the Shah of Iran seized from Sharjah during British withdrawal from the Gulf and which Iran later fully occupied. At present, the UAE seems united in resisting Iran. There is some
tension with Saudi Arabia over Saudi efforts to lead the GCC, and some low-level comments about reopening past border issues.

- **Yemen:** Yemen has long been the most troubled and poorest Gulf state, lacking significant petroleum resources, and built on an uncertain unity between what was once North Yemen or the Yemen Arab Republic (YAR) and South Yemen or the People’s Democratic Republic of Yemen (PDRY). Both states were affected by war – the YAR by a civil war and an Egyptian invasion that marked the first use of poison gas since the end of World War II, and the PDRY by constant internal power struggles and its support of the Dhofar rebellion in Oman. Unity came only after the internal collapse of the PDRY and a low-level conflict between northern and southern factions. A failed central government, a failed economy, massive population growth, tribal and sectarian differences, and shortages in water have left Yemen under uncertain central control, brought Saudi Arabia to intervene in the northwest border area, and have made Yemen the key source of instability in the Arabian Peninsula.

**The Need to Take Account of Country-by-Country Differences**

US policy must take full account of the differences between the Gulf states, as well as of how each Gulf state perceives the strengths and weakness of the US. Military and internal security challenges are only part of the challenges each Arab Gulf state and the GCC must meet. Economics, demographics, politics, and social change are at least as important to each country’s future, and both they and the US must constantly remember that competition with Iran is only one of many priorities.

It is also important to note that while the US and the Arab Gulf states share a common interest in deterring and defending against Iran, no Gulf state has identical strategic interests with the US or any of its neighbors. A successful US partnership must focus on the broader strategic problem of providing regional security, but be tailored to the needs and expectations of each individual partner.

As is the case throughout the Middle East and the world, the US must adopt “dual standards” in dealing with each Arab Gulf state and the GCC collectively. The US must find the right balance between narrow, short-term “pragmatism” that focuses on the security threats posed by Iran and extremism, and the need to help each state ensure its internal stability, modernize, and meet the needs of its people.

At the same time, the US and its European allies must recognize that US and Western values are not “universal” values, that each state is both Arab and Islamic, and that the rate of modernization has to focus on evolution and not revolution. The US must accept the fact that the US must often give security priority over its own approaches to human rights and democracy.

Like the need to create affordable and sustainable partnerships with its allies in the region, the US must constantly adjust its policies to find the right balance, and tailor its partnerships with each Southern Gulf state in ways that suit that state’s character and interests. The US can never afford to lose sight of the fact that US strategic interests are best served by focusing as much on each country’s internal needs and stability as on its role as a military partner.

**Saudi Arabia**

Saudi Arabia has long been a military partner of the US. A Saudi officer held joint command with the US commander during the liberation of Kuwait in 1990-1991 and
Saudi Arabia provided the US with extensive support during its invasion of Iraq in spite of Saudi reservations about the US operation. It has been a major partner in the war on terrorism since 2003. It is now a key partner in US efforts to contain, deter, and defend against Iran, and its forces are largely equipped with US weapons and interoperable with US forces. Saudi Arabia also plays a critical role as the guardian of Islam’s holy places in limiting what it calls “deviation” from Islam, and what the US calls violent extremism.

The US does not need to make major changes in its security policies towards Saudi Arabia, but it does need to focus on the following Saudi concerns and perceptions – many of which apply to the other country case studies that follow:

- Like all the states in the region, Saudi Arabia is deeply concerned with the uncertainties affecting US national security spending, the US level of strategic commitment to the region, the US failed to support Mubarak and the Egyptian military, the uncertainties surrounding US policy in dealing with the Syrian civil war, and US willingness and political ability to use force to support its allies after the strains of the wars in Iraq and Afghanistan. The US may have it own doubts about each of it regional allies, but all have their own doubts about the US.

- Saudi Arabia differs from most countries in the world in that it’s ruling and economic elites seek modernization and reform but do so in the face of much of its clergy and an extremely conservative population. Reform comes slowly from above, and not from popular pressure.

- Saudi Arabia’s ruling elites are divided, however, and often act out of narrow self-interest and in ways that are corrupt and abuse power. King Abdullah has pressed for reform in all these areas, but it will come slowly and outside pressure often does as much to mobilize opposition as to aid the case for change. That reform will also come in a Saudi way, in a Saudi form, and largely at a Saudi pace. No amount of US pressure will make Saudi Arabia like the US.

- Saudi Arabia is a deeply religious Sunni puritan state whose political legitimacy depends as much on its religious legitimacy as on popular support, and plays a critical role in offsetting the threat from violent religious extremism. No amount of pressure will suddenly make it liberalize in religious or social terms – particularly outside pressures under the guise of human rights that is a thinly disguised effort to open the country to Christian proselytizing. Moreover, Saudi Arabia will back Sunnis against challenges and threats from other Islamic sects, and sees the threat from Islamic extremism and states like Iran and Syria in religious terms while the US views them in secular terms.

- The US can work with the Saudi government to maintain and strengthen its peace proposals, but serious tension will exist between Saudi Arabia and Israel until a peace is reached and a settlement occurs that Palestinians can largely accept. US policy must be based on balancing the interests of Israel and de facto allies like Saudi Arabia. It must also be based on realism about the differences in its security relationships. The US plays a critical role in helping Israel preserve its security, but Israel cannot play a meaningful role in helping achieve the security of the region and its oil exports. Saudi Arabia and the other GCC states can. This is no reason for the US to do anything that would undermine Israel’s security, but it is a strong reason for the US to consider Saudi Arabia’s priorities and security interests and to continue its efforts to create a successful peace process.

- As is the case with every nation in the region, direct personal relationships are the key to successful relations. The US needs to remember that Saudi and other GCC ruling elites and officers have often dealt with their US counterparts for decades. US country teams often have personnel that serve for only a year, rotate arbitrarily on an international cycle, and do not stay long enough in-country to either understand the country or build lasting relationships. These problems are compounded by a tendency to stay in the embassy and diplomatic quarter, a lack of accompanied tours that build family relationships, and excessive, safety first security rules. Visits
and exchanges by senior officials help, but US relations stand or fall on the strength, activity, and experience of the country team.

- The US does not compete for successful trade, business links, energy deals, and arms sales in a vacuum. Every other government plays a strong, active – and sometimes less than legitimate – role in supporting economic ties. The US country team needs the funds and policy support necessary to strongly support US business.

- Saudi Arabia may send some 50,000 students to the US, but almost no US students go to Saudi Arabia, and US public diplomacy is critically underfunded. The cost of a large scholarship program and well-funded public affairs efforts would be minor compared to the political, security, and business benefits.

- Saudi Arabia is primarily concerned with the stability and support of friendly Arab regimes, the threat the current political upheavals in the MENA areas present to the Kingdom and its interests, and the emergence of hostiles regimes it sees as supporters of Islamic extremism or Iran. It does not share the same concerns over democracy as the US and has different priorities in dealing with regional instability and unrest.

As the is the case with the UAE and Kuwait, the US needs to take careful account of the very real differences in US and Saudi interests in dealing with key issues like the political crisis in Egypt and the civil war in Syria. The US’s willingness to accept and encourage the removal of President Mubarak removal was seen as a sign of US unwillingness to support a loyal ally, and Saudi leaders then saw the rise of the Moslem Brotherhood and the election of President Morsi as a growing threat to the legitimacy of Arab monarchies, and Saudi Arabia’s religious legitimacy as the custodian of Islam’s holy place in particular.

Along with the UAE and Kuwait, Saudi Arabia focused on Egypt’s impact on Saudi and regional security, not democracy or more abstract issues like human rights. This difference in goals also explains why the Saudis backed the Egyptian military in overthrowing Morsi, and joined the UAE and Kuwait in providing them with some $12 billion in aid. It also explains why they continued to back the military as the political crisis became more violent and why they tolerated repression rather than support the US in seeking a brokered effort at compromise. They all saw the struggle in Egypt as posing as much of a potential threat as Egypt once did for very different reasons under Nasser. In practice, it was also far from clear than a sustainable compromise was possible.

In the case of Syria, the Saudis, UAE, and Qatar all felt the US was indecisive and failed to take the lead in backing Syrian rebels at a time when Assad might have been push out of power by Syrian factions that were still relatively moderate, and when Syria did not yet have hardline Sunni extremist factions as a large part of rebel forces. Saudi Arabia and the UAE were divided from Qatar in both Syria and Egypt because of Qatar’s willingness to support the Moslem Brotherhood and more hardline Islamist elements in the Syrian rebels, but felt the US failure to act was a further sign that the US could not be trusted to act in what that preserve their security.

Some senior Saudi and other Gulf leaders feel the US has failed to come up with a focused policy, and its constant indecision has given room for Bashar and Iran to make increasing gains against the rebels, while at the same time allowing radical groups to garner support and power, which is a risk to states like Saudi Arabia. US lack of action
regarding Syria and Iran’s nuclear aspirations could affect relationships with one of its closest and strongest allies in the region.

Iran still does far more to unite the US and Arab Gulf states than Egypt and Syria do to divide them, but the US does need to be acutely sensitive to the fact that focus on “partnership” in the new strategy the US announced in early 2012 has to have practical meaning. The US has to be more sensitive to the security concerns of Saudi Arabia and other Gulf allies, and accept the fact that Gulf states will act in their own interest and on the basis on their own perceptions of their national security interests. If the US cannot find common ground, it must accept the difference between US policies and those of Saudi Arabia and the other Gulf states, and be careful to act as a partner rather than a leader that its allies will always follow.

This does not mean that the US should do not more to encourage Saudi Arabia to improve ties with Iraq; it should. If the US finds it must accept the new realities in Egypt, Saudi Arabia, it should also accept the fact that the new reality in Iraq is a Shia-led Iraqi government and find the best way to accept and work with Baghdad. The quicker it is understood that the sectarian makeup of Iraq will not change any time soon, the faster a plausible and sophisticated solution can be reached. Moreover, a successful Saudi/GCC/Iraq relationship would do much to reduce Iranian influence in the region.32

The US needs to be equally careful in encouraging Saudi efforts to strengthen the GCC on a military, political, and economic level, as well as Saudi domestic reforms and efforts to improve Saudi and other Gulf states internal stability and security by better meeting the needs of its people. The US needs be patient and concentrate on the actual implementation of suitable reforms through quiet, in-country diplomatic efforts.

**Kuwait**

Kuwait is, in many ways, the most militarily vulnerable of all the Southern Gulf states. It shares a common border with Iraq and – as became clear during the Iran-Iraq War – is within easy striking distance of Iran. It lacks strategic depth, and – like most Gulf states other than Saudi Arabia – is dependent on one major urban center for the security and economy of virtually all its population.

This helps explain why Kuwait has been the target of two Iraqi attempts at invasion – one of which took control of the country in 1990-1991, and provided the US with basing facilities and extensive support during the US invasion and occupation of Iraq. It also explains why Kuwait turned to the US to reflag its tankers and reduce the threat from Iran during 1986-1988 – a critical period in the Iran-Iraq War.

Since then, Kuwait has maintained close security relationships with the US for over two decades, while also maintaining a delicate relationship with Iran. Kuwait has cooperated with the US military since the first Gulf war and the liberation of Kuwait in 1991. The US and Kuwait signed a 10-year defense pact signed on September 19, 1991 which called for cooperation in defense, consultation in a crisis, joint exercises, and USA military advisory support and arms sales.

Kuwait agreed to preposition a U.S. army brigade and access Kuwaiti military bases Ali al-Salem Air Base, Camp Arifjan, and Camp Buehring. The US and Kuwait also signed a Status of Forces Agreement (SOFA). The pact was renewed in September 2001, and may
have been renewed again in September 2011. Kuwait provided air base, land base, and port facilities since the US build-up for the invasion of Iraq in 2002. The US currently has some 13,500 troops in Kuwait, and Kuwait agreed to purchase some $1.6 billion worth of US arms in 2010.

Kuwait maintained a hostile policy toward Iran in the first decade after the 1979 Islamic Revolution and was a key source of support for Iraq during the Iran-Iraq War, but the Iraqi invasion of Kuwait did lead Kuwait to begin a policy of engaging Iran. This policy never led it to turn away from the US, however, and like other Southern Gulf states, Kuwait has become increasingly concerned about Iran’s actions, its military buildup, and its ties to the Maliki regime in Iraq.

While the US has to focus on the broad threat Iran poses to the Gulf and the region, Kuwait illustrates the dangers of focusing on the Strait of Hormuz and the direct threat posed by Iran. Kuwait is exposed at a critical point in the upper Gulf. Iraq no longer has the forces to invade, but Iraqi instability is as much a problem for Kuwait as the Iranian threat. Kuwait is too small to defend itself against Iran, and is – as the Iran-Iraq War showed – particularly vulnerable to an Iranian strategy that singles out a given Gulf state in a divide and pressure approach to asymmetric warfare.

Like the other smaller Gulf states, Kuwait also has different needs for improved military integration and interoperability than Saudi Arabia. Its forces are now relatively well-equipped, much better trained than in 1990, and exercise regularly with US forces. They are, however, very small relative to Iran’s, and depend on links to outside forces for any meaningful capability. They can only really be effective as part of a larger whole and by taking advantage of the economies of scale that can only come from a more integrated alliance. This requires both continuing support from US commands and power projection capability, and a much stronger GCC role in unifying Gulf security.

The US can do little to influence Kuwait’s internal divisions, but it must quietly do what it can to encourage negotiation and compromise where this can bring stability. As is the case with every other Southern Gulf state, the US also needs to carefully do what it can to build Kuwaiti trust in the US strategic partnership and commitment to Kuwait, make it clear it is not acting in ways that increase the risks to Kuwait, and is not taking sides in Kuwait affairs that could increase political instability.

**Bahrain**

Bahrain has long been a key ally and partner. It has hosted the United States Naval Forces Central Command (NAVCENT) since the creation of the US Central Command in 1983, and was the port for the earlier US Task Force 126 that first deployed to the Gulf in 1948. Bahrain was the headquarters of US Naval operations during the US “war of the tankers” with Iran in 1987-1988, during the first Gulf War in 1990-1991, and during the US-led invasion of Iraq in 2003.

Bahrain has been the headquarters and home port of the US 5th Fleet since it was reactivated in 1995, and the new Combined Fleet of US and allied forces established in February 2002, which coordinates counterterrorism and counterpiracy missions in the Gulf, the Red Sea, Gulf of Oman and Arabian sea, Gulf of Aden and the Indian Ocean. Bahrain provides air basing facilities as well as port facilities.
The US faces a difficult balancing act in Bahrain. Bahrain is a key security partner, its stability is critical to the GCC, and there is no stable substitute for its present regime. The US needs to take these strategic interests into constant account, as well as the fact that the problems in the regime’s treatment of Shiite and other opposition elements are often matched by opposition elements that are unwilling to compromise, are deliberately trying to be destabilizing, and have some elements with ties to Iran. It also needs to take into account the growing anti-US reaction of Bahrain’s Sunnis and some members of its ruling elite to US pressures for compromise with its Shia population and other reforms.

At the same time, the US cannot ignore the fact that Bahrain’s mid-to-long-term stability does require reforms, shifts in the power structure of its royal family and ruling elite that give its Shia majority more rights and a share of the nation’s economy, and reforms in its justice system and way of dealing with human rights. It also must take the sensitivities of the other GCC states into account — all of which strongly back the Bahraini government.

As is often the case in the region, this may also mean finding the least bad option, and a degree of strategic patience on the part of the US that gives at least near-term priority to security and stability. It is also clear that quiet and patient efforts by the US country team and the State Department are likely to achieve better results for all of Bahrain’s people than any sudden or drastic pressure on its government — as long as that government limits its internal security actions and makes some progress towards reform.

**Oman**

Oman has been a consistently good security partner to the US, and has a long history of close security ties to the UK and the US. It signed a treaty of friendship with the US in 1833, and was the first Gulf country to allow the US access to its military facilities. It has supported US operations in the Gulf since the fall of the Shah. While it maintains close military ties to Britain, it also cooperates closely with US air and sea forces, and has increasingly acquired US arms.

As Ken Katzman of the CRS notes, “Oman signed an agreement to allow U.S. forces access to Omani military facilities on April 21, 1980. Three days later, the United States used Oman’s Masirah Island air base to launch the failed attempt to rescue the U.S. embassy hostages in Iran. During the September 1980–August 1988 Iran-Iraq War, the United States built up naval forces in the Gulf to prevent Iranian attacks on international shipping. Oman played the role of quiet intermediary between the United States and Iran for the return of Iranians captured in clashes with U.S. naval forces in the Gulf during that war.”

The US Air Force prepositions some power projection supplies in Oman and the US has the contingency capability to use Omani airbases in Muscat, Thumrait, and Masirah Island if Oman grants prior permission. Oman has granted such access during the US operation in Afghanistan.

While Oman sought to maintain correct, friendly relations with Iran even after the Shah’s fall, it resisted Iranian efforts to pressure it into allowing Iranian ships to interfere with shipping traffic during the Iran-Iraq War and quietly cooperated closely with the US during its “tanker war” with Iran in 1987-1991.

Like the other GCC states, Oman was an ally of the US in the first Gulf War, and has regularly participated in exercises with US and British forces as well as offered the US
contingency bases and prepositioning facilities. US officials and officers feel Oman is a close partner in current security efforts in the Gulf, and that its efforts to maintain good relations with Iran have played a useful role in allowing the US to communicate indirectly with the Iranian regime.

Oman’s demographics are different than those of other states on the Arabian Peninsula, and have eased Oman’s relationships with Tehran. Oman’s population is predominantly Ibadhi (75%) – a unique Islamic sect that does not identify with the two other major sects. Oman has also generally sought to maintain friendly relations with Iran rather than confront it. While Oman has supported the GCC, it also has tense relations with Saudi Arabia. At the same time, Muscat has also maintained a close relationship with the US by supporting US military operations in the region.

The fact that Oman still maintains relatively good formal relations with Iran as well as good security relations with Washington, and has demographics that insulate it from regional Sunni-Shia tensions, reduces its role in the more public aspects of US-Iranian strategic competition. Unless a major clash or conflict breaks out in the Gulf, or the nuclear issue leads to preventive strikes, Oman is likely to continue to be an interlocutor between Washington and its allies on the one hand and Tehran on the other, and help in resolving relatively minor diplomatic tensions.

US senior officers and officials do not feel, however, that Oman’s efforts to maintain good relations with Iran limit its role as a partner to the US or its role in Gulf security. They understand that Oman does not openly support US preventive military action against Iran, but realize the US, too, emphasizes negotiations rather than military action and feel Oman’s position would change if Iran took any military action in the Gulf or actively moved to deploy nuclear weapons.

More broadly, Oman provides yet another case study in the reasons the US should provide any help it can to assist the GCC states in their moves toward more military integration, as well as ease any remaining tensions between them and Saudi Arabia.

**Qatar**

The US has a good security partner in Qatar, and has had consistent support from Qatar since Iraq’s invasion of Kuwait. Like Kuwait, Qatar has provided prepositioning support for US forces, continues to provide major air base facilities, and has hosted the US Central Command Combat Air Operations Center (CAOC) for the Middle East at Al-Udied Air Base since April 2003.

As is the cases with other GCC states, the US needs to encourage stronger and more unified military efforts by building up the GCC, its command, and its institutions. At the same time, the US needs to continue to respect Qatar’s exposed strategic position and search for an individual political identity. While the US needs to support efforts to create a stronger and more unified GCC, it also needs to accept the fact that some of the other Gulf states still see Saudi leadership efforts as a threat, and that progress will be slow and evolutionary.

The US also needs to work closely with the Qatari government – as well as other GCC governments like the UAE – to coordinate as closely as possible in providing outside aid to insurgents and dissidents like those in Libya and Syria. It also needs to work with
Qatar in trying to reduce the level of crisis in Egypt while remembering that Qatar is more supportive of the Moslem Brotherhood and other Islamist movements than its neighbors. As is the case with the other Arab Gulf states, a strong US country team, and quiet and patient diplomatic efforts, will be the key to success.

**UAE**

The UAE has become another a solid security partner of the US. It provides naval and air base facilities, and is one of the few Gulf countries to openly state the nature of its security relations with the US. A UAE document described UAE security cooperation with the US as follows: 42

The UAE and the United States share a common resolve to preserve security and stability in the Gulf. US homeland security is tied directly to the UAE’s role as a source of that security and stability.

The foundation for the UAE-US bilateral security relationship is the 1994 Defense Cooperation Agreement. The pact permits the United States to base troops and equipment within UAE federation borders. Jebel Ali port, in Dubai, is crucial to US naval operations, as it is the only harbor in the Gulf deep enough to berth an aircraft carrier.

...The UAE is only one of three countries and the only Arab nation to participate with the US in five coalition actions over the last 20 years: Afghanistan, Libya, Somalia, Bosnia-Kosovo, and the 1990 Gulf War. The UAE has deployed forces and/or provided assistance in:

- **Afghanistan:** The UAE's special forces are the only Arab personnel undertaking full-scale operations in the country, an ongoing ten-year commitment.

- **Libya:** The UAE deployed a dozen fighter jets for combat missions under NATO command to protect the Libyan people throughout the conflict, and support the National Transitional Council.

- **Somalia:** In 1992 the UAE joined other countries, led by the US Central Command, to secure the environment and provide humanitarian relief. The UAE is also fighting piracy and helping to stabilize Somalia.

- **Bosnia-Kosovo:** The UAE was among the first non-NATO states to express support for NATO’s air operations. The UAE participated in peacekeeping operations, and provided humanitarian assistance during and after the conflict.

- **1990 Gulf War:** The UAE was one of the first countries to support the United States at the advent of the war.

The UAE provides ongoing and essential support for US forces, and contributes to efforts to fight terrorism and extremism, while working to increase stability and peace in the region. The UAE is:

- Combating extremists such as Al Qaeda.

- Facilitating a peaceful transition in Yemen and preventing extremist control.

- Actively supporting the Mideast peace process.

- Hosting more than 2,000 US military personnel.

- Headquarters for [Hedayah](#), the new Global Center for Excellence in Countering Violent Extremism. Hedayah was created in response to the growing desire from Global Counter-Terrorism Forum members and the wider international community for the establishment of an independent, multilateral center devoted to training, dialogue, collaboration, and research.

- Providing critical logistics support for US Navy fleet operations; US Naval vessels visit UAE ports more than any other foreign ports in the world.

- Supporting US Air Force operations by assisting with logistics at facilities in the UAE.
• Hosting the Joint Air Warfare Center and joint training exercises with US forces.

• …The UAE and the United States share a deep concern over Iran’s nuclear development and its impact on peace and stability in the entire region. The UAE fully supports and enforces United Nations Security Council resolutions barring shipment of sensitive materials and technologies to Iran.

• …The UAE has a military presence in Afghanistan, with a strictly defensive purpose, consistent with the UAE Constitution. The UAE Armed Forces on the ground are focused on the protection of humanitarian initiatives and ensuring safety and stability for local communities. Personnel are also directly involved in culturally sensitive community development activities, especially necessitating knowledge of the Arabic language or Islamic traditions, alongside representatives of key humanitarian organizations such as the Red Crescent.

• …The UAE and US Armed Forces regularly cooperate on both training and operational missions and exercises to strengthen this important alliance.

The UAE is key military power in the GCC and a major security partner of the US. As is the case with Qatar, however, the US needs to continue to respect the UAE’s need to pursue its own approach to Iran and the problems sanctions create for the UAE’s economy, as well as the UAE’s search for an individual political identity. While the US again needs to support efforts to create a stronger and more unified GCC, it also needs to accept the fact that progress will be slow and evolutionary, and it must be sensitive to both the UAE’s differences with other members of the GCC and the differences among its Emirates.

The US cannot separate its policies towards Iran without considering the UAE’s special interests in Abu Musa and the Tumbs. It needs to pay close attention the UAE sensitivities over the release of US military arms and technology, areas of special sensitivity to several key members of the UAE’s royal families. The UAE is emerging with some of the most effective military forces in the Gulf and the US needs to show it fully supports such efforts and is a reliable partner.

The US needs to examine how the UAE’s energy export needs might be used to create a broader network of pipelines and export facilities through Yemen and/or Saudi Arabia to reduce dependence on the Strait of Hormuz.

The US needs to work closely with the UAE’s government – as well as other GCC governments like Qatar – to coordinate as closely as possible in providing outside aid to insurgents and dissidents like those in Libya and Syria – remembering that its allies are Arab, Sunni, and often have different priorities and values. Strong US country teams and quiet and patient diplomatic efforts will be the key to success.

Yemen

Yemen is not a GCC or Gulf country but is an important state on the Arabian Peninsula. The US has provided military aid and advisory teams on a number of occasions – first to North Yemen and then to Yemen once it unified with the PDRY. The US ended military support after Yemen sided with Iraq over Iraq’s invasion of Kuwait in 1990, but has sought cooperation in counterterrorism since Al Qa’ida’s attack on the USS Cole in Aden Harbor in 2000.

The US renewed strategic cooperation with Yemen in 2009 as part of, “a new U.S. strategy toward Yemen referred to as the National Security Council’s Yemen Strategic
Plan. This strategy is essentially three-fold, focusing on combating AQAP in the short term, increasing development assistance to meet long-term challenges, and marshaling support for global efforts to stabilize Yemen.” 43 The US has also deployed a small Marine detachment to protect its Embassy in Sana since an attack on the embassy by some 200 young Yemenis on September 13, 2012. It also has deployed advisory teams and aid in counterterrorism and counterinsurgency since 2011, including personnel from the CIA and Joint Special Operations Command (JSOC) as well as used Unmanned Combat Aerial Vehicles (UCAVs).44

Yemen’s stability and security do, however, present major challenges to the US, Saudi Arabia, Oman, and the other GCC states. Yemen is in the middle of a political upheaval that currently centers on power struggles in the capital, but affects different factions throughout the country and has no clear solution.

The immediate challenges are daunting. They include creating a fully effective government to replace Saleh, either by backing President Hadi or supporting other efforts that move towards national political unity. The US must support every meaningful effort to reconcile Yemen’s different factions, bring some kind of unity to divided military security forces, deal with AQAP and terrorism, end it rebellions, and secure its border with Saudi Arabia and Oman. Some progress has already been made, though successes have been limited and the country remains unstable. Moreover, the US and Saudi roles supporting the government and counterterrorism is unpopular and is as much a limited part of the country’s problems as it is part of the solution.

Moreover, Yemen’s underlying demographic and economic and water challenges will ultimately prove to be even more serious. These challenges include finding some approach to nation-wide governance and economics that can create stability in a grindingly poor country with small and diminishing petroleum exports; a narco-economy that consumes a large part of its domestic resources; inadequate water supplies; major demographic pressures; and deep sectarian, tribal, and regional divisions. So far, the Yemeni government, the World Bank, the GCC, US aid planners, and NGOs have all failed to present a credible path forward in creating a credible, fundable plan to deal with these pressures.

The end result almost has to be to find the least bad set of options for dealing with Yemen’s near-term political and security problems, and hoping that some credible path can be found for dealing with its deep structural and development problems. Iran is one of these problems but scarcely the most serious one. Its spoiler role is marginal and is likely to remain so, although it highlights the problem Saudi Arabia has in securing its border with Yemen – one that forces the Kingdom to deploy significant forces in the south to deal with Houthis and other factions, creates a major illegal immigration and smuggling problem, and has led to new – and costly and technically uncertain – efforts to create electronic and physical barriers along its entire border.

The problem of terrorism and extremism, coupled with regional and tribal divisions, is critical. It is also difficult for the US to deal with. Support for Yemeni military counterterrorism efforts has to be carefully managed to avoid making the US an inadvertent party in Yemen’s internal power struggles. Direct US attacks on AQAP and other terrorist groups, using systems like unmanned combat air vehicles (UCAVs) are
achieving positive results, but are also producing enough civilian casualties in polarized tribal areas to create a significant popular backlash.

The US should carefully encourage progress towards a real democracy and human rights. It should also understand that such progress is likely to be slow and limited, and may suddenly be halted by new internal power struggles, internal conflicts, and the rise of centers of extremism and terrorism.

The US must also work with Saudi Arabia and the GCC to try to find some workable approach to the sheer scale of Yemen’s economic and demographic problems, its growing population of nearly 25 million, its lack of effective governance, and poverty. Such progress is likely to be negligible in real terms in the near future because of the country’s lack of effective governance, inability to absorb aid, corruption, and poverty.

The sheer scale of Yemen’s problems also preclude any credible combination of US, Saudi, and other aid efforts from buying Yemen out of these challenges and make real membership in the GCC a serious potential liability to the GCC. The real question is whether Yemen can slowly be put on a credible path in the future. The answers are uncertain, and may force the US and other Southern Gulf states into a strategy focused more on containment than development.

Dealing with these issues requires a grim degree of realism and pragmatism. Slogans, good intentions, and half-formed concepts are not going to buy the US and its Gulf allies a significant amount of time.

**Gulf Cooperation Council**

The US has established a strong foundation for a security partnership with the Gulf states, and Iran’s conduct and military actions seem likely to sustain that partnership indefinitely – along with the additional incentive of the need for cooperation in dealing with extremism and terrorism. Much still depends, however, on actions only the Arab Gulf states can take – although they are actions the US and other outside powers can encourage.

Only the Arab Gulf states can deal with their own internal political, demographic, economic, and social challenges. It must be stressed that meeting these non-military internal challenges will be at least as important to their stability, regional security, and the success of US and Gulf cooperation in competing with Iran as any improvement in their military and internal security forces. If there is any one lesson that emerges from the upheavals that have already taken place in the Arab world, it is that no state can ignore the demands and needs of its people, but that evolutionary progress offers far more hope than violent revolution and insurgency in any case where the regime is willing to change and make reforms.

At the same time, the US needs to make a far more active commitment to building up real partners at a time it faces serious resource constraints, is making force cuts, and must deal with the domestic political impact of “war fatigue” growing out of the conflicts in Afghanistan and Iraq. The US needs both strong individual partners and the strongest possible regional alliance.
There is a clear need for more military integration, interoperability, and cooperation of the kind King Abdullah of Saudi Arabia called for in recent GCC ministerial meetings. It has been clear since the GCC was formed that each nation in the council could benefit from creating more interoperable forces and integrated warning, intelligence, surveillance, and reconnaissance (IS&R), and command tailored to the key missions necessary to meet the security needs of all the GCC states.

The new momentum provided by the Riyadh Declaration creates an opportunity to move forward in many areas, particularly if the GCC builds on the experience of alliances like NATO where “unity” serves common interests while preserving individual national forces and sovereignty.

**Creating an Effective Alliance**

So far, the efforts of leaders like King Abdullah, and a series of efforts by the GCC Secretary Generals and military officers, have had little practical impact on the overall effectiveness of Arab Gulf military forces in key areas like mission focus, interoperability, integration, and creating effective cooperation at the planning level. The problem has not been a lack of dialogue, concepts, declarations, and studies. It has been a lack of effective action by the rulers of the Arab Gulf states – which seem to prefer the rivalries and bickering of the past to meeting the needs of the present and the future.

**Critical Failures in Institution Building**

These failures have two major components. The first is the failure to give the GCC the institutional capabilities it needs to function effectively. To be specific, the GCC is either ineffective or inadequate in all of the following areas where institution building is critical to an effective alliance:

- GCC force planning exercises
- Developing a standardization and interoperability committee and staff for the GCC and partnership with the US, UK, and France
- Developing a technology and procurement committee and staff
- Creating a working group on arms control
- Coordinating logistics, sustainability, and readiness
- Surveying training facilities to determine how to ensure best use on a GCC-wide basis
- Developing a joint intelligence center
- Forging a GCC-wide intelligence effort for counterterrorism and dealing with popular unrest
- Creating a GCC internal security center
- Developing common counterterrorism training

**Critical Failures in Mission Capability and Focus**

What is even more important is that the GCC has failed to develop effective mission capability and focus in ways that provide a coherent approach to key aspects of deterrence and defense:

- Creating a fully integrated air and surface-to-air missile unit control and warning system
- Creating a joint, integrated missile defense system
• Examining the “extended deterrence” option
• Focusing on Iraq, the Iraqi border, and the Kuwaiti “hinge”
• Focusing on Yemen border security and threats
• Creating a fully integrated maritime surveillance system
• Integrating mine, anti-submarine, and naval asymmetric warfare
• Developing air-sea coverage of Strait of Hormuz/Gulf of Oman/Indian Ocean/Red Sea/Horn of Africa
• Creating a GCC-wide intelligence effort for counterterrorism and dealing with popular unrest
• Creating a GCC internal security center
• Developing common counterterrorism training
• Giving proper priority to passive defense
• Creating more effective cooperation with power projection forces outside the GCC

Effective Institution Building

Making alliances into effective organizations that have real world deterrent and warfighting capabilities is far more difficult than simply building institutions. NATO has never developed an agreed upon strategy it has fully implemented, many aspects of its force planning process have been little more than pro forma paper chases, it has never developed effective tools for assessing the impact of its plans and capabilities on the NATO-Warsaw Pact balance, and some of its most critical alliance activities – like its NATO Air Defense Ground Environment (NADGE) – were nearly crippled by politically-driven favoritism and corruption. The Association of Southeast Asian Nations (ASEAN) is more a series of meetings than a meaningful alliance.

The past and current failures of other alliances, however, do not translate to inevitable failure for the GCC. In fact, the GCC has the opportunity to learn from both the past failures and the past strengths of alliances like NATO.

GCC military forces now have a very diverse mix of equipment, command and control systems, munitions, support facilities, and power projection capabilities. They cannot be easily and quickly made fully interoperable, and countries will preserve sovereign decision making authority.

One way to make steady improvements in interoperability is to set up planning staffs within the GCC that address the key tasks necessary to change this situation, and to report regularly to a committee of Ministers of Defense or their delegates. NATO has used somewhat similar methods. While the GCC has different needs, it could build on its existing efforts and adapt NATO methods as follows to produce a higher degree of unity and common effort:

Create a GCC Force Planning Exercise

Create a Defense Planning Committee similar to that in NATO, and take the first steps towards creating a common defense planning system that would examine each member’s current forces and force plans for the next five years to examine areas where it may be possible to improve mission capability, interoperability, and standardization, and
supplement national command, control, communications, computer, and intelligence (C4I) systems on a GCC-wide basis.

Such a committee could combine civil and military expertise to support top-level decision makers. It would meet regularly to review the force plans of each nation to find ways to better coordinate them and create steadily more interoperable forces.

There is a good precedent for such planning. NATO developed a Defense Planning Questionnaire in the 1960s, where every member now submits a standard and regularly updated report on its current forces, manpower, major weapons, munitions, and five-year plans – plus a longer-term supplement on procurement. This does not require any compromise of sovereignty, and allows the civilian and military experts to develop informal and formal recommendations to ministers to develop better-integrated plans as well as to make tangible suggestions as to ways to both create more effective force mixes over time, and make forces more interoperable.

Create a Joint Intelligence Center

Sharing intelligence at the military, counterterrorism, and popular unrest levels is one of the most difficult aspects of alliance operations. Once again, however, there are precedents. Key Gulf states – Saudi Arabia, Qatar, and the UAE – have already held conferences on cooperation in counterterrorism that examined options for cooperation even in some of the most sensitive areas of intelligence. The NATO MC-161 process involved semi-annual meetings of national intelligence experts supported by the NATO civil and military staffs, and produced an annual threat assessment to present to ministers.

Creating an expanded GCC joint intelligence center to handle military tasks and then expanding into counterterrorism and sources of popular unrest could be a way of slowly building up both added GCC capabilities and building trust and common joint collection and analysis capabilities. Creating a GCC-wide annual threat assessment would be one way to begin to tie intelligence cooperation to policy in a way that reinforces unity.

GCC Net Assessment Group

Effective security planning requires more than a threat assessment. It requires an analysis of the trends in the balance relative to key threats and mission areas, and the analysis of current capabilities and priorities for improving them. One option that would bridge the gap between military planning and intelligence at the civil-military level would be to create a GCC Net Assessment group that could address internal and external extremist and asymmetric threats.

Such an effort could focus on Iran and common threats from violent extremism. The group could report on GCC-wide patterns to avoid spotlighting Bahrain or other states, but give a common legitimacy to efforts to check such threats. It could aid the defense planning effort by providing annual threat assessments highlighting key threats and showing how the GCC states are moving to deal with them.

Create a Working Group on Arms Control

The GCC and its member states have supported the creation of a weapons of mass destruction free zone in the Middle East. The GCC might create a small staff to examine such options and play an active role in encouraging studies and diplomatic activity.
Create a Technology and Procurement Directorate and Committee

Create a directorate within the GCC, supported by a high-level committee of member country representatives within the GCC headquarters, to analyze military technology and procurement needs with a focus on technical issues, test and evaluation methods, and the other aspects of military procurement that would help develop common approaches to acquiring weapons systems and technology.

At the same time, give the directorate a matching mandate to focus on ways to develop immediate interoperability, provide common support and sustainability for power projection and redeployment capability, and set common standards for stockpiling and sharing munitions and key supplies.

Support the directorate with an expert staff at GCC headquarters and designate centers of excellence in defense colleges and research centers in member states to assist in national implementation efforts and coordinate in planning and reporting.

Create a Logistics, Sustainability, and Readiness Directorate and Committee

Create a matching directorate within the GCC, supported by a high-level committee of member country representatives within the GCC headquarters, to develop plans to create common levels of logistics support, sustainability, and readiness. Give the practical and material aspects of war fighting capability the same emphasis as equipment procurement. Set common standards, require common reporting, and put meeting real-world military readiness standards on a competitive basis equal to the glitter factor in making prestige-oriented major arms buys.

At the same time, give the directorate a matching mandate to focus on ways to develop immediate interoperability, provide common support and sustainability for power projection and redeployment capability, and set common standards for stockpiling and sharing munitions and key supplies.

Support the directorate with an expert staff at GCC headquarters and designate centers of excellence in defense colleges and research centers in member states to assist in national implementation efforts and coordinate in planning and reporting. Use these capabilities to develop proposals for GCC country action and analyze common needs and cost-effective approaches to meeting them.

Building Common Training and Exercise Capacity

The GCC states already have some exceptional training facilities at the national level, and do cooperate in military exercises, but there are gaps. Many states do relatively little large-scale training that simulates real combat, and member states still have limited cross and common training. There also is a need for joint training that cuts across service lines.

There are several measures that the GCC staff could examine on a civil-military level to improve cooperation and develop interoperability of the kind King Abdullah referred to in his speech to the GCC.

Focusing on Key Mission Areas

Security cooperation should focus on developing improved deterrence and defense capabilities in key mission priorities rather than formal generic improvements in military
capability or competing for prestige or “glitter factor” arms buys. It should look beyond national needs and recognize the reality that the Arab Gulf states can only defend themselves individually if they cooperate together, develop common military plans and capabilities, take advantage of economies of scale, and are seen by potential threats as nations that cannot be intimidated or defeated on a divide and conquer basis.

This requires a shift from national efforts, tailored to individual service-by-service development, to a focus on GCC-wide efforts that take a joint warfare approach to finding the best way of improving mission capabilities.

Critical mission areas where joint planning efforts and integrated or interoperable joint warfare capabilities are needed, include:

- Fully integrated air and surface-to-air missile unit control and warning system
- Fully integrated maritime surveillance system
- Joint, integrated missile defense system
- Planning for “extended deterrence” options and/or a GCC deterrent
- Integrated mine, anti-submarine, and naval asymmetric warfare
- Air-sea coverage of Strait of Hormuz/Gulf of Oman/Indian Ocean/Red Sea/Horn of Africa
- Iraq, the Iraqi border, and Kuwaiti “hinge”
- Yemen border security and threats
- GCC-wide counterterrorism and internal security
- Passive defense
- More effective cooperation with power projection forces outside the GCC

**Create a Fully Integrated Air, Surface-to-Air Missile, and Anti-Missile Defense System**

The GCC has the shell of common or integrated C4I, sensor, and battle management (BM) systems in some areas like air defense. What it needs, however, are truly integrated C4I/BM systems in several key areas, tied to common efforts to develop IS&R systems.

The changes in the Iranian threat and the threat of terrorist and extremist movements create a broad spectrum of areas where the GCC needs to be able to react in real-time or near real-time to threats ranging from long-range missiles to asymmetric naval attacks to complex attacks by terrorists and extremists.

The highest priorities for such efforts include measures that could play a critical role in deterring – and defending against – Iran. In many cases, the GCC would have only 7-15 minutes of warning of a major air or missile attack, or would need integrated maritime capabilities.

Such a system would integrate sensors like the Saudi E-3A airborne early warning and control (AWAC) aircraft, other GCC airborne warning and intelligence platforms, ground-based radars, and fighter and major surface-to-air missile systems into a Gulf wide, secure mix of C3I, BM, and IS&R capabilities. This could be based on expanding the existing Saudi air control and command facility near Riyadh, and links between each GCC country and the US Combat Air Operations Center (CAOC) in Qatar.
The NATO Air Defense Ground Environment (NADGE) system has shown over past decades that sovereignty and national security issues can be addressed by using the systems that mix national control of all national assets with the ability to operate on an alliance-wide basis through an integrated system.

The technical side could be supported by creating a separate technical staff on a contract level controlled by the GCC and military officers. NATO established a NATO Air Defense Ground Environment Management Office (NADGEMO) specifically for such an effort, and found it could work out compromises at a technical level that bridged over national tensions and differences.

Create a Joint, Integrated Missile Defense System

No single area presents a more serious military threat to the GCC than Iran’s acquisition of long-range missiles and movement towards acquiring nuclear weapons – issues addressed in detail in *The Gulf Military Balance, Volume II: The Missile and Nuclear Dimensions*. The GCC needs to expand its air defense capabilities to develop a common and integrated approach toward missile defense in cooperation with the US – the only real-world provider and integrator of such a system.

This is critical both in ensuring the creation of any effective system that is truly interoperable, has the proper wide-area coverage, can be reinforced by US ships with SM-2 missile defenses, and is linked effectively to US satellite systems. It also potentially represents the most expensive GCC investment in new types of military capability over the next decade.

The best way of handling these issues would be to create an integrated missile defense system as an expanded part of an integrated GCC air defense system. The GCC states already have made a massive investment in upgrading their surface-to-air missile defenses to the PAC-3 PATRIOT missile, and the UAE and Qatar are buying THAAD at a combined cost of over $10 billion.

There is no way such purchases can become a fully effective defense and deterrent unless all Gulf states have such defenses and integrate them at the C4I/BM level to provide a unified wide-area defense capability. At the same time, countries would find it easier and less sensitive to focus on a new aspect of GCC capability.

Preparing for Missile and WMD Threats

Defense alone will not be enough; The GCC needs to improve cooperation in several key areas by:

- Developing a common policy towards sanctions and incentives/disincentives in persuading Iran to halt such policies.
- Creating a GCC estimate of the Iranian-Israeli nuclear and missile balance and the risks the rising arms race and potential use of such forces presents to the GCC states.
- Working collectively with the US to explore former Secretary Clinton’s offer of “extended deterrence” to counter Iran if it deploys nuclear weapons.
- Evaluating GCC options for acquiring a GCC deterrent.
- Evaluating the costs-benefits of supporting US preventive military action.
These are all sensitive areas, and involve data that are classified and need to be closely controlled in several areas. At the same time, a lack of GCC coordination and unity will encourage Iran, waste a vast amount of money on less effective defenses, and steadily increase military risks over time.

**Create a Fully Integrated Maritime Surveillance and Battle Management System**

The growth of Iranian asymmetric warfare capabilities in the Gulf has reached the point where an integrated approach to naval warfare is as important as an integrated approach to air and missile warfare. A common or integrated command, control, communications, computer, intelligence (C4I), sensor, and battle management (BM) system could integrate command and control data, and IS&R sensors and systems for naval operations, related air operations, and coastal defense activity.

It could plan for, manage, and provide C4I/BM/IS&R support for using ships, maritime patrol aircraft, and coastal facilities along the Gulf Coast and in Oman at Goat Island and along the Omani coast. It could monitor and react to threats like the deployment of the naval guards, mining, stack threats near the Strait, and clusters of missile-equipped smaller ships.

Bahrain has already proposed the creation of such a center in Bahrain, which could have close links to the US fleet command in Bahrain, British forces in Oman, and the French facility in the UAE as well as standardized links to US, British, and French ships.

Such a system would need to be tailored to the special conditions of asymmetric warfare created by Iran’s submarines, surface navy, naval guards, and growing air and anti-ship missile capabilities. Ideally, it would have some capability to integrate mine warfare operations as well. Coverage could begin in the Gulf, Strait of Hormuz, and Gulf of Oman, but the model could be expanded to cover the Indian Ocean and Red Sea over time.

**Mine and Anti-Submarine (ASW) Warfare**

It is unclear just how far Iran has gone in acquiring or building smart mines. Even older “dumb” mines, however, present a critical threat. This became all too clear during the Iran-Iraq War in 1987-1988. Today, however, the GCC only has four aging minesweepers in the Saudi Navy, and the US, British, and French navies have limited capability. The GCC badly needs to reassess requirements for mine warfare capability.

In contrast, the cost of effective anti-submarine warfare against a limited Iranian threat, and establishing an effective and well-trained GCC force, is probably a waste of resources if the US takes responsibility for the mission inside and outside the Gulf. Resolving the relative role of the US (and British and French) Navy and GCC navies is a critical common security issue.

**Strait of Hormuz/Gulf of Oman/Indian Ocean/Red Sea/Horn of Africa**

The current command and mission structure of GCC naval and air units divide up the Gulf by country. It puts the burden of covering the Strait of Hormuz largely on Oman and the UAE. It largely ignores the security of the Gulf of Oman and the Indian Ocean, and leaves the Red Sea to the Saudi Red Sea fleet.
The combined threat from Iran, Yemeni instability, Somali piracy, and political instability in the rest of the Red Sea area – including Egypt – now requires the GCC to start rethinking this naval posture, how best to cooperate with the US and European navies, and how to develop an integrated and more regional approach to tanker and shipping security.

**Iraq, the Iraqi Border, and the Kuwaiti “Hinge”**

The current political crisis in Iraq and the lack of effective formal arrangements for US and Iraqi military cooperation highlight the fact that the primary land threat to the GCC comes through the Iraqi border and the strategic “hinge” in the upper Gulf along the border with Kuwait. This threat is compounded by the risk of both some form of Iranian-led axis involving Iraq, Syria, and Lebanon and a new round of major sectarian fighting between Iraqi Arab Sunnis and Shia.

No one can estimate the future level of Iraqi unity, the state of its political system, or its level of ties to Iran. Even under the best conditions, Iraq will not acquire significant conventional forces to counter or deter Iran before 2016, and this may well take until 2020 and beyond.

The GCC needs to develop common polices towards Iraq that encourage national unity, an Arab identity distant from Iran, and Sunni and Shia unity. At present, it lacks such unity and is not competing effectively with Iran. It needs to use aid and strategic communications to do so.

Moreover, the GCC needs a common approach to contingency planning to defend Kuwait and the entire Saudi-Iraqi border, to support Kuwait’s development of ports, to guard against Iranian military probes, and to consider a border “fence” to cover Kuwait, Saudi Arabia, and possibly Jordan with a cost-effective surveillance effort. These needs further reinforce the priority for bringing Jordan into the GCC – a step the GCC has begun to take.

**Yemen Border Security and Threats**

Unrest in Yemen, the resurgence of the Houthi opposition and AQAP, and the major problems created by illegal immigration and smuggling across Yemen’s borders are now primarily a threat to Saudi Arabia and Oman, but also involve the other GCC states as Yemeni, Somali, and Ethiopian migrants cross their borders. Saudi Arabia will have to play the lead role, but dealing with Yemen should be a GCC problem and one that will inevitably involve cooperation with the US, the UK, and France.

As is the case with the Kuwait hinge and the Saudi-Iraqi border, the GCC needs a common approach to contingency planning to deal with Yemen and to secure the entire Saudi-Omani-Yemeni border, and consider a border “fence” to cover Yemen with a cost-effective surveillance effort. It also needs to consider how best to develop a collective aid effort to help restore Yemeni stability and offer its people some form of economic hope.

**Improving Internal Security Efforts**

Several earlier suggestions have already focused on the need for integrated intelligence efforts. It is clear that cooperation in internal security is extremely sensitive on a national
basis. Nevertheless, there again are areas where the GCC staff and member states may be able to develop important options for improving GCC “unity:”

- Require GCC-wide identity cards for both nationals and foreign labor and business residents – with matching passport data for nationals – that contain digital photo, fingerprint, and eye scan data, and track each major use of the card. Tying the use of the card to remittances, and banking/Hawala use, would provide further security information.

  Such data could be encrypted so only governments can read it, and national programs could be set up to track major “events” or actions that fit a pattern of terrorism, human trafficking, improper financial transfers, etc. Setting up a GCC-wide pattern analysis where given uses of the card or card data were flagged as warnings could further assist in security operations. This could include flagging movements to sensitive countries like Iran.

- Expand current cooperation to create the GCC equivalent of Interpol to create a common intelligence and data center that focuses on tracking both political extremists and terrorists and provides near real-time warning of the kind provided by the US National Counterterrorism Center. This effort could be tailored to reflect national standards for reporting to a degree that ensures such a body does not infringe on national sensitivities and prerogatives.

  In time, it may be possible to create a combined intelligence, training, and ops center to deal with low-level threats, extremism, terrorism, sabotage, and actions by states like Iran. This could create a staff that integrates GCC data on terrorism and extremist and outside asymmetric threats, looks at defense options, and finds efficient ways to achieve common training.

  The political sensitivities are obvious, but could be avoided by focusing on the areas where states are known to be willing to cooperate from the start and by focusing on cooperation where countries do not have to reveal key intelligence data and sensitive information. Even if it does nothing more than bring policing, ministry of interior, and counterterrorism experts together – with a suitable support staff – it will help.

- Dealing with violent unrest and demonstrations is very different from counterterrorism and from a military rapid reaction force. The GCC should seek peaceful internal resolution of internal issues and tensions and avoid the use of forces from other GCC countries in dealing with popular protests and unrest limited to given member states if at all possible. Outside intervention should be a last resort option that discredits the government asking for aid and requires outside forces to deal proportionately with protests they do not fully understand and cannot easily characterize.

  As events in Bahrain show, however, there may be a need for carefully trained and equipped reinforcement by outside forces to deal with violent demonstrations, crowd control, and popular unrest. Ensure a capability to operate effectively across borders and reinforce those borders in dealing with popular unrest in ways that minimize the need to use force and political complications.

  One option might be to create a GCC-wide capability by identifying national force elements trained, equipped, and mobile enough to come to the aid of other GCC countries, or the creation of a common force. The latter would be cheaper; identify neighboring forces in close proximity; and take best advantage of existing helicopter lift, mobility, specialized vehicles, weapons and equipment, and intelligence/communications gear.

**Improving Energy and Infrastructure Security: Passive Defense**

Civil defense and passive defense are other areas for cooperation and ones where the GCC can act to provide study plans and create a dialogue. The GCC states are extremely dependent on central power, desalination, and energy facilities – and several require major increases in capacity to deal with growing populations. GCC states have already taken some measures to create pipeline routes that bypass the Strait of Hormuz, but “unity” in the GCC requires a broader range of actions:
• Collective efforts and standards for the passive and active defense of critical infrastructure and key energy facilities.
• Common stockpiling of critical parts and components to allow rapid repair of sabotage and combat damage without waiting for long lead items.
• Integrating power and water systems so the GCC can compensate for a breakdown or damage to a critical power or desalination facility.
• Creating a broader range of pipelines that bypass the Strait and goes through Oman to Yanbu, and possibly through Jordan.
• Improving roads and possibly creating a rail capability to move bulk cargo broadly through the Gulf from ports in Oman and from Jeddah.
• GCC-wide planning to reduce the growth of water and power use through conservation and realistic pricing.
• Applying the same efforts to reduce the wasteful use of domestic fuel, gasoline, and natural gas.

One key test of such security is that no Gulf city should be critically vulnerable to an Iranian attack or some form of sabotage to a major power or desalination facility. Another goal is to disperse energy facilities in ways that share national use and reduce reliance on any one facility.

Effective Cooperation with Power Projection Forces Outside the GCC

There are limits to the GCC options in cooperating with forces outside the Gulf. Only one additional regional power seems to be a viable immediate candidate. Including Jordan in the GCC would add an important military force, although one from a country where stability may be an issue. Pakistan is approaching the status of a failed state, is no longer superior to Gulf forces in training and leadership, and presents a far greater political risk than Jordan. Russia and China are not acceptable options. Turkey is a rising power, but its forces are not designed for power projection, and Turkish support for Iran still presents political sensitivities in some GCC states.

This leaves the GCC dependent on Europe and the US, and both have limitations of their own. The GCC faces the reality that British and French power projection capabilities are already severely limited in going beyond the Mediterranean areas and the operating range from major peacetime basing facilities. Current plans and budget pressures make it clear that they are going to be steadily reduced as a result of financial pressure over the next five years.

The situation is more favorable in regard to European arms sales. Cutbacks in European military procurements have limited the range of advanced air and surface-to-air missile equipment, smart munitions, and systems like unmanned combat air vehicles (UCAVs) that Europe can sell and support at a contractor level. However, Europe still can provide excellent land weapons, helicopters, and trainers; and Europe also produces naval vessels that often are better suited to the operating needs and ranges of GCC states than most US naval systems.

Europe still offers GCC states alternative sources of arms, but it should be noted that GCC states need to be careful to ensure that contracts offer high degrees of interoperability with US or other European forces, and that both the European and US
contract teams that support equipment in peacetime will be adequate and willing to support combat operations.

The US remains the leading global military power, and has a large presence in the Gulf. The US is already cooperating in depth in areas like the modernization of GCC air forces, common training, and many other areas. US Central Command (CENTCOM), the US Fifth Fleet, and the US commands in Kuwait and Qatar all provide major support, as do US advisory teams. At the same time, the US does face force and military spending cuts, and has not established a stable Strategic Framework Agreement with Iraq.

The GCC needs to establish a much clearer base for mid and long-term planning for the support that US, British, and French power projection forces can actually provide over time. It also needs to link GCC force planning and procurement to clear plans for interoperability, and develop suitable contingency plans.

- **This is not a NATO function.** NATO does not control forces, and has no special expertise in power projection. It also includes far too many members that cannot contribute and which can present political complications.

- **It is, however, in the interest of every GCC state to preserve as much British and French power projection capability and training presence as possible, and to ensure that the US will preserve a major presence in the region over time.** It is equally important to ensure that at some point, the US, British, and French presence evolves in ways that focus more on projection from outside to deal with truly critical contingencies in ways directly linked to the rate of improvement in GCC forces.

One way to help achieve more unity inside and outside the GCC would be to ask that the US, the UK, and France set up military liaison offices to support GCC force planning, procurement, and exercise efforts as well as to provide military representatives to take on an “observer” status in GCC military meetings. This would effectively recognize efforts that already exist in most GCC countries, but develop a more integrated and effective effort without compromising GCC sovereignty.

**Encouraging Stability Through Economic, Educational, and Social Measures**

The events of the last two years have made it all too clear that the Arab Gulf states need to give the civil side of security the same priority, and need careful US encouragement to do so. The GCC has to find collective ways to improve security cooperation that address the causes of security issues as well as ways to deal with such threats.

Since early 2011, it has been all too clear that the combination of high population growth, issues in educating and employing native youth, housing, infrastructure pressures, medical services, and other material issues play a critical role in the security of each GCC state. These issues are compounded by sectarian differences; tribal pressures; foreign labor issues; and popular perceptions of corruption, responsiveness and integrity of government services, and divisions by region and income group over the quality of government services.

Most GCC states are now attempting to deal with these issues on a national basis, and national sensitivities preclude “unity” in addressing the problems of each state in a GCC-wide environment. There also are sufficient national differences – so one size scarcely fits all.
At the same time, the need to encourage stability and security through economic, educational, and social measures is at least as great a security issue as any foreign threat or terrorism. There also are important areas for cooperation in spite of national differences.

The creation of GCC-wide scholarship and exchange programs, and GCC-wide educational standards would help develop a common effort to improve readiness for employment, a consciousness of the importance of GCC as well as national values, and potentially serve to speed education reform by moving the debate away from purely national issues to a broad regional standard that could focus on educating young men and women for practical careers.

**GCC Domestic and Foreign Labor Policies**

It is easy to talk about “Omanization” and “Saudization” and other policies for dealing with foreign labor, but it is even easier to continue exploiting low-cost foreign labor and relying on outside technical expertise. Creating common labor policies that give priority to hiring local nationals from within the GCC, and common apprentice and training programs that support such efforts could be used to show the concern of governments and set broad standards for reducing dependence on foreign labor. These policies could be expanded to include Jordan and other critical Arab states.

The same common policies could be used to create a GCC-wide approach to foreign labor. This could include visas, protection and rights, salary and remittance policies, and limits of foreign versus Gulf labor.

It is important to note that setting higher standards for foreign labor, and raising real world labor costs, is a key way to encourage employment of GCC nationals. Such efforts can also be joined to the use of GCC-wide identity cards to help ensure the stability of foreign workers by protecting them; managing visas; and tracking every entry, departure, and change in job status.

**Setting Common Social and Economic Standards/Goals**

The last year has shown that education, housing, medical services, utilities and water, equity of income distribution, perceptions of corruption, quality of governance/rule of law, human rights, and levels and quality of employment *all* act as critical factors shaping domestic stability and unrest.

Gulf states differ sharply today in the levels of such services. They are, however, improving in each state. Setting up a commission or body in the GCC to examine the level of performance in each country, setting common goals and standards, and showing the people of each country that they and their children will benefit over time offers a potential way to increase stability.

Making key elements of such an effort public is a way of focusing protest and public dissent on real issues and ones governments can actually solve, as well as reassuring Gulf youth. This is particularly true if it shows each government is providing equity across sectarian and regional standards and is actively working to identify current problems and solve them.
Building Dignity, Trust, and Faith in Government Integrity

The political crises in the Middle East and North Africa last year – along with the experiences of Iraq and Afghanistan – have provided a long series of lessons in the fact that calls for democracy do not suddenly produce working representative governments and viable political systems. At the same time, these events provide a grim warning of the degree to which regimes can underestimate popular anger, distrust, and feelings that governments are corrupt and do not respect their peoples. They also have revealed a fact that is consistent in the history of governments throughout the world: unless there are reliable ways to measure public opinion, leaders overestimate their support, and bureaucracies and those around them tell them what they want to hear.

Steps towards local elections and empowering a national Majlis can help deal with such pressures without disrupting the current political system and national stability. At the same time, GCC governments need feedback that is more reliable, and provides better measures of popular discontent.

The use of polling is a key tool towards this end, and polling could be conducted on a GCC-wide basis to both provide broad goals for the GCC in an open form and provide detailed warnings to individual governments – warnings that could be kept confidential by tailoring the release of the data. Such polling would also serve as another way of focusing popular opinion on issues and real-world government actions – particularly if it took the form of individual surveys that focused on key areas, rather than sweeping efforts that would focus on every problem or issue at once.

Once again, the key areas of concern are: education, housing, medical services, utilities and water, equity of income distribution, perceptions of corruption, quality of governance/rule of law, human rights, and levels and quality of employment. These are areas where each GCC government needs to develop better ways to monitor how its citizens actually feel, get advance warning of discontent, and react preemptively to deal with popular discontent. They are also ways of setting better and more realistic priorities for councils, planning groups, Majlis action, etc.

At the same time, surveys and measures of effectiveness need to focus heavily on corruption at lower levels, frustrating bureaucratic and government systems that seem to ignore public needs, apparent favoritism, and delays in the courts and police system. These aspects of governance, coupled with growing income inequality and high-level cronyism and special treatment, have been key factors in leading to popular perceptions that governments fail the people.

Creating GCC Study and Planning Efforts

There are several other areas where the GCC staff should work with member countries to provide advice and planning that will aid in security and stability:

GCC Development Report

Build on the Arab Development Report of 2009, but tailor to the GCC states – possibly including Jordan, Iraq, and Yemen. Avoid sensitive political areas like “democracy” and political reform, but focus on core elements of stability like housing, services, education, health, job creation, and youth employment.
Put together an annual report showing the scale of the key social, economic, and demographic problems that have led to political unrest in other areas, and show the progress and plans to improve life, serve citizens, and encourage stability.

Doing this on a multinational level ensures no one state is singled out, that public attention is focused on material progress that each state can actually address, and shows that governments really care – making the case to the world for the GCC.

**GCC Survey**

Create a carefully structured survey to get a clear picture of the level and causes of internal tensions and dissatisfaction that threaten stability in each country. This provides leaders with a base that does not single out a given country, but offers a real-world overview of popular priorities for stability.

**GCC Jobs Creation Program**

Build on national job programs to go GCC-wide. Focus on youth unemployment. Highlight existing efforts, but look towards the future. Examine demographic and educational impacts. Seriously examine the risks of overdependence on foreign labor.

Look beyond simple measures of employment to address disguised unemployment, career satisfaction, school-to-employment lags, income distribution, biases toward government employment, and ability to afford marriage and separate housing. Focus on the most important single problem affecting internal stability.

**GCC Housing Program**

Similar programs should be offered to address housing issues.

**Future Implications for US Policy**

Unless there are massive changes in the nature and conduct of Iran’s regime, the Arabian Peninsula will continue to be the most important theater of US-Iranian strategic competition. US energy and security interests in the region will be sustained through the long-term, as will US military assistance programs and weapons transfers – particularly in the realm of airpower and missile defense.

Iran will continue its attempts to exert influence in the Gulf, seeking to rival Saudi Arabian and broader GCC power. The emergence of Qatar as a second Sunni rival to Iranian influence in the broader Middle East can be expected to continue as the situations in Syria and Gaza grow more volatile. As the principal supporters of the belligerents in the Syria conflict – Saudi Arabia and Qatar on the one hand and Iran on the other – will be in a position to influence any resolution to the Syrian Civil War, though developments in that conflict are not likely to drive broader US-Iranian and Gulf-Iranian tensions.

Iran will continue its political and covert support to Shia opposition movements in Bahrain and Yemen, while looking for opportunities to exploit other Sunni/Shia rifts elsewhere in the Gulf. The Islamic Republic will continue to try to exploit Sunni-Shia tensions, as well as increase its influence in Iraq, Syria, Lebanon, and any other targets of opportunity.
The US must respond by acting on the new strategy it announced in early 2012 that called for the Middle East to be given the same strategic priority as Asia. It needs to maintain and strengthen every aspect of its security partnerships with the Southern Gulf states.

Successful US efforts will require continuing US dialogue with each Southern Gulf state. It is going to take strong country teams that can both build more effective security forces and help each state move towards the necessary level of political, social, and economic modernization and reform. It is going to take enhanced US cooperation with the GCC to create the kind of US military presence in the Gulf and support for counterterrorism that will reassure America’s Gulf allies and provide a strong additional level of deterrence and defense capability.

The US should seek to persuade the other Arab Gulf states to join the US in creating a strategic relationship with Iraq and in limiting Iranian influence in a key Gulf state that not only helps shape Gulf security but also has a major impact on Syria and Lebanon. The US should work with Saudi Arabia and the rest of the GCC to support Jordan and secure the Gulf’s “western flank” as well as continue to work with Saudi Arabia and the government of Yemen to secure the Gulf’s “southern flank.”

At the same time, the US should support its efforts in the Gulf by working with its European allies to negotiate an end to those Iranian nuclear programs that threaten to create nuclear forces. It should continue to seek to persuade Israel not to launch preventive strikes and treat such US strikes as a last resort, and work with the Southern Gulf states to put an end to terrorism and violent extremism.

For all the reasons laid out in this analysis, the US needs to be more sensitive to its Gulf allies’ views on Egypt, Syria, Libya, and the other key areas of instability in the region. The US needs to understand why they focus on the security impact of such developments rather than on issues like democracy and human rights. It also needs be acutely sensitive to the tensions that have already arisen over the limited scale of US action in Syria, and the difference between US and Arab Gulf policy on Egypt.

At the same time, Iran remains the key threat, and the US must prepare for two possible broad categories of possible scenarios that could shape tensions in and conflict in the Gulf.

**Scenario I – Conflict Over the Iranian Nuclear Program**

Tensions between the US/Israel and Iran over the Iranian nuclear program could heighten tensions between the Gulf Arab states and Iran in the event of a preventive attack. The Arabian Peninsula’s proximity and importance to Iran coupled with the region’s strategic value to the US could make it a very likely target for Iranian retaliation. A retaliation could include the use of short and intermediate range missiles, the use of covert operatives within the Gulf states, and/or the use of naval and missile forces to impede maritime commerce in the Persian Gulf and the Strait of Hormuz – such as through the attacking of commercial vessels or the blocking of the Strait.

Regardless of US involvement in any preventive attack, Iran’s retaliation could focus on the many US military facilities in the region, putting countries such as Qatar, Bahrain, Kuwait, Oman, and possibly the UAE at risk of a direct strike from Iran.
The risks posed by Iranian retaliatory attacks could be mitigated by the continued development of missile defense capabilities in the region and the C3 synergies required to make regional missile defense feasible. Further cooperation between the GCC and the US will be invaluable in building these capabilities and in providing the Gulf Arab states with the guidance and resources to be able to address missile threats as a single entity.

The Iranian threat could also be mitigated by the continued development of counterterrorism and maritime security capabilities and training, which could also be addressed by the US at the bilateral level, in multilateral military exercises, in conjunction with NATO, and through the GCC.

**Scenario II – Continued Tension Short of Conflict**

In the absence of open conflict between the US and its allies and Iran, Tehran can be expected to continue using its covert relationships with Shia groups in the region to pressure the US and Saudi Arabia. If instability persists in Bahrain, Iran could continue to voice political support for the opposition, while continuing to provide alleged covert support to violent factions through Hezbollah.

Iran may continue to leverage its support for the Houthi insurgency in Yemen – and possibly AQAP – to pressure the US and Saudi Arabia as those two states try to stabilize Yemen and reinforce the central government.

In the case of Bahrain, US support for dialog and compromise and the adoption of independent commission recommendations could help alleviate Sunni-Shia tensions, reducing Iran’s ability to leverage the situation. Continued instability in Bahrain could have broader regional implications. Another GCC deployment to Bahrain could deepen the Sunni/Shia rifts in countries such as Saudi Arabia and Kuwait, creating new opportunities for Iranian leverage. The Kuwaiti government in particular is at risk of losing the support of its Shia constituency if Kuwaiti forces were needed to defend the Bahraini regime against a Shia uprising.

The US must deal with Yemen as an enduring crisis. Iran’s continued support of the Houthi insurgency in Yemen will present problems to the US and its Gulf allies for the foreseeable future. The complexity of Yemen’s instability will make it difficult for Washington, Sana’a, and Riyadh to combat this insurgency – particularly as another insurgency persists in the south of Yemen, and AQAP remains a significant threat to the US and its allies.

Iran may also resort to other covert tactics such as the continued use of cyber warfare and attempted assassinations to pressure Saudi Arabia and disrupt its government and energy sectors.

These risks illustrate the need for continued bilateral and multilateral US engagement to help reduce tensions in Bahrain, Yemen, and any other Southern Gulf state where political upheavals and sectarian and tribal tensions move towards the crisis level.
# Table of Contents

**INTRODUCTION** .............................................................................................................................................................................. 1

**THE US AND THE ARAB GULF STATES: CHALLENGES AND INTERESTS** ......................................................................................... 4

- Enhanced US Partnership with the Southern Gulf States .............................................................................................................. 4
- The Impact of Terrorism and Other Threats ................................................................................................................................. 6
- Reacting to Evolving Threats ............................................................................................................................................................ 6
  - The Importance of Terrorism as a Threat to the Gulf .................................................................................................................. 8
  - The Impact of Iran and Syria as Sponsors of State Terrorism and Pressures on Iraq ............................................................... 9
- Emphasizing the Middle East and Rebalancing the US Force Towards Asia .............................................................. 33
  - Continuing the Emphasis on the Gulf In Spite of Defense Budget Cuts ................................................................................. 33
- The US Central Command View .................................................................................................................................................. 34
- Cooperation by Country ................................................................................................................................................................. 37
- Using Arms Transfers to Build Partnerships ............................................................................................................................... 39
- Dealing With the Strengths and Weaknesses of Gulf Partners ............................................................................................... 45
  - Southern Gulf Alignments With the US ........................................................................................................................................ 46
  - The Impact of the Divisions Between the Arab Gulf States ..................................................................................................... 49
- The Gulf Cooperation Council (GCC) and Moves Towards Federation and Unity ............................................................... 51
  - Movements Towards Enhanced Cooperation ........................................................................................................................... 51
  - GCC Relations with the US ......................................................................................................................................................... 52
  - GCC Relations with Iran ............................................................................................................................................................... 53
  - Movements Towards Greater Unity and “Federation” ................................................................................................................. 55

**IRANIAN INTERESTS IN THE GULF** ................................................................................................................................. 56

**INTERNAL DYNAMICS AFFECTING US AND IRANIAN COMPETITION** ..................................................................................... 57

- Sectarian, Ethnic, Tribal, and Regional Divisions ......................................................................................................................... 64
- Resource Trends .................................................................................................................................................................................. 67
- Economic Trends ............................................................................................................................................................................... 72
- The Need for Country-by-Country Case Studies ....................................................................................................................... 76

**SAUDI ARABIA** ................................................................................................................................................................................. 77

- A Long and Growing Strategic Partnership ............................................................................................................................... 78
- Saudi-Iranian Competition .............................................................................................................................................................. 82
- The History of Saudi and Iranian Competition ........................................................................................................................... 83
  - Tensions Over the Iranian Nuclear Program ............................................................................................................................ 83
  - Tensions Over Saudi Shia ............................................................................................................................................................... 84
  - Tensions Over Energy Resources ................................................................................................................................................. 85
  - Tensions Over the Hajj .................................................................................................................................................................. 86
  - Tensions Over Terrorism and Covert Operations ........................................................................................................................ 86
  - Tensions Over Bahrain ................................................................................................................................................................. 87
  - Tensions Over Iraq ........................................................................................................................................................................ 88
  - Tensions Over Yemen and Saudi Perceptions of a Wider Threat from Instability in Yemen ..................................................... 91
  - Tensions Over the Arab-Israeli Peace Process ............................................................................................................................ 95
- Saudi Arabia’s Security Relations with the US ............................................................................................................................ 95
  - Military Cooperation ................................................................................................................................................................... 96
  - Problems in Force Development ............................................................................................................................................... 99
  - Missile Defense .............................................................................................................................................................................. 100
- Gulf Unity ........................................................................................................................................................................................ 101
  - Cooperation in Counterterrorism ............................................................................................................................................ 101
  - Policy Implications for the US ..................................................................................................................................................... 108

**KUWAIT** ...................................................................................................................................................................................... 113

- Kuwait’s Relations with Iran ............................................................................................................................................................ 115
- Kuwait’s Relations with the US ....................................................................................................................................................... 117
  - Military Cooperation ................................................................................................................................................................. 118
  - Problems in Force Development ........................................................................................................................................... 121
  - Counterterrorism ....................................................................................................................................................................... 121
- Political Divisions Within Kuwait ............................................................................................................................................... 125

xliii
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Implications</td>
<td>128</td>
</tr>
<tr>
<td>Bahrain</td>
<td>129</td>
</tr>
<tr>
<td>Bahrain’s Relations with Iran</td>
<td>132</td>
</tr>
<tr>
<td>Bahrain’s Relations with the US</td>
<td>133</td>
</tr>
<tr>
<td>Military Cooperation</td>
<td>134</td>
</tr>
<tr>
<td>The US Presence in Bahrain</td>
<td>138</td>
</tr>
<tr>
<td>Problems in Force Development</td>
<td>141</td>
</tr>
<tr>
<td>Counterterrorism</td>
<td>141</td>
</tr>
<tr>
<td>Bahrain’s Sunni-Shia Crisis</td>
<td>143</td>
</tr>
<tr>
<td>Implications for US Policy</td>
<td>147</td>
</tr>
<tr>
<td>Oman</td>
<td>150</td>
</tr>
<tr>
<td>Oman’s Relations with Iran</td>
<td>153</td>
</tr>
<tr>
<td>Oman’s Relations with the US</td>
<td>154</td>
</tr>
<tr>
<td>Military Cooperation</td>
<td>155</td>
</tr>
<tr>
<td>Problems in Force Development</td>
<td>158</td>
</tr>
<tr>
<td>Counterterrorism</td>
<td>158</td>
</tr>
<tr>
<td>Policy Implications for the US</td>
<td>160</td>
</tr>
<tr>
<td>Qatar</td>
<td>162</td>
</tr>
<tr>
<td>Qatar’s Relations with Iran</td>
<td>166</td>
</tr>
<tr>
<td>Qatar’s Relations with the US</td>
<td>167</td>
</tr>
<tr>
<td>Military Cooperation</td>
<td>167</td>
</tr>
<tr>
<td>Qatari Military Forces</td>
<td>169</td>
</tr>
<tr>
<td>Problems in Force Development</td>
<td>170</td>
</tr>
<tr>
<td>Counterterrorism</td>
<td>171</td>
</tr>
<tr>
<td>Implications for US Policy</td>
<td>172</td>
</tr>
<tr>
<td>UAE</td>
<td>175</td>
</tr>
<tr>
<td>Leadership</td>
<td>176</td>
</tr>
<tr>
<td>UAE’s Relations with Iran</td>
<td>178</td>
</tr>
<tr>
<td>UAE Relations with the US</td>
<td>180</td>
</tr>
<tr>
<td>Military Cooperation</td>
<td>180</td>
</tr>
<tr>
<td>Problems in Force Development</td>
<td>186</td>
</tr>
<tr>
<td>Counterterrorism</td>
<td>186</td>
</tr>
<tr>
<td>Implications for US Policy</td>
<td>189</td>
</tr>
<tr>
<td>Yemen</td>
<td>192</td>
</tr>
<tr>
<td>Yemen’s Relations with Iran</td>
<td>197</td>
</tr>
<tr>
<td>Yemen’s Relations with the US and Gulf States</td>
<td>198</td>
</tr>
<tr>
<td>The History of Relations</td>
<td>198</td>
</tr>
<tr>
<td>The Emerging Role of AQAP</td>
<td>199</td>
</tr>
<tr>
<td>Military Cooperation</td>
<td>203</td>
</tr>
<tr>
<td>Counterterrorism</td>
<td>205</td>
</tr>
<tr>
<td>Military Cooperation</td>
<td>210</td>
</tr>
<tr>
<td>Implications for US Policy</td>
<td>212</td>
</tr>
<tr>
<td>GULF COOPERATION COUNCIL</td>
<td>216</td>
</tr>
<tr>
<td>Creating an Effective Alliance</td>
<td>216</td>
</tr>
<tr>
<td>Critical Failures in Institution Building</td>
<td>218</td>
</tr>
<tr>
<td>Critical Failures in Mission Capability and Focus</td>
<td>218</td>
</tr>
<tr>
<td>Effective Institution Building</td>
<td>219</td>
</tr>
<tr>
<td>Create a GCC Force Planning Exercise</td>
<td>219</td>
</tr>
<tr>
<td>Create a Joint Intelligence Center</td>
<td>229</td>
</tr>
<tr>
<td>GCC Net Assessment Group</td>
<td>229</td>
</tr>
<tr>
<td>Create a Working Group on Arms Control</td>
<td>229</td>
</tr>
<tr>
<td>Create a Technology and Procurement Directorate and Committee</td>
<td>229</td>
</tr>
<tr>
<td>Create a Logistics, Sustainability, and Readiness Directorate and Committee</td>
<td>230</td>
</tr>
<tr>
<td>Building Common Training and Exercise Capacity</td>
<td>230</td>
</tr>
</tbody>
</table>
Survey Training Facilities to Determine How to Make Best Use on a GCC-wide Basis ........................................ 230
Focus on Key Contingencies .................................................................................................................................. 231
Create a Directorate to Coordinate the Creation of GCC-wide Training Facilities and Standards and Centers of Excellence .......................................................................................................................... 231

FOCUSING ON KEY MISSION AREAS .......................................................................................................................... 231

Create Fully Integrated Air and Surface-to-Air Missile Systems ........................................................................... 232
Create a Joint, Integrated Missile Defense System ................................................................................................. 232
Preparing for Missile and WMD Threats ..................................................................................................................... 233
Create a Fully Integrated Maritime Surveillance and Battle Management (BM) System .................................................. 233
Mine and Anti-Submarine (ASW) Warfare ................................................................................................................... 234
Strait of Hormuz/Gulf of Oman/Indian Ocean/Red Sea/Horn of Africa ........................................................................ 234
Iraq, the Iraqi Border, and the Kuwaiti “Hinge” ........................................................................................................... 234
Yemen Border Security and Threats ............................................................................................................................. 235
Improving Energy and Infrastructure Security: Passive Defense ............................................................................... 235
Creating More Effective Cooperation with Power Projection Forces Outside the GCC ............................................. 236

IMPROVING INTERNAL SECURITY EFFORTS ............................................................................................................ 237

Problems in Internal Security and Counterterrorism Programs and Procedures .................................................. 237
Improving Internal Security, Counter-Terrorism, the Baseline for Cooperation with the United States .............................. 249
GCC Identity Cards and Passport Data ......................................................................................................................... 249
A GCC-wide Intelligence Effort for Counterterrorism and Dealing with Popular Unrest ................................................. 249
GCC Internal Security Center ........................................................................................................................................ 249
Common Counterterrorism Training .......................................................................................................................... 250
Common Police and Crowd Control Standards and Training ...................................................................................... 250
GCC-wide Rapid Reaction Forces for Counterterrorism and Dealing with Violent Unrest ................................................... 250

ENCOURAGING STABILITY THROUGH ECONOMIC, EDUCATIONAL, AND SOCIAL MEASURES ................ 251
Education ........................................................................................................................................................................... 251
GCC Domestic and Foreign Labor Policies .................................................................................................................. 251
Setting Common Social and Economic Standards/Goals ............................................................................................ 252
Building Dignity, Trust, and Faith in Government Integrity .......................................................................................... 252

CREATING GCC STUDY AND PLANNING EFFORTS .................................................................................................. 253
GCC Development Report ............................................................................................................................................. 253
GCC Survey .................................................................................................................................................................. 253
GCC Jobs Creation Program .......................................................................................................................................... 253
GCC Housing Program .................................................................................................................................................. 254

FUTURE IMPLICATIONS FOR US POLICY ................................................................................................................ 254
Scenario I – Conflict Over the Iranian Nuclear Program ................................................................................................. 255
Scenario II – Continued Tension Short of Conflict ....................................................................................................... 255

ANNEX A: US ARMS SALES TO THE ARAB GULF STATES 2002-2012 .......................................................... 257
Table of Figures

Figure 1: US Official State Department and NCTC Terrorist Threats and State Sponsors of Terrorism in or Near the Gulf States: .......................................................... 13
Figure 2: Measuring the Comparative Intensity of Gulf and Nearby Terrorist Threats: ............... 31
Figure 3: New Arms Transfer Agreements in Millions of Current US Dollars: ............................ 41
Figure 4: New Arms Deliveries in Millions of Current US Dollars: ....................................... 43
Figure 5: Relative Active Force Sizes of the Arab Gulf States: .............................................. 46
Figure 6: Population Trends in the Arabian Peninsula – 1950-2050 ........................................ 59
Figure 7: Demographic Pressure on the Gulf States: 1950-2050 ........................................... 60
Figure 8: Percentage of Population 15-24 Years of Age (In 1,000s) ....................................... 61
Figure 9: Female Participation in the Labor Force ................................................................. 62
Figure 10: Dependence on Foreign Labor in Arab Gulf States .............................................. 63
Figure 11: Key Ethnic and Sectarian Differences by Country: Gulf ...................................... 65
Figure 12: Relative Size of Shia and Foreign Sectors of the Population in the Arab Gulf States ……. 67
Figure 13: BP Estimates of Arabian and Middle East Conventional Oil and Gas Production: 2001-2011 ........................................................................................................... 70
Figure 14: EIA Estimate of OPEC Oil Export Revenues ........................................................ 71
Figure 15: EIA Estimate of OPEC Oil Export Revenues ........................................................ 71
Figure 16: Gulf State Economic Indicators and Defense Budgets .......................................... 73
Figure 17: Ease of Doing Business Index ............................................................................... 74
Figure 18: Gulf GDP Per Capita Estimates by Country ........................................................... 75
Figure 19: Saudi Arabia: A Statistical Overview .................................................................... 81
Figure 20: Saudi Military Strength in 2013 ............................................................................ 111
Figure 21: US FMS Deliveries and Commercial Exports of Defense Articles – FY2007-FY2011 112
Figure 22: Kuwait: A Statistical Overview ........................................................................... 115
Figure 23: Kuwaiti Military Strength in 2013 ....................................................................... 124
Figure 24: Bahrain: A Statistical Overview ........................................................................... 131
Figure 25: Bahraini Military Strength in 2013 ..................................................................... 148
Figure 26: US Arms Transfers and Military Assistance to the Southern Gulf States ............ 149
Figure 27: Oman – A Statistical Overview ............................................................................ 152
Figure 28: Omani Military Strength in 2013 ....................................................................... 161
Figure 29: Qatar – A Statistical Overview ............................................................................ 165
Figure 30: Qatari Military Strength in 2013 ....................................................................... 174
Figure 31: The UAE – A Statistical Overview ..................................................................... 177
Figure 32: UAE Military Strength in 2013 ......................................................................... 190
Figure 33: Yemen – A Statistical Overview ......................................................................... 196
Figure 34: Yemeni Military Strength in 2013 .................................................................... 215
Figure 35: The Structure of the GCC .................................................................................... 217
Figure 35: Uncertain Standardization and Interoperability in Key Arab Gulf Weapons Systems – Part One: Land Systems ......................................................................................... 221
Figure 35: Uncertain Standardization and Interoperability in Key Arab Gulf Weapons Systems – Part Two: Air Systems ....................................................................................... 222
Figure 35: Uncertain Standardization and Interoperability in Key Arab Gulf Weapons Systems – Part Three: Naval Systems ................................................................. 223
Figure 36: Selected US and Non US Arms Sales in the Gulf ................................................ 224
Figure A: US Arms Sales to the GCC States and Iraq: 2002-2013 (Information Adapted from Releases from the Defense Security Cooperation Agency) ................................................... 257
Introduction

The Gulf and the Arabian Peninsula are critical to US strategic interests and collectively represent the single most important theater in the US-Iranian strategic competition. The proximity of the Arab Gulf states to Iran; the region’s geostrategic value to the stability of the global economy; the shifting military balance; and the social, demographic, and economic tensions that threaten to create political upheavals in several key states make it a potential flash-point for tensions between Washington and Tehran.

While each state in the region pursues its own approach to security and faces its own unique challenges, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE all share many of the same strategic priorities and security interests, and are allied together in the Gulf Cooperation Council (GCC). All six states must react to the same major changes now taking place in their strategic environment:

- **Changes in the Strategic Posture of the United States.** The United States issued new strategic guidance in early 2011 that called for the US to avoid any repetition of the kind of involved in open-ended wars that occurred in Afghanistan and Iran. This guidance gave the Middle East and the Gulf that same strategic priority as Asia, and stressed the threat posed by Iran and its search for nuclear weapons, but called for the United to build up strategic partnerships rather than take a unilateral lead or dominate the commitment of military force.

  Since that time, the US has face growing pressures on both government and national security spending, had to cut its forces and modernization plans, and faced growing domestic political pressures as a result of “war fatigue” and focus on domestic issues. It also has differed with many of its Gulf allies over its lack of support for President Mubarak and then the military takeover in Egypt and its uncertain role in dealing with Iraq and the Syrian civil war. The US faces a serious crisis of confidence in deal with each of its Gulf allies as well as its other allies in the region.

- **The Security and Strategic Importance of Petroleum Exports:** The large reserves of oil and natural gas in the Arabian Peninsula make the security and stability of the region of vital importance to the US.

  Estimates of oil and gas reserves as a percent of the world total are highly uncertain – and are changing rapidly as more unconventional sources of oil and gas come to play a far greater role in global supply. However, the size of proved oil reserves in these states ensures that these countries will continue to be major players in the global oil trade so long as there is demand.

  Three of the world’s top 10 producers of oil are located on the peninsula – Saudi Arabia (1), the United Arab Emirates (7) and Kuwait (9).\(^45\) According to reserves data from the US Energy Information Agency (EIA) and country rankings from the Central Intelligence Agency, as of May 2013 Saudi Arabia had the largest proven oil reserves of any country in the world, with 267.91 billion barrels or 18.17% of the world total. Kuwait (104 billion barrels) and the UAE (97.8 billion barrels) followed with the sixth and seventh-largest proved reserves, comprising 7.05% and 6.63% of the world total, respectively. Iran has 154.58 billion or 10.48%; Iraq has 141.35 billion or 9.59%\(^46\).

  While other estimates differ in detail, sources like the BP Statistical Review of Energy for 2012 produce broadly similar estimates. It estimated that the GCC states alone had 19.2% of the world’s oil reserves versus 9.1% for Iran and 8.7% for Iraq.\(^47\) Some estimates put the GCC shares of the world’s proven conventional oil reserves as high as 45%, with the potential to rise steadily in the future.\(^48\)

  The region also has key natural gas producers – namely Qatar and Saudi Arabia. The BP Statistical Review of Energy for 2012 estimates that the GCC states have 20.4% of world gas reserves versus 15.9% for Iran and 1.7% for Iraq.\(^49\) Some estimates indicate that the GCC has 17% of the world’s conventional gas reserves.\(^50\) In terms of proven reserves of natural gas, Qatar
has the world’s third-largest and Saudi Arabia the fourth-largest – 12-13% and 3.9-4% of the world total, respectively. Saudi Arabia also has extensive mineral resources.

- **Geography and Strategic Competition with Iran:** The Arab Gulf states are in close range of rapidly growing Iranian missile, air, and naval capabilities, and their exports and many of their imports move by sea. The presence of US military assets and facilities throughout the Arabian Peninsula offers them security in terms of both deterrence and warfighting capability, but the states that host US bases may also be treated as targets for retaliation in the event of a conflict in the Gulf or a preventive US or Israeli strike against Iranian nuclear infrastructure.

The Strait of Hormuz – which passes between the UAE, Oman, and Iran – is an essential passageway for maritime commerce from the east coast of Saudi Arabia, Kuwait, Qatar, Bahrain, and the UAE to the outside world. Roughly 35% of all oil moved via ocean and 20% of all internationally traded oil passes through the Strait – some 17 million barrels daily. According to the EIA, “[t]he Strait of Hormuz is by far the world’s most important chokepoint [for oil trade].

- **Iran’s Nuclear and Missile Programs:** Iran’s steady progress towards developing the capability to deploy nuclear weapons confronts the Arab Gulf states with the need to find a new form of deterrence and defense that can deal with a nuclear-armed Iran. This has led the US to offer its Arab Gulf allies “extended deterrence” of the kind it once offered its NATO allies in dealing with the nuclear threat posed by the former Soviet Union and the Warsaw Pact. Senior Saudi officials have publically noted that the Kingdom has studied nuclear options. The nuclear threat has also given missile defense an even higher priority, and led to debates over containment versus preventive strikes to deny Iran a nuclear capability.

- **The Challenge of Containment and Preventive Strikes:** All the Arab Gulf states have supported US, EU, and P5+1 efforts to use sanctions and negotiations to pressure Iran to halt its nuclear efforts, and all are actively building up their own conventional air and sea forces to deter and defend against Iran and are doing so in partnership with the US and other outside powers like the UK and France. Each, however, must also consider whether to back the US in preventive strikes against Iran’s nuclear facilities, the relative merits of such strikes versus containment, and how they would react to an Israeli preventive strike on Iran.

- **Sunni versus Shia and Alawite Tensions:** Iran is a Persian Shia state with a different language than the Gulf Arab states, and is an ambitious foe seeking regional and religious dominance. With the exception of Oman, all of the Arab Gulf states have Sunni leaders, and most have a strong Sunni majority in their native populations. All, however, also have a significant number of Shia citizens, including Bahrain, which has a Shia majority. These sectarian differences affect both their internal stability and competition with Iran.

In several Arab Gulf countries, the Shia portion of the population sees itself as being socially, politically, and economically discriminated against by the regime, and less well-off than their Sunni counterparts. Iran has been politically active and has sometimes used covert elements to try to win support from such Shia and used them to put pressure on Arab Gulf regimes. This has led the governments of Bahrain, Kuwait, Saudi Arabia, the UAE, and Yemen to tighten their internal security policies, prompting clashes between native Shia and internal security forces in Bahrain and Saudi Arabia, and fighting between Shia tribes and the government in Yemen.

The Arab Gulf governments are also concerned about Iranian links to these communities, and possible Iranian efforts to use their native Shia to undermine the Sunni leadership. The Quds Force of Iran’s Islamic Revolutionary Guard Corps (IRGC) and Lebanese Hezbollah are seen as key elements of such threats.

- **Terrorism and Sunni Extremism:** The Arab Gulf states must also deal with a minority of violent Sunni extremists that reject many of the values of orthodox Islam, and see Arab Gulf regimes as illegitimate. Saudi Arabia has had to conduct a major counterterrorism campaign since attacks by Al Qa’ida in 2003, and Yemen has fought similar battles. All of the Arab Gulf countries have faced some threat from native extremists and from the flow of such extremists from the outside.
The recent fighting in Syria and violence in Iraq and Lebanon has increased this threat, as have struggles between such extremists and moderate governments throughout the Islamic world.

- **Iraq, Syria, Lebanon, Egypt, and Jordan**: The tensions in the Gulf include the concerns the Arab Gulf states have over the future alignment of Iraq with the US and Arab Gulf states versus Iran and the renewal of Sunni and Shia sectarian violence in Iraq. They include the need to react to the civil war in Syria, which has become a sectarian struggle between Alawites and Sunnis and created new tensions and sectarian divisions in Lebanon. The Syrian civil war has become a struggle between the US and Arab Gulf states that back the rebels and Iran, which backs the Assad regime. It also, however, is a struggle where it is difficult for the US and Gulf states to choose a rebel side that does not present a threat of an extremist takeover, and whose struggle has spilled over into Turkey and Jordan as well as Iraq and Lebanon.

More broadly, the political and economic issues that are the result of what was initially called the “Arab Spring” have led to a military takeover and the risk of civil war in like Egypt, and growing tensions and instability in Jordan. The US and Gulf states are divided in choosing sides in Egypt, with the US seeking compromise, Saudi Arabia and the UAE backing the Egyptian military, and Qatar support the Moslem Brotherhood.

- **The stability of Yemen, the Bab el Mandab, and the Red Sea**: Yemen is not formally a member of the GCC or a Gulf state, but shares common borders with Oman and Saudi Arabia, has large numbers of expatriate workers in the Gulf, and plays a critical role in the stability and security of the Arabian Peninsula and the Gulf. It has been caught up in the political upheavals in the Arab world, a low level civil war with its Houthi minority, and faces serious challenges from Al Qaeda in the Arabian Peninsula. From a strategic perspective, it is a Gulf state although it also plays a critical role in determining the security of the Red Sea and its eastern gate, the Bab el Mandab. It affects the security of most of the traffic through the Suez Canal as well as the flow of some 3.4 to 4.0 million bbl/d of petroleum.

Each of these challenges helps shape the US strategic partnership with the Arab Gulf states, the competition between the US and Iran, and the military balance in the Gulf. At the same time, they are only part of the critical factors shaping Arab Gulf security. The Arab Gulf states must deal with the broader aspects of religious extremism and terrorism; internal sectarian, ethnic, and tribal divisions serious demographic pressures and a “youth bulge” that require the creation of massive numbers of jobs and new social infrastructure; and the need for stable political and social evolution to avoid political upheavals that can do as much or more to disrupt reform and modernization as to achieve it.

Moreover, Arab Gulf governments must deal with all of these challenges at a time that Gulf military and internal security forces must shift from a past focus on conventional warfare and compartmented internal security efforts to a spectrum of four interactive challenges:

- Internal security, counterterrorism (CT), and civil-military stability operations – often involving outside powers and arms transfers.
- Low to mid-level asymmetric wars that may involve conventional forces.
- Conventional wars using asymmetric means.
- Use of weapons of mass destruction (WMD), weapons of mass effectiveness, and cyberwarfare – wild-card patterns of conflict and escalation.

This means dealing with the emergence of complex or hybrid warfare which can occur at many different levels without clear probabilities – other than opponents like Iran and violent extremists who will seek to exploit any perceived weaknesses and do so as cheaply as possible. Each Gulf state must also individually and collectively deal with
enduring political, social, and economic pressures that threaten its stability and that of its neighbors. These are pressures where the US and outside powers can have limited influence, but where success or failure will occur on a largely national and local basis.

The US and the Arab Gulf States: Challenges and Interests

Since the early 1970s, the US has sought to protect and secure the stable flow of oil and gas exports at world market prices, promote security and stability in the region, forge useful military cooperation programs to advance broader US strategic aims, and encourage economic development and trade while protecting trade lanes. Iran’s unconventional military developments and nuclear weapons program pose a risk to each of these interests, and thus to the ability of the US to advance its own national security and global economic stability.

In the seventy-odd years that the US has been actively engaged in the region, Washington has advanced these interests through numerous variations of alliances and containment. Saudi Arabia played an important role – along with Iran – in the US strategy to contain the Soviet Union. As a result of the 1979 Islamic Revolution, Iran began to emerge as the major regional threat to US interests. The Iran-Iraq War, the Iran hostage crisis, various acts of terrorism, and the Iranian targeting of Kuwaiti tankers in the Gulf made this threat real, while the subsequent collapse of the Soviet Union allowed the US to focus more on containing Iran. At the same time, the aggression displayed by Saddam Hussein during the 1990 invasion of Kuwait and the brief Iraqi incursion into Saudi Arabia demonstrated that an ambitious and hostile Ba’athist regime in Baghdad was also a threat to US security interests in the Gulf.

The US characterized the decade that followed in terms of “dual containment,” when the US sought to limit hostility from both Baghdad and Tehran. Economic sanctions and a no-fly zone were put into effect to mitigate future Iraqi hostility, while Washington remained cautious of developments in Iran and built up the militaries of the Gulf Arab states.

The Iraqi threat to Gulf security ended after the US-led invasion of Iraq in 2003, but created a new Iraqi threat to the US. While Iraq once had the fifth-largest army in the world, the US invasion destroyed Iraq’s forces while triggering a mix of clashing Sunni, Shia, and Kurdish factions and an insurgency hostile to the US. This – followed by the election of the conservative Iranian President Mahmoud Ahmadinejad and growing concern with the Iranian nuclear program – has made the containment of Iran the principal strategic objective of the US in the Gulf region.

Enhanced US Partnership with the Southern Gulf States

The US is now engaged in a major effort to reshape its military capabilities in the Gulf to deal with the evolving threats posed by Iran and violent extremism, and to do by enhancing the military capabilities of its partner countries on the Arabian Peninsula – particularly in the areas of air power, missile defense, and air-sea operations.

The US does face growing constraint on its national security spending, and is making cuts in its forces, but Secretary of Defense Chuck Hagel made the continued US commitment to Gulf security clear during a speech in May 2013.
President Obama has been very clear that America's national security interests in the Middle East include the security of Israel, supporting our allies, fighting terrorism, preventing Iran from obtaining a nuclear weapon, pursuing Middle East peace, playing a stabilizing role with our regional partners, and working to support democratic transitions in Yemen, North Africa, Egypt, and ultimately in Syria.

…The United States will continue to lead diplomatic efforts and international economic sanctions to pressure Iran into abandoning the pursuit of nuclear weapons and meeting their international obligations.

There's a presidential election next month in Iran, and no one can predict with any certainty if that might affect the future direction of Iranian policies. As you all know, President Obama has made it clear, very clear, that our policy is to prevent Iran from obtaining a nuclear weapon, and he's taken no option off the table to ensure that outcome. I stressed that point during my discussions in the gulf.

A key element of our efforts to counter Iranian threats is building a cooperative defense network, raising the military capabilities of our partners in the gulf who share our commitment to regional security and our concerns about Iran and violent extremism on the Arabian Peninsula.

While in Saudi Arabia and UAE, I finalized agreements to provide their Air Forces with access to significant new capabilities. Saudi Arabia has committed to purchasing all 84 Boeing F-15SA fighter aircraft that were part of a landmark sale in 2010. The United Arab Emirates is moving forward with the purchase of 25 F-16 Desert Falcons, which will further enhance their ability to participate in coalition operations such as Libya and Afghanistan, where they have made important contributions and will continue to make important contributions.

Along with other common efforts with Gulf states in areas such as missile defense, this new arrangement ensures that we are coordinating effectively against Iran and other shared security challenges. Our joint exercises, including land, air, and sea scenarios, allow U.S. and Gulf Cooperation Council militaries to maintain readiness and improve the ability of our forces to work seamlessly together. One example is the International Mine Countermeasure Exercise, which began this week in the Persian Gulf and hosted by the U.S. 5th Fleet.

A robust U.S. military presence in the Persian Gulf has been a priority for the department. Even as the number of U.S. troops in the region has decreased since the end of the Iraq war, even though that has been the case, we have made a determined effort to position high-end air, missile defense, and naval assets to deter Iranian aggression and respond to other contingencies, such as F-22 fighters, ballistic missile defense ships, and sophisticated radars, mine-countermeasure assets, and advanced intelligence, surveillance and reconnaissance aircraft.

We have also maintained a significant U.S. Army presence in Kuwait. Even as we put our presence on a more sustainable long-term footing, our capabilities in the region will far exceed those that were in place September 11, 2001. Our defense relationships are also much stronger and far more robust and sophisticated.

The Department of Defense is adjusting its global footprint and activities. We're doing this because we must adapt to declining defense budgets at home, but the president's defense strategic guidance makes very clear that the Middle East remains a top priority and that we will remain prepared to deal with the full range of threats to our interests, our allies' interests at this time of uncertainty and turmoil.

Each nation in the region is different and facing different combinations of threats and challenges. But these are regional challenges. All regional challenges I've described tonight, whether it's the nuclear challenge posed by Iran, dangerous instability in Syria, or the continuing threat of al-Qaeda and other terrorist groups, all regional threats.

These common challenges must be met through the force of coalitions of common interests, which include Israel and other allies in the region. A common thread woven into the Middle East fabric is that the most enduring and effective solutions to the challenges facing the region are political, not military. America's role in the Middle East is to continue to help influence and shape the course of events, using diplomatic, economic, humanitarian, intelligence, and security tools in coordination with all of our allies.
The Impact of Terrorism and Other Threats

The previous volumes in this series have focused on the range of threats Iran poses to Gulf security and the Gulf region. It is clear from the previous list, however, that Iran is only one of the threats the GCC states face and that shape the US strategic relationship with the Arab Gulf states.

As has been touched upon in Volume I, the broader tensions between Sunni and Shi’ite affect the Gulf as they do the entire Arab world, the Syrian civil war has created a strategic bridge between the Levant and the Gulf that now ties Lebanon, Syria, Iraq, and Iran into a broader and increasingly sectarian struggle that affects each of the Gulf states as well as key nearby states like Jordan, Israel has long targeted Iran with its nuclear armed missile forces, creating a nuclear arms race that impacts on the Arab Gulf states.

At the same time-- as is analyzed in more detail in the discussion of Saudi Arabia, Oman and Yemen later in this analysis -- instability in Yemen presents as threat to Saudi Arabia and Oman – compounded by broader problems with instability in many of the southern Red Sea states.

It is the threat of violent internal extremist tied to transnational threats, however, that ranks second to Iran as a threat to the Arab Gulf states and does most to broaden the scope of the US strategic partnership with the Arab Gulf states. It is also a threat – that as the following analysis shows – must be dealt with primarily on an internal basis by each Arab Gulf state.

This poses special challenge to US and Arab Gulf strategic cooperation on a country-by-country basis. The threat posed by terrorism and extremism cannot easily be separated from the ethnic and sectarian tensions and conflicts in each Arab Gulf states. The US has different values in terms of the rule of law and human rights, and there are disagreements as to which movements can be characterized as “terrorist” or “extremist” versus “legitimate” popular reactions to discrimination and failed governance.

The problem of US and Arab Gulf cooperation is further complicated by the fact that several Palestinian movements the US characterizes as “terrorist” because of the threat they pose to Israel are seen as “liberation” movements by many Arabs. There also are difficulties in characterizing movements like the Iranian al Quds force that Iran uses for covert and asymmetric action.

Both US and the internal security services of all the Arab Gulf states except Iraq see the Al Quds force as the equivalent of Iranian state terrorism, but many Arab Gulf states are not willing to label it as terrorist, and the US calls Iran a sponsor of state terrorism without singling out the elements within Iran it holds responsible for such actions.

Reacting to Evolving Threats

The relative balance of US, European, Arab Gulf, and Iranian military capabilities to deal with military challenges like the threat posed by Iranian asymmetric, conventional and missile forces – and Iran’s potential acquisition of nuclear weapons – is analyzed in detail in the first two volumes of this three volume series: The Gulf Military Balance, Volume I: The Conventional and Asymmetric Dimensions and The Gulf Military Balance, Volume II: The Missile and Nuclear Dimensions.
Several aspects are particularly important in shaping the both attitudes of the leaders of the Southern Gulf states towards the US and Iran, and the need for effective political, military, and economic unity and action by the Arab Gulf states:

- **Terrorism and Civil Unrest:** There is a history of Iranian-linked terrorism and civil unrest dating to the infancy of the Islamic Republic. Bahrain in particular has alleged that numerous uprisings, attempted coups, and recent bombings have been linked to Iranian support for Shia factions in that country. Kuwait also has a history of dealing with Iranian-linked terrorism as early as the 1980s, with another attempted attack recently uncovered. Plots in Bahrain and Kuwait have been linked to both Hezbollah and the IRGC Quds Force.

- **Threat to Maritime Trade:** The security of maritime commerce for much of the Arabian Peninsula is contingent upon safe passage through the Strait of Hormuz. The threat of Iranian mines, small boat attacks, and anti-ship missiles is a serious risk to regional commerce. At the same time, Yemen is scarcely the only unstable state in the Red Sea, and Saudi Arabia now needs to strengthen its Red Sea Fleet and air capabilities. Saudi Arabia exports petroleum and refined product through its port at Yanbu and has a major trading port at Jeddah. In 2011, some 3.4 mmb/d of petroleum products flowed through the Bab el-Mandab at the eastern entrance to the Red Sea, and 3.8 mmb/d flowed through the SUMED pipeline and the Suez Canal at its western entrance.58

- **Missile Threat:** Iran’s airpower capabilities are limited by sanctions and the aging nature of the country’s fixed-wing air force. However, Iran has compensated for these shortcomings with short to intermediate range missile capabilities that put major population centers and critical infrastructure on the Arabian Peninsula in range of Iranian strikes.

- **Nuclear Threat:** The GCC Supreme Council meeting in December 2012 made it clear that the leaders of the Arab Gulf states supported Iran’s right to make peaceful use of nuclear power. However, these leaders were deeply concerned about the growing evidence that Iran is developing a nuclear weapons breakout capability and has plans to arm its missile forces with nuclear weapons.

- **Competition for the Levant and Iranian Support to Other Violent Non-State Actors:** As has been the case with Hezbollah in Lebanon and Shia groups in Iraq, Iran has been accused of providing material support to violent non-state actors (VNSAs) in the Arabian Peninsula. The IRGC Quds Force is accused of meeting with and providing arms to Houthi militants in Yemen, which have been battling the US-backed regimes of Yemen and Saudi Arabia.

- **Iranian and Arab Gulf competition to influence in Iraq and Training and Support of Shia Militias in Iraq:** While Iran has largely supported the Maliki government; its Al Quds Force not only plays a role in Iraqi politics but trains, funds, and equips various Shia military factions.

- **Competition for Influence in Syria, and Role of Iranian Advisors and Arms Transfers in Syria:** Iran has become a major source of military advisors and trainers for the Shia militias backing Assad and a key source of arms, spare parts, and other military equipment to the pro-Assad elements of the regular military services and Syrian security forces. Along with its support of the Lebanese Hezbollah’s efforts in Syria, it has become a key military factor in keeping the Assad regime in power.

- **Growing threat of instability in Jordan, Egypt, and the rest of the Arab world:** What some experts once called the “clash between civilizations” has become a “conflict within a
Islam risks repeating all of the mistakes and horrors of the Christian reformation and counterreformation and atrocities like the Albigensian crusade. Hardline violent Sunni extremists now struggle against modern Sunnis and Sunni regimes, Shi’ite and Alawites, other Islamic minorities, and Christian and other minorities in Islamic states. The result is mix political struggles, local violence terrorism and extremism, and insurgency and civil war. It directly affects Gulf states like Bahrain and Saudi Arabia with significant divisions between their Sunni and Shi’ite populations, but Sunni on Sunni tensions are a growing issue in Gulf states like the UAE and Qatar. The struggle for tolerance and modernization affects every Gulf and Islamic state.

The US has responded to these threats with a series of major security cooperation initiatives in the region geared towards containing and deterring Iran. These initiatives have included deploying US special forces and mine units to the Gulf, making the GCC states partners in its Combined Air Operations Center (CAOC) in Qatar, sharply increasing the number of multilateral military exercises – especially with the US Fifth Fleet, and helping the GCC states make major improvements in their deterrent and defense capabilities.

The Importance of Terrorism as a Threat to the Gulf

What is clear is that the threats the US and the Arab Gulf states face from Iran; civil conflict in Iraq, Syria, and Yemen, instability in the Arab world, and violent Islamist extremism and terrorism are too real.

There are many US, regional, and other official and unofficial sources that describe these threats but one way to understand the forces that drive the US into a partnership with the Arab Gulf states and other regional allies is to look at official US reporting on extremist and terrorist movements. The US State Department and National Counterterrorism Center both provide such reporting in a public form. It not only provide a clear indication of the official views of the US but also of the seriousness behind the US efforts to create security partnerships that go beyond Iran and other state actors and deal with common threats to regional states.

Figure 1 provides a declassified description of the extremist movements in and near to the Gulf that the US government has designated as terrorist movements and where the US State Department and National Counterterrorism Center provide annual reporting. All of these movements that are also seen as terrorist or violent extremist threats by most Arab Gulf states. Moreover, this list – and its description of their current structure and actions – illustrates the seriousness of the threat they pose and the need each Gulf state has to improve its internal stability and deal with the divisions that cause unrest and can reinforce such threats.

It should be stressed that this list is scarcely complete and ignores groups in the Levant, South Asia, and Central Asia that primarily threaten targets outside the Gulf. Moreover, the description of many of the movements implies a degree of internal unity in many of the movements listed in Figure 1 that does not actually exist. The US only reports publically on major international terrorist movements, and both the internal security services of the Gulf states and US and other Western intelligence services identify a much larger number of small movements and individuals as extremists and threats. Once again, it must also be stressed that most Arab states would add the Iranian Al Quds force to this list, but Iran would add groups like the Iraq-based MEK and additional Baluchi separatist groups to its list of terrorists.
It is equally hard to put such threats in proportion, or to find some way to rank them. Almost all experts would agree, however, that Al Qaida is the most broadly recognized threat and the one that has the most impact in the Gulf. At the same time, few Gulf (and few US government) counterterrorism experts would treat Al Qa’ida as any kind of unified movement.

As Figure 1 shows, the various elements of Al Qa’ida now consist of a range of largely independent or “franchised” movements driven at least as much by local power struggles as a common ideology and operating with considerable independence from the central Al Qa’ida movement now based in Pakistan.

There is no agreed way to quantify the activities of such threats, but Figure 2 does show that the casualties they inflict can be very serious even if one ignores the less tangible – but ultimately far more important – impact they have in dividing countries and populations along ethnic and sectarian lines, in undermining political and economic development, and in challenging the quality and legitimacy of governance and the rule of law.

These data, like the preceding summaries of given movements are taken from the annual US state Department report on terrorism issued on May 30, 2012. They highlight the fact that Iraq and Yemen ranks among the ten top states suffering from terrorism, with Somalia and Syria – two states that impact on Gulf security included in the “top ten.” The data shown later in Figure 5 also show that Al Qa’ida in Iraq (aka Al Qa’ida in Mesopotamia and Islamic State of Iraq), and Al Qa’ida in the Peninsula rank among the ten most active terrorist movements, and two other members of the “top ten” -- Al-Shabaab and the Kurdistan Workers’ Party (PKK) operate in nearby states.

**The Impact of Iran and Syria as Sponsors of State Terrorism and Pressures on Iraq**

As Figure 1 shows, the US designates both Iran and Syria as state sponsors of terrorism. These designations are particularly important because they illustrate the growing linkages between the threat posed by Iran and the threat in the Levant that may emerge if the Assad regime survives in Syria.

They also pose a special challenge to the one Arab Gulf state that is not part of the Gulf Cooperation Council, that has a largely Arab Shi’ite regime, and limited capability for external defense. Iraq is literally caught in the middle between Syria and Iran, and has faced a steadily growing extremist threat – adding to the problems Iraq faces because of its internal divisions and weak military forces that were described in Volume I of this series, US-Iranian Strategic Balance: The Conventional and Asymmetric Dimensions.

**Figure 2** shows how serious the resulting level of violence was in Iraq even before the Syrian civil war sharply intensified in 2012. The US National Consortium for the Study of Terrorism and Responses to Terrorism summarized the patterns of violence in Iraq in 2012 as follows:

- Similar to patterns of terrorist attacks in Pakistan, 81 percent of attacks in Iraq were attributed to unidentified perpetrators. However, Iraq differs insofar as 97 percent of the remaining attacks were attributed to al-Qa’ida in Iraq (AQI), either directly or under the name Islamic State of Iraq (ISI).
- Terrorism in Iraq was uniquely characterized by highly lethal attacks. Three of the 10 most lethal terrorist attacks in 2012 took place in Iraq.
Likewise, perpetrators of terrorism in Iraq frequently carried out series of coordinated events in which as many as several dozen attacks occurred at multiple locations throughout the country on a single day. In 2012, 11 of the 20 most lethal days within individual countries were cases of multiple attacks in Iraq. On four of these days there were more than 30 attacks across the country.

The tactics and targets of terrorist attacks in Iraq were highly concentrated. More than 65 percent of all terrorist attacks in Iraq in 2012 targeted either private citizens and property or police. An additional 10.2 percent of attacks targeted general (non-diplomatic) government entities. The vast majority of attacks in Iraq (80.7%) were bombings. An additional 15 percent were armed assaults and three percent were assassinations of key figures.

The US State Department Country Report on Terrorism for 2012 summarized the overall situation in Iraq as follows:

Iraqi security forces made progress combating al-Qa’ida in Iraq (AQI) and other Sunni insurgent organizations in 2012. While there has been clear and measurable success against AQI over the years, the group still remains a dangerous threat to the Iraqi people. In 2012, there were no significant attacks on U.S. interests or U.S. fatalities. The Iraqi government succeeded in securing multiple large public religious gatherings and government events – most notably the Arab League Summit in late March and P5+1 talks in May in Baghdad – but terrorist bombings and other attacks continued to occur.

The Government of Iraq concentrated its counterterrorism efforts against AQI and other Sunni-affiliated terrorist organizations. AQI remained capable of large-scale coordinated attacks and conducted numerous high-profile suicide and car bombings on government and civilian targets, aiming to increase tensions among Iraqi sectarian groups and ethnic minorities, and undercut public perceptions of the government’s capacity to provide security. Jaysh Rijal al-Tariqah al-Naqshabandiyah (JRTN), a Sunni nationalist insurgent group with links to the former Baath Party, also continued attacks during the year. JRTN largely targeted Iraqi and U.S. interests in northern Iraq. Shia militant groups Kata’ib Hizballah, Asa’ib Ahl Haqq, and the Sadrist Promised Day Brigades adhered to the cease-fire they declared in the latter half of 2011 and early 2012. Some former Shia militant leaders began engaging in the political process and competing for political influence.

Terrorist tactics and weapons remained largely unchanged from 2011, as AQI and other terrorists relied predominantly on suicide bombings and car and roadside bombs and to a lesser extent on gunmen using assault rifles or silenced weapons to assassinate government and security officials.

Iraq-U.S. counterterrorism cooperation remained strong, particularly in training, advisory, and intelligence-sharing programs.

The Iraqi Security Forces proved capable of working together to find, arrest, and charge terrorism suspects. In November, the Iraqi Police, Federal Police, and Iraqi Army – at times working together – arrested over 350 people on terrorism charges and seized several weapon and rocket caches, as part of a major counterterrorism operation. Iraq’s Counterterrorism Services (CTS) also conducted approximately 1,600 terrorism related arrests in 2012.

2012 Terrorist Incidents: Terrorist groups conducted numerous attacks throughout the country. The deadliest attacks involved suicide bombings that targeted security forces, government buildings, and religious gatherings...

...Legislation, Law Enforcement, and Border Security: The Government of Iraq took several steps to improve border security. Iraq, with U.S. support, continued to install, repair, and improve inspection equipment at ports of entry. The government also expanded the number of ports of entry with biometric data capture, but continued to face challenges linking border security systems together. Iraq is also incorporating non-intrusive inspection equipment at its land border crossings to scan for contraband, is improving roads along the borders, and received three littoral patrol ships in March.
Iraq’s major counterterrorism organizations made progress in investigating cases and arresting terrorists, but continued to suffer from a lack of interagency coordination and inadequate cooperation between investigators, prosecutors, and the judiciary. While the Federal Intelligence and Investigations Agency (FIIA) arrested a significant number of terrorist suspects in 2012, Iraqi federal law enforcement and intelligence entities continued to struggle with intelligence analysis and targeting efforts relating to terrorist organizations and often resorted to rounding up locals to elicit intelligence information. The Major Crimes Task Force (MCTF), a collaborative task force involving U.S. federal law enforcement officers and FIIA investigators, targeted counterterrorism, organized crime, and government corruption cases from 2005 through late 2011. In 2012, the MCTF functioned as an Iraqi-only investigative element focusing on terrorist groups. However, like many other law enforcement entities, the MCTF operated independent of other Iraqi agencies working terrorism matters to include the Counterterrorism Organized Crime General Directorate.

Iraq continued to face significant challenges investigating and moving criminal cases from arrest to trial due to resource limitations, inadequate training, poor interagency coordination, and at times, limited political will. Prosecution of sectarian crimes carries a significant political risk. Separately, many among Iraq’s Sunni community believed that the government used terrorism laws to unfairly target the Sunni population. Iraqi law enforcement officials, with U.S. training support, continued to improve investigative skills such as forensic evidence collection.

In 2011, the Central Criminal Court of Iraq (CCCI) convicted a former Iraqi Army sergeant and suspected AQI member of the murder of two U.S. soldiers in 2007 and sentenced him to life in prison. In the spring of 2012, however, the Federal Court of Cassation (FCC) overturned this decision on appeal and dismissed the charges. Even though substantial evidence was presented, the FCC determined that critical forensic evidence was of limited reliability and probative value. The U.S. government requested that the FCC correct and reverse this decision, but this request was formally denied on October 8. Subsequent to the spring 2012 FCC decision dismissing the charges in the above case, a companion case against the same defendant before the CCCI for other soldiers wounded in the attack resulted in the dismissal of similar terrorism charges on similar evidentiary grounds. On October 21, the CCCI convicted a suspected Shia Jaysh al-Mahdi member on terrorism charges stemming from an attack that killed one U.S. soldier and wounded three others, and sentenced him to 15 years in prison. It is anticipated that this case will be subject to review on appeal by the FCC.

On November 16, citing a lack of a legal basis to continue holding him, Iraq also released Lebanese Hizballah member Ali Musa Daqduq, who was accused of involvement in a 2007 attack that killed five U.S. soldiers. The CCCI had dismissed the charges against Daqduq in May citing insufficient reliable evidence, a decision that was upheld on appeal in June by the FCC.

Judicial security continued to be a challenge. Judges investigating and adjudicating terrorism cases continued to face threats to their personal safety and that of their families:

- In April, terrorists targeted the Chief Judge of Karkh Appellate Court (Najim Abdallah Ahamd al-Mashhadani) with a vehicle-born improvised explosive device at an intersection about 50 meters from the judge’s vehicle.
- In June, terrorists again targeted Judge Najim, this time by a suicide bomber on a bicycle. The explosion killed one bystander.
- In October, terrorists assassinated Dr. Talib Al Shraa’ of the Iraqi Ministry of Justice (MOJ). Dr. Talib was MOJ’s liaison to the National Center for State Courts, a U.S.-partner assisting the MOJ in its strategic planning and budgeting.

At year’s end, the Security and Defense Committee of the Council of Representatives was still working on draft legislation to codify the mission and authorities of the CTS. This effort has remained stalled since 2009.

Iraq remained an important partner nation in the Department of State’s Antiterrorism Assistance program, which focused on helping the Government of Iraq build capacity in law enforcement investigations, critical incident management, and border security.
Countering Terrorist Finance: In 2012, the Iraqi government underwent its first-ever mutual evaluation to review compliance with international anti-money laundering/combating the financing of terrorism (AML/CFT) standards by the Middle East and North Africa Financial Action Task Force (MENAFATF), a Financial Action Task Force-style regional body. This important step affirmed Iraq’s commitment to interrupt terrorist finance domestically. Although Iraq’s Mutual Evaluation Report found the country to be non-compliant in most areas, the engagement of the Iraqi government, including at the MENAFATF plenary in November, served as an indicator of Iraq’s commitment to address the AML/CFT challenges it faces. The United States provided subject matter expertise to assist Iraq in preparing for the mutual evaluation, post-evaluation follow-up, and in drafting a new AML/CFT statute.

The Prime Minister has approved the formation of a committee, or task force, to coordinate cases involving asset recovery, including the recovery of assets illegally taken outside of Iraq by members of the former regime, and tracing funds used to support terrorism. The committee will include representatives from the Ministry of Interior Economic Crimes Section, the Federal Investigation Information, and the Commission of Integrity. The Prime Minister’s legal advisor announced the formation of the task force the week of October 21.

The Acting Governor of the Central Bank has agreed to move the Iraqi Financial Intelligence Unit (formerly the Money Laundering Reporting Office, now referred to as the Anti-Money Laundering Unit, or AMLU) into a secure space with dependable utilities, to facilitate the work of the unit.

Regional and International Cooperation: Iraq is increasingly engaging with its neighbors through the Arab League. Iraq hosted the Arab League Summit in March of this year. Iraq, Turkey, and the United States continued a trilateral security dialogue as part of ongoing efforts to counter the Kurdistan Workers’ Party.

The U.S.-supported NATO Transition Cell in Iraq assisted over 70 Iraqi officials in receiving NATO training abroad on various topics, including counterterrorism. CTS also partnered with Jordan, sending nearly 40 of its soldiers to the Jordanian Counterterrorism Academy for training. In April, CTS sent observers to a U.S.-Jordanian joint counterterrorism exercise.

Countering Radicalization and Violent Extremism: Iraqi leaders routinely denounced terrorism and countered terrorist propaganda in public statements. The Iraqi government took steps to bring certain violent extremist groups into the political process, and made limited attempts to foster broader reconciliation between sectarian groups.

It is too soon to talk about any firm Iraqi alignment with Iran or a new Iraqi civil war. It is not too soon to point out that Iraq’s internal violence and Sunni versus-Shi’ite tensions interact, help divide the nation and leave it (and its Gulf neighbors) with an uncertain future.
Figure 1: US Official State Department and NCTC Terrorist Threats and State Sponsors of Terrorism in or Near the Gulf States:

<table>
<thead>
<tr>
<th>AL-QA’IDA</th>
</tr>
</thead>
</table>

State Department

aka al Qaeda; Qa’idat al-Jihad (The Base for Jihad); formerly Qa’idat Ansar Allah (The Base of the Supporters of God); the Islamic Army; Islamic Salvation Foundation; The Base; The Group for the Preservation of the Holy Sites; The Islamic Army for the Liberation of the Holy Places; the World Islamic Front for Jihad Against Jews and Crusaders; the Usama Bin Laden Network; the Usama Bin Laden Organization; al-Jihad; the Jihad Group; Egyptian al-Jihad; Egyptian Islamic Jihad; New Jihad

Description: Designated as a Foreign Terrorist Organization on October 8, 1999, al-Qa’ida (AQ) was established by Usama bin Laden in 1988. The group helped finance, recruit, transport, and train Sunni Islamist extremists for the Afghan resistance. AQ’s strategic objectives are to remove Western influence and presence from the Muslim world, topple “apostate” governments of Muslim countries, and establish a pan-Islamic caliphate governed by its own interpretation of Sharia law that ultimately would be at the center of a new international order. These goals remain essentially unchanged since the group’s 1996 public declaration of war against the United States. AQ leaders issued a statement in February 1998 under the banner of “The World Islamic Front for Jihad against the Jews and Crusaders,” saying it was the duty of all Muslims to kill U.S. citizens, civilian and military, and their allies everywhere. AQ merged with al-Jihad (Egyptian Islamic Jihad) in June 2001. Many AQ leaders have been killed in recent years, including bin Laden and then second-in-command Atiyah Abd al-Rahman, in May and August 2011, respectively. Al-Rahman’s replacement, Abu Yahya al-Libi, was killed in June 2012. Leader Ayman al-Zawahiri remained at large.

Activities: AQ and its supporters conducted three bombings that targeted U.S. troops in Aden in December 1992, and claim to have shot down U.S. helicopters and killed U.S. servicemen in Somalia in 1993. AQ also carried out the August 1998 bombings of the U.S. Embassies in Nairobi and Dar es Salaam, killing up to 300 individuals and injuring more than 5,000. In October 2000, AQ conducted a suicide attack on the USS Cole in the port of Aden, Yemen, with an explosive-laden boat, killing 17 U.S. Navy sailors and injuring 39.

On September 11, 2001, 19 AQ members hijacked and crashed four U.S. commercial jets – two into the World Trade Center in New York City, one into the Pentagon near Washington, DC; and the last into a field in Shanksville, Pennsylvania – leaving over 3,000 individuals dead or missing.

In November 2002, AQ carried out a suicide bombing of a hotel in Mombasa, Kenya that killed 15. In 2003 and 2004, Saudi-based AQ operatives and associated violent extremists launched more than a dozen attacks, killing at least 90 people, including 14 Americans in Saudi Arabia. Al-Zawahiri claimed responsibility on behalf of AQ for the July 7, 2005 attacks against the London public transportation system. AQ likely played a role in the unsuccessful 2006 plot to destroy several commercial aircraft flying from the UK to the United States using liquid explosives. AQ claimed responsibility for a 2008 suicide car bomb attack on the Danish embassy in Pakistan that killed six, as retaliation for a Danish newspaper re-publishing cartoons depicting the Prophet Muhammad and for Denmark’s involvement in Afghanistan.

In January 2009, Bryant Neal Vinas – a U.S. citizen who traveled to Pakistan and allegedly trained in explosives at AQ camps, was captured in Pakistan and extradited to the United States – was charged with providing material support to a terrorist organization and conspiracy to commit murder. Vinas later admitted his role in helping AQ plan an attack against the Long Island Rail Road in New York and confessed to having fired missiles at a U.S. base in Afghanistan. In September 2009, Najibullah Zazi, an Afghan immigrant and U.S. lawful permanent resident, was charged with conspiracy to use weapons of
mass destruction, to commit murder in a foreign country, and with providing material support to a terrorist organization as part of an AQ plot to attack the New York subway system. Zazi later admitted to contacts with AQ senior leadership, suggesting they had knowledge of his plans. In February 2010, Zazi pled guilty to charges in the U.S. District Court for the Eastern District of New York.

In a December 2011 video, new AQ leader al-Zawahiri claimed AQ was behind the August kidnapping of American aid worker Warren Weinstein in Pakistan. As conditions for his release, al-Zawahiri demanded the end of U.S. air strikes and the release of all terrorist suspects in U.S. custody. Weinstein remained in AQ custody throughout 2012.

**Strength:** In South Asia, AQ’s core has been seriously degraded. The death or arrest of dozens of mid- and senior-level AQ operatives – including bin Laden in May 2011 – have disrupted communication, financial, facilitation nodes, and a number of terrorist plots. AQ serves as a focal point of “inspiration” for a worldwide network of affiliated groups – al-Qa’ida in the Arabian Peninsula (AQAP), al-Qa’ida in Iraq (AQI), al-Qa’ida in the Islamic Maghreb (AQIM), al-Shabaab – and other Sunni Islamist extremist groups, including the Islamic Movement of Uzbekistan, the Islamic Jihad Union, Lashkar-i Jhangvi, Harakat ul-Mujahadin, and Jemaah Islamiya. Tehrik-e Talibani Pakistan and the Haqqani Network also have ties to AQ. Additionally, supporters and associates worldwide who are “inspired” by the group’s ideology may be operating without direction from AQ central leadership, and it is impossible to estimate their numbers.

**Location/Area of Operation:** AQ was based in Afghanistan until Coalition Forces removed the Taliban from power in late 2001. Since then, they have resided in Pakistan’s Federally Administered Tribal Areas. AQ’s regional affiliates – AQI, AQAP, AQIM, and al-Shabaab – work in Iraq and Syria, Yemen, the Trans-Sahara, and Somalia, respectively.

**Funding and External Aid:** AQ primarily depends on donations from like-minded supporters as well as from individuals who believe that their money is supporting a humanitarian cause. Some funds are diverted from Islamic charitable organizations.

**NCTC**

Established by Usama Bin Laden in 1988 with Arabs who fought in Afghanistan against the Soviet Union, al-Qa’ida’s declared goal is the establishment of a pan-Islamic caliphate throughout the Muslim world. Toward this end, al-Qa’ida seeks to unite Muslims to fight the West, especially the United States, as a means of overthrowing Muslim regimes al-Qa’ida deems “apostate,” expelling Western influence from Muslim countries, and defeating Israel. Al-Qa’ida issued a statement in February 1998 under the banner of “the World Islamic Front for Jihad Against the Jews and Crusaders” saying it was the duty of all Muslims to kill US citizens—civilian and military—and their allies everywhere. The group merged with the Egyptian Islamic Jihad (al-Jihad) in June 2001.

On 11 September 2001, 19 al-Qa’ida suicide attackers hijacked and crashed four US commercial jets—two into the World Trade Center in New York City, one into the Pentagon near Washington, D.C., and a fourth into a field in Shanksville, Pennsylvania—leaving nearly 3,000 people dead. Al-Qa’ida also directed the 12 October 2000 attack on the USS Cole in the port of Aden, Yemen, which killed 17 US sailors and injured another 39, and conducted the bombings in August 1998 of the US embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania, killing 224 people and injuring more than 5,000. Since 2002, al-Qa’ida and affiliated groups have conducted attacks worldwide, including in Europe, North Africa, South Asia, Southeast Asia, and the Middle East.

In 2005, Ayman al-Zawahiri, then Bin Laden’s deputy and now the leader of al-Qa’ida, publicly claimed al-Qa’ida’s involvement in the 7 July 2005 bus bombings in the United Kingdom. In 2006, British security services foiled an al-Qa’ida plot to detonate explosives on up to 10 transatlantic flights originating from London’s Heathrow airport. Also in 2006, al-Zawahiri announced that the Algerian Salafist Group for Preaching and Combat had joined al-Qa’ida, adopting the name al-Qa’ida in the Lands of the Islamic Maghreb. In 2009, extremist leaders in Yemen and Saudi Arabia reportedly announced they had merged to fight under the banner of al-Qa’ida in the Arabian Peninsula.

On 2 May 2011, US forces raided a compound in Abbottabad, Pakistan, resulting in the death of Bin Laden. His death, in addition to significant losses to al-Qa’ida’s command structure based in the tribal areas of Pakistan since early 2008, has left the group at its weakest since the fall of the Afghan Taliban in late
2001. In the aftermath of Bin Laden’s death, al-Qa’ida leaders moved quickly to name al-Zawahiri as his successor. Since this announcement, regional affiliates have publicly sworn allegiance and pledged support to him. Al-Qa’ida remains a cohesive organization and al-Qa’ida core’s leadership continues to be important to the global movement.

In June 2012, Abu Yahya al-Libi, widely reported to be al-Qa’ida’s “general manager,” was killed in Pakistan. Despite this and other leadership losses, al-Qa’ida remains committed to conducting attacks in the United States and against American interests abroad. The group has advanced a number of unsuccessful plots in the past several years, including against the United States and Europe. This highlights al-Qa’ida’s ability to continue some attack preparations while under sustained counterterrorism pressure and suggests it may be plotting additional attacks against the United States at home or overseas.

**AL-QA’IDA IN THE ARABIAN PENINSULA**

**State Department**

**aka** al-Qa’ida in the South Arabian Peninsula; al-Qa’ida in Yemen; al-Qa’ida of Jihad Organization in the Arabian Peninsula; al-Qa’ida Organization in the Arabian Peninsula; Tanzim Qa’idat al-Jihad fi Jazirat al-Arab; AQAP; AQY; Ansar al-Shari’a

**Description:** Al-Qa’ida in the Arabian Peninsula (AQAP) was designated as a Foreign Terrorist Organization (FTO) on January 19, 2010. In January 2009, the leader of al-Qa’ida in Yemen (AQY), Nasir al-Wahishi, publicly announced that Yemeni and Saudi al-Qa’ida (AQ) operatives were working together under the banner of AQAP. This announcement signaled the rebirth of an AQ franchise that previously carried out attacks in Saudi Arabia. AQAP’s self-stated goals include establishing a caliphate in the Arabian Peninsula and the wider Middle East, as well as implementing Sharia law.

On September 30, 2011, AQAP cleric and head of external operations Anwar al-Aulaqi, as well as Samir Khan, the publisher of AQAP’s online magazine, Inspire, were killed in Yemen.

**Activities:** AQAP has claimed responsibility for numerous terrorist acts against both internal and foreign targets since its inception in January 2009. Attempted attacks against foreign targets include a March 2009 suicide bombing against South Korean tourists in Yemen, the August 2009 attempt to assassinate Saudi Prince Muhammad bin Nayif, and the December 25, 2009 attempted attack on Northwest Airlines Flight 253 from Amsterdam to Detroit, Michigan. AQAP was responsible for an unsuccessful attempt to assassinate the British Ambassador in April 2010, and a failed attempt to target a British embassy vehicle with a rocket in October of that year. Also in October 2010, AQAP claimed responsibility for a foiled plot to send explosive-laden packages to the United States via cargo plane. The parcels were intercepted in the UK and in the United Arab Emirates.

In 2012, the Yemeni government carried out a two-month offensive to uproot AQAP from portions of Abyan Governorate, and Yemeni forces eventually regained control over the towns of Zinjibar and Jaar. However, approximately 3,000 land mines, planted by AQAP militants before they fled, killed 72 residents in the aftermath of AQAP’s departure. Other AQAP attacks in 2012 targeted the Yemeni military, including a February 2012 suicide car bombing that killed 26 Yemeni soldiers in Hadramawt Governorate.

The FTO designation for AQAP was amended on October 4, 2012, to include the alias Ansar al-Shari’a (AAS). AAS represents a rebranding effort designed to attract potential followers in areas under AQAP’s control. AQAP, operating under the alias AAS, carried out a May 2012 suicide bombing in Sanaa that killed 96 people. AQAP/AAS claimed responsibility for the attack, which targeted Yemeni soldiers rehearsing for a parade to celebrate Yemen’s National Day, and said the bombing was intended to target the Yemeni military brass. Also in May, press reported that AQAP allegedly plotted to detonate a bomb aboard a U.S.-bound airliner using an improvised explosive device. Though there was no imminent threat to U.S. jetliners, the device, which was acquired from another government, was similar to devices that AQAP had previously used in attempted terrorist attacks.

**Strength:** Although it is difficult to assess the number of AQAP’s members, the group is estimated to have close to one thousand members.

**Location/Area of Operation:** Yemen
**Funding and External Aid:** AQAP’s funding primarily comes from robberies and kidnap for ransom operations and to a lesser degree from donations from like-minded supporters.

**NCTC**

Al-Qa’ida in the Arabian Peninsula (AQAP) is a Sunni extremist group based in Yemen that has orchestrated numerous high-profile terrorist attacks. One of the most notable of these operations occurred when AQAP dispatched Nigerian-born Umar Farouk Abdulmutallab, who attempted to detonate an explosive device aboard a Northwest Airlines flight on 25 December 2009—the first attack inside the United States by an al-Qa’ida affiliate since 11 September 2001. That was followed by an attempted attack in which explosive-laden packages were sent to the United States on 27 October 2010. The year 2010 also saw the launch of Inspire magazine, an AQAP-branded, English-language publication that first appeared in July, followed by the establishment of AQAP’s Arabic-language al-Madad News Agency in 2011. Dual US-Yemeni citizen Anwar al-Aulaqi, who had a worldwide following as a radical ideologue and propagandist, was the most prominent member of AQAP; he was killed in an explosion in September 2011.

AQAP’s predecessor, al-Qa’ida in Yemen (AQY), came into existence after the escape of 23 al-Qa’ida members from prison in the Yemeni capital, Sanaa, in February 2006. AQAP emerged in January 2009 following an announcement that Yemeni and Saudi terrorists were unifying under a common banner, signaling the group’s intent to serve as a hub for regional terrorism in Yemen and Saudi Arabia. The leadership of this new organization was composed of the group’s amir, Nasir al-Wahishi; deputy amir Sa’id al-Shahri; and military commander Qasim al-Rimi, all veteran extremist leaders. The group has targeted local, US, and Western interests in the Arabian Peninsula, but is now pursuing a global strategy. AQAP elements recently withdrew from their southern Yemen strongholds in June 2012, when Yemeni military forces under new President Abdu Rabbo Mansour Hadi—with the support of local tribesmen—regained control of cities in Abyan and Shabwah that had served as AQAP strongholds since 2011.

AQY operatives conducted near-simultaneous suicide attacks in September 2006 against oil facilities in Yemen, the first large-scale attack by the group. AQY later claimed responsibility for the attack and, in its first Internet statement in November 2006, vowed to conduct further operations. AQY in early 2008 dramatically increased its operational tempo, carrying out small-arms attacks on foreign tourists and a series of mortar attacks against the US and Italian Embassies in Sanaa, the presidential compound, and Yemeni military complexes. In September 2008 the group conducted its largest attack to date, targeting the US Embassy in Sanaa using two vehicle bombs that detonated outside the compound, killing 19 people, including six terrorists.

AQAP is based primarily in the tribal areas outside of Sanaa, which for the most part remain largely outside the control of the Yemeni Government. The US Government has designated AQAP as a Foreign Terrorist Organization.

---

**AL-QA’IDA IN IRAQ**

**State Department**

aka al-Qa’ida Group of Jihad in Iraq; al-Qa’ida Group of Jihad in the Land of the Two Rivers; al-Qa’ida in Mesopotamia; al-Qa’ida in the Land of the Two Rivers; al-Qa’ida of Jihad in Iraq; al-Qa’ida of Jihad Organization in the Land of The Two Rivers; al-Qa’ida of the Jihad in the Land of the Two Rivers; al-Tawhid; Jam’at al-Tawhid Wa’al-Jihad; Tanzeem Qa’idat al Jihad/Bilad al Raafidaini; Tanzim Qa’idat al-Jihad fi Bilad al-Rafidayn; The Monotheism and Jihad Group; The Organization Base of Jihad/Country of the Two Rivers; The Organization Base of Jihad/Mesopotamia; The Organization of al-Jihad’s Base in Iraq; The Organization of al-Jihad’s Base in the Land of the Two Rivers; The Organization of al-Jihad’s Base in the Country of the Two Rivers; al-Zarqawi Network; Islamic State of Iraq; al-Nusrah Front; Jabhat al-Nusrah; Jabhbet al-Nusrah; The Victory Front; al-Nusrah Front for the People of the Levant

**Description:** Al-Qa’ida in Iraq (AQI) was designated as a Foreign Terrorist Organization on December 17, 2004. In the 1990s, Abu Mus’ab al-Zarqawi, a Jordanian-born militant, organized a terrorist group called al-Tawhid wal-Jihad to oppose the presence of U.S. and Western military forces in the Islamic world and
the West's support for and the existence of Israel. In late 2004, he joined al-Qa’ida (AQ) and pledged allegiance to Usama bin Laden. After this, al-Tawhid wal-Jihad became known as AQI. Zarqawi traveled to Iraq during Operation Iraqi Freedom and led his group against U.S. and Coalition Forces until his death in June 2006. In October 2006, AQI publicly re-named itself the Islamic State of Iraq and has since used that name in its public statements. In 2012, AQI was led by Ibrahim Awwad Ibrahim Ali al-Badri, aka Abu Du’a, who was designated by the Department of State under Executive Order 13224 on October 4.

Since late 2011, AQI has also participated in the Syrian conflict through its alias, al-Nusrah Front, which has sought to portray itself as part of the legitimate Syrian opposition. A number of al-Nusrah Front’s leaders have been members of AQI and its facilitation network that operated in Syria and Iraq from 2004-2011. [In mid-April 2013, al-Nusrah leader Muhammad al-Jawlani publicly pledged al-Nusrah’s fealty to AQ and its leader, Ayman al-Zawahiri.] Al-Nusrah works with other U.S. designated terrorist organizations, such as Lebanon based Fatah al-Islam. Al-Nusrah Front’s base of operations is probably Damascus, but the group mirrors the organizational structure of AQI in Iraq, with regional military, administrative, and local media efforts. On December 11, the Department of State amended AQI’s designation to include al-Nusrah Front as an alias.

Activities: Since its founding, AQI has conducted high profile attacks, including improvised explosive device (IED) attacks against U.S. military personnel and Iraqi infrastructure; videotaped beheadings of Americans Nicholas Berg (May 11, 2004), Jack Armstrong (September 22, 2004), and Jack Hensley (September 21, 2004); suicide bomber attacks against both military and civilian targets; and rocket attacks. AQI perpetrates the majority of suicide and mass casualty bombings in Iraq using foreign and Iraqi operatives.

Since November 2011, al-Nusrah Front has claimed nearly 600 attacks, ranging from more than 40 suicide attacks to small arms and IED operations in major cities including Damascus, Aleppo, Hamah, Dara, Homs, Idlib, and Dayr al-Zawr. For example, on September 28, 2012, al-Nusrah Front claimed responsibility for two suicide car bombs at a military complex in Damascus that killed four and wounded 14, including civilians. On October 3, 2012, the group claimed responsibility for four bombings in Aleppo, including two suicide attacks that killed more than 50 people. Al-Nusrah Front followed up those attacks with an October 9 suicide bomb attack on a Syrian Air Force Intelligence compound in a Damascus suburb that killed and wounded at least 100, including civilians.

AQI was also active in Iraq in 2012. In a series of coordinated attacks in March, AQI struck Shia pilgrims in the city of Karbala, set cars on fire near a police headquarters in Kirkuk, and targeted security forces and government officials in Baghdad. In all, AQI struck eight cities in just under six hours, killing 46 people and wounding 200. July was the bloodiest month of AQI attacks in two years, with 325 people killed over the span of multiple bombings and attacks. In August, the Islamic State of Iraq, AQI’s political front, released a video detailing a sophisticated attack in March on five locations in Haditha and neighboring Barwan that included dozens of fighters dressed as police commandos. During the raid, AQI fighters killed 27 Iraqi policemen, including two police commanders. In November, at least 166 Iraqi civilians, police, and soldiers were killed in violence across the country, according to the Government of Iraq.

Strength: In Iraq, membership is estimated between 1,000 and 2,000, making it the largest Sunni extremist group in Iraq. Membership in Syria is unknown, though it is likely a small force within the larger Syrian armed opposition.

Location/Area of Operation: AQI’s operations are predominately Iraq-based, but it has perpetrated attacks in Jordan. In Syria, al-Nusrah Front has claimed attacks in several major city centers. The group maintains a logistical network throughout the Middle East, North Africa, Iran, South Asia, and Europe.

Funding and External Aid: AQI receives most of its funding from a variety of businesses and criminal activities within Iraq.

NCTC

Al-Qa’ida in Iraq (AQI)—also known as the Islamic State of Iraq (ISI)—was established in April 2004 by long-time Sunni extremist Abu Mus‘ab al-Zarqawi, who the same year pledged his group’s allegiance to Usama Bin Laden. Targeting Coalition forces and civilians by such tactics as vehicle-borne improvised explosive devices (VBIEDs), suicide bombers, and executions of
hostages by beheading and other means, AQI attempted to pressure countries and foreign companies to leave Iraq, push Iraqis to stop supporting the United States and the Iraqi Government, and attract additional cadre to its ranks.

A姜 expanded its targeting outside of Iraq in August 2005 by attempting a rocket attack on a US Navy ship in the Port of Aqaba, Jordan, and in November 2005 with the bombing of three hotels in Amman that left 67 dead and more than 150 injured. Al-Zarqawi was killed in a US airstrike on 7 June 2006. The new leader of AQI, Abu Ayyub al-Masri, announced in October 2006 the formation of the Islamic State of Iraq (ISI), led by Iraqi national Abu Umar al-Baghdadi, in an attempt to politicize AQI’s terrorist activities and place an “Iraqi face” on their efforts.

In 2007 AQI’s continued targeting and repression of Sunni civilians caused a widespread backlash—known as the Sunni Awakening—against the group. The development of the Awakening Councils—composed primarily of Sunni tribal and local community leaders—coincided with a surge in Coalition forces and Iraqi Government operations that denied AQI its safe havens, restricting the organization’s freedom of movement and resulting in a decreased attack tempo beginning in mid-2007.

High-profile attacks in 2009 and 2010 demonstrated the group’s relevance in the wake of the Coalition withdrawal from Iraqi cities in 2009 and efforts to posture itself to take advantage of the changing security environment, although Abu Ayyub al-Masri and Abu Umar al-Baghdadi were killed in April 2010, marking a significant loss for the organization.

Abu Bakr al-Baghdadi became AQI’s next leader, and the group has continued conducting high-profile attacks in Iraq and participating in global violent extremism. The most violent day of attacks claimed by AQI in more than a year occurred on 5 January 2012, when terrorists employing suicide bombers and car bombs killed at least 72 people and wounded at least 147. The group’s official spokesperson in January 2012 made vague threats against Americans everywhere.

AQI reaffirmed its support for al-Qa’ida and Ayman al-Zawahiri following Usama Bin Laden’s death in May 2011. The arrests the same month of two AQI-affiliated Iraqi refugees in Kentucky highlight the potential threat inside the United States from people associated with AQI.

**AL-QA’IDA IN THE ISLAMIC MAGHREB**

**State Department**

*aka* AQIM; Group for Call and Combat; GSPC; Le Groupe Salafiste Pour La Predication Et Le Combat; Salafist Group for Preaching and Combat

**Description:** The Salafist Group for Call and Combat (GSPC) was designated as a Foreign Terrorist Organization on March 27, 2002. After the GSPC officially joined with al-Qa’ida (AQ) in September 2006 and became known as al-Qa’ida in the Islamic Maghreb (AQIM), the Department of State amended the GSPC designation on February 20, 2008, to reflect the change. AQIM remains largely a regionally-focused terrorist group. It has adopted a more anti-Western rhetoric and ideology and has aspirations of overthrowing “apostate” African regimes and creating an Islamic Caliphate. Abdelmalek Droukdel, aka Abu Mus’ab Abd al-Wadoud, is the group’s leader.

**Activities:** Since 2007, when AQIM bombed the UN headquarters building in Algiers and an Algerian government building outside of Algiers killing 60 people, AQIM had been relatively quiet and focused on its kidnapping for ransom efforts. In 2011 and 2012, however, AQIM took advantage of the deteriorating security situation in northern Africa to plan and conduct operations. In 2011, AQIM targeted Mauritanian President Muhammad Abdel Aziz and detonated a vehicle-borne improvised explosive device (VBIED) in Nouakchott, injuring nine soldiers, and also claimed responsibility for multiple suicide bomb attacks against Algerian military and police targets, which killed at least 20 people and wounded almost 50 others. In January 2012, Algerian authorities disrupted an AQIM plot targeting U.S. or European ships in the Mediterranean Sea. Some militants with ties to AQIM were involved in the September 11 attack on U.S. facilities in Benghazi that killed J. Christopher Stevens, the U.S. Ambassador to Libya, and three staff members.
In addition to conducting attacks, AQIM also conducted kidnap for ransom operations. The targets are usually Western citizens from governments or third parties that have established a pattern of making concessions in the form of ransom payments for the release of individuals in custody. In September 2010, AQIM claimed responsibility for the kidnapping of seven people working at a uranium mine in Niger. AQIM released three of the hostages in February 2011, but at the end of 2012, four French citizens remained in captivity.

AQIM continued its kidnapping operations in 2012. In May, AQIM killed a German hostage in Nigeria during a military raid. AQIM was also believed to be behind the December kidnapping of a French engineer in northern Nigeria, an operation that resulted in the death of two Nigerians.

**Strength:** AQIM has under a thousand fighters operating in Algeria with a smaller number in the Sahel. It is attempting to take advantage of the volatile political situation in the Sahel, especially in Mali, to expand its membership, resources, and operations.

**Location/Area of Operation:** Northeastern Algeria (including but not limited to the Kabylie region) and northern Mali, Niger, and Mauritania.

**Funding and External Aid:** AQIM members engaged in kidnapping for ransom and criminal activities to finance their operations. Algerian expatriates and AQIM supporters abroad—many residing in Western Europe—may also provide limited financial and logistical support.

**NCTC**

Al-Qaeda in the Lands of the Islamic Maghreb (AQIM) is an Algeria-based Sunni Muslim jihadist group. It originally formed in 1998 as the Salafist Group for Preaching and Combat (GSPC), a faction of the Armed Islamic Group, which was the largest and most active terrorist group in Algeria. The GSPC was renamed in January 2007 after the group officially joined al-Qaeda in September 2006.

Following its formal alliance with al-Qaeda, AQIM expanded its aims and declared its intention to attack Western targets. In late 2006 and early 2007, it conducted several improvised explosive device (IED) attacks against convoys of foreign nationals working in the energy sector. AQIM in December 2007 attacked United Nations offices in Algiers with a car bomb and in February 2008 attacked the Israeli Embassy in Nouakchott, Mauritania, with small arms.

AQIM, which operates primarily in the northern coastal areas of Algeria and in parts of the desert regions of southern Algeria and northern Mali, mainly employs conventional terrorist tactics, including guerrilla-style ambushes and mortar, rocket, and IED attacks. Its principal sources of funding include extortion, kidnapping, and donations. AQIM leader Abdelmalek Droukdal announced in May 2007 that suicide bombings would become the group’s main tactic. The group claimed responsibility for a suicide truck bomb attack that killed at least eight soldiers and injured more than 20 at a military barracks in Algeria on 11 July 2007, the opening day of the All-Africa Games. In May 2009, AQIM announced it had killed a British hostage after months of failed negotiations. In June of the same year, the group publicly claimed responsibility for killing US citizen Christopher Leggett in Mauritania because of his missionary activities. In 2011, a Mauritanian court sentenced a suspected AQIM member to death, and two others to prison for the American’s murder.

In 2010, AQIM failed to conduct the high-casualty attacks in Algeria that it had in previous years. Multinational counterterrorism efforts—including a joint French-Mauritanian raid in July 2010 against an AQIM camp—resulted in the deaths of some AQIM members and possibly disrupted some AQIM activity. In 2011, however, AQIM killed two French hostages during an attempted rescue operation.

In 2012, AQIM took advantage of political chaos in northern Mali to consolidate its control there and worked with the secular Azawad National Liberation Movement (MNLA) to secure independence in Kidal, Gao, and Timbuktu for ethnic Tuaregs. The Islamic militant group Ansar al-Din subsequently formed to support the creation of an Islamic state in Mali ruled by sharia, and a dissident group of AQIM members broke off to form Movement for Unity and Jihad in West Africa (MUJAO) and support Ansar al-Din. As of early summer 2012, MUJAO was holding two
Spanish and an Italian hostage. Separately, AQIM has provided funding and training to members of the Nigerian terrorist group Boko Haram.

AL-SHABAAB

**State Department**

**aka** The Harakat Shabaab al-Mujahidin; al-Shabab; Shabaab; the Youth; Mujahidin al-Shabaab Movement; Mujahindeen Youth Movement; Mujahidin Youth Movement

**Description:** Designated as a Foreign Terrorist Organization on March 18, 2008, al-Shabaab was the militant wing of the former Somali Islamic Courts Council that took over parts of southern Somalia in the second half of 2006. Since the end of 2006, al-Shabaab and disparate militias led a violent insurgency using guerrilla warfare and terrorist tactics against the Transitional Federal Government (TFG) of Somalia; the group continues to fight the Government of Somalia. In February 2012, al-Qa’ida (AQ) announced that al-Shabaab leader Ahmed Abdiw-Hakim Weh Abdi Mohamed had pledged allegiance to Ayman al-Zawahiri and AQ. Al-Shabaab has also developed ties to al-Qa’ida in the Arabian Peninsula (AQAP) and al-Qa’ida in the Islamic Maghreb (AQIM).

In some camps, AQ-affiliated foreign fighters often led the training and indoctrination of the recruits, while rank and file militia fighters from multiple clan and sub-clan factions that are aligned with al-Shabaab are predominantly interested in indigenous issues. The group’s foreign fighters were generally intent on conducting attacks outside Somalia but since 2011 have seen their operational capacity reduced due to the military campaign against al-Shabaab. In 2012, al-Shabaab’s capability to wage conventional attacks was greatly diminished. Somalia’s TFG and its successor, the Federal Government of Somalia (elected indirectly in September) – with the assistance of the AU Mission in Somalia (AMISOM), as well as Ethiopian and allied Somali militia forces – secured areas neighboring Mogadishu and drove al-Shabaab from control of many of its urban strongholds in south-central Somalia. Most notably, the forces drove al-Shabaab from control of the port city of Kismayo on September 28. This led to al-Shabaab’s greater reliance on indirect assaults and asymmetrical tactics against AMISOM, Somali, and Kenyan forces. These attacks included the increased use of more sophisticated improvised explosive devices (IEDs).

**Activities:** Al-Shabaab has used intimidation and violence to undermine the TFG and now the Government of Somalia, forcibly recruit new fighters, and kill activists working to bring about peace through political dialogue and reconciliation. The group has claimed responsibility for several high profile bombings and shootings throughout Somalia targeting AMISOM troops and Somali officials. It has been responsible for the assassination of numerous civil society figures, government officials, and journalists. Al-Shabaab fighters and those who have also claimed allegiance to the group have conducted violent attacks and have assassinated international aid workers and members of NGOs.

In its first attack outside of Somalia, al-Shabaab was responsible for the July 11, 2010 suicide bombings in Kampala, Uganda during the World Cup, which killed nearly 76 people, including one American citizen. Al-Shabaab’s attacks continued apace in 2012, and resulted in the deaths of hundreds of people. Among al-Shabaab’s most notable 2012 attacks in Somalia were a series of mortar attacks in March against the Somali presidential palace; an April suicide attack targeting Prime Minister Abdiweli Mohamed Ali at Mogadishu’s National Theater, which killed five; a May suicide attack at a Café in Dusa Mareb, which killed seven people, including two Somali Members of Parliament; and a violent attack on the town near the Kenyan border in November, which left at least 12 dead. Outside of Somalia, al-Shabaab was also believed responsible for a number of deadly grenade attacks in Kenya.

There were frequent reports of al-Shabaab carrying out amputation of limbs for minor thievery offenses, stoning for suspected adultery, killing converts to religions other than Islam, and forced conscription of child soldiers. Al-Shabaab leaders frequently ordered beheaded corpses to be left in streets as a lesson to local communities. Shabaab forces also engaged in widespread rape and violence against women.

**Location/Area of Operation:** Al-Shabaab lost full control of significant areas of territory in 2011 and 2012. In September 2012, al-Shabaab lost control of Kismayo, a vital port it used to obtain supplies and
funding through taxes. Despite these losses, al-Shabaab continued to control large sections of rural areas in the middle and lower Jubba regions, as well as Bay and Bakol regions, and augmented its presence in northern Somalia along the Golis Mountains and within Puntland’s larger urban areas.

**Strength:** Al-Shabaab is estimated to have several thousand members, including foreign fighters, a force that is augmented by allied clan militias in some areas.

**Funding and External Aid:** Al-Shabaab saw its income diminish due to the loss of the strategic port cities of Kismayo and Merka; furthermore, it lost a general ability to freely levy taxes in certain urban areas in southern and central Somalia. Al-Shabaab continued to have sufficient financing available, however, including funds from illegal charcoal production and exports from smaller ports along the coast, taxation of local populations and areas under al-Shabaab control, and foreign donations.

Because al-Shabaab is a multi-clan entity, it receives significant donations from the global Somali diaspora; however, the donations are not all intended to support terrorism; but also to support family members.

**NCTC**

The Harakat Shabaab al-Mujahidin—also known as al-Shabaab, Shabaab, the Youth, Mujahidin al-Shabaab Movement, Mujahideen Youth Movement, and many other names and variations—was the militant wing of the Somali Council of Islamic Courts that took over most of southern Somalia in the second half of 2006. Although the Somali government and Ethiopian forces defeated the group in a two-week war between December 2006 and January 2007, al-Shabaab—a clan-based insurgent and terrorist group—has continued its violent insurgency in southern and central Somalia. The group has exerted temporary and, at times, sustained control over strategic locations in those areas by recruiting, sometimes forcibly, regional sub-clans and their militias, using guerrilla warfare and terrorist tactics against the Transitional Federal Government (TFG) of Somalia and its allies, African Union Mission in Somalia (AMISOM) peacekeepers, and nongovernmental aid organizations. However, the group’s insurgency has been challenged over the past year by in-fighting and military pressure that has liberated key towns from al-Shabaab.

Al-Shabaab is not centralized or monolithic in its agenda or goals. Its rank-and-file members come from disparate clans, and the group is susceptible to clan politics, internal divisions, and shifting alliances. Most of its fighters are predominantly interested in the nationalistic battle against the TFG and not supportive of global jihad. Al-Shabaab’s senior leadership is affiliated with al-Qa’ida and is believed to have trained and fought in Afghanistan. The merger of the two groups was publicly announced in February 2012 by the al-Shabaab amir and Ayman al-Zawahiri, leader of al-Qa’ida.

Al-Shabaab has claimed responsibility for many bombings—including various types of suicide attacks—in Mogadishu and in central and northern Somalia, typically targeting Somali government officials, AMISOM, and perceived allies of the TFG. The group was likely responsible for a wave of five coordinated suicide car bombings in October 2008 that simultaneously hit targets in two cities in northern Somalia, killing at least 26 people, including five bombers, and injuring 29 others. Al-Shabaab also claimed responsibility for the twin suicide bombings in Kampala, Uganda, on 11 July 2010 that killed more than 70 people. Al-Shabaab’s leaders also have ordered their fighters—which include Americans and other Westerners—to attack African Union peace-keeping troops based in Mogadishu. Al-Shabaab is responsible for the assassination of Somali peace activists, international aid workers, numerous civil society figures, and journalists. The group gained additional notoriety by blocking the delivery of aid from some Western relief agencies during the 2011 famine that killed tens of thousands of Somalis.

On 29 February 2008, the US Government designated al-Shabaab as a Foreign Terrorist Organization under Section 219 of the Immigration and Nationality Act (as amended) and as a Specially Designated Global Terrorist entity under Section 1(b) of Executive Order 13224 (as amended). In 2012, the Rewards for Justice program added several al-Shabaab leaders to its site, offering large rewards for information leading to their capture.

**SYRIA**

Designated in 1979 as a State Sponsor of Terrorism, Syria continued its political support to a variety of terrorist groups affecting the stability of the region and beyond, even amid significant internal unrest. Syria
provided political and weapons support to Lebanese Hizballah and continued to allow Iran to re-arm the terrorist organization. The Syrian regime’s relationship with Hizballah and Iran appears to have gotten stronger over the course of the conflict in Syria. President Bashar al-Asad continued to be a staunch defender of Iran's policies while Iran exhibited equally energetic support for Syrian regime efforts to put down the growing protest movement within Syria. Statements supporting terrorist groups, particularly Hizballah, were often in Syrian government speeches and press statements.

President Asad continued to express public support for Palestinian terrorist groups as elements of the resistance against Israel. Damascus provided safe haven in Syria for exiled individuals, although the Palestinian groups were subject to the same level of insecurity as the rest of the Syrian population and fighting has fractured their alliances with the Syrian regime. As part of a broader strategy during the year, the regime has attempted to portray Syria itself as a victim of terrorism, characterizing all its armed opponents as “terrorists.”

Syria continued to generate significant concern regarding the role it plays in terrorist financing.

Industry experts reported that 60 percent of all business transactions were conducted in cash and that nearly 80 percent of all Syrians did not use formal banking services. Despite Syrian legislation that required money-changers to be licensed by the end of 2007, many money-changers continued to operate illegally in Syria's vast black market, estimated to be as large as Syria's formal economy. Regional hawala networks remained intertwined with smuggling and trade-based money laundering and were facilitated by notoriously corrupt customs and immigration officials. This raised significant concerns that some members of the Syrian government and the business elite were complicit in terrorist finance schemes conducted through these institutions.

Syria is a member of the Middle East and North Africa Financial Action Task Force (MENAFATF), a Financial Action Task Force (FATF)-style regional body. Since February 2010, Syria has been publicly identified by the FATF as a jurisdiction with strategic anti-money laundering/combating the financing of terrorism (AML/CFT) deficiencies for which it has developed an action plan with the FATF to address these weaknesses. Since then, Syria has made limited progress on its AML/CFT regime. In February 2012, Syria was named in the FATF Public Statement for its lack of progress in implementing its action plan, including its need to address the deficiencies by providing sufficient legal basis for implementing its S/RES/1373 obligations and implementing adequate procedures for identifying and freezing terrorist assets, and ensuring that appropriate laws and procedures are in place to provide mutual legal assistance.

In 2012, we continued to closely monitor Syria’s proliferation-sensitive materials and facilities, including Syria’s significant stockpile of chemical weapons, which we assess remains under the Asad regime’s control. There is significant concern, given the instability in Syria, that these materials could find their way to terrorist organizations. We are coordinating closely with a number of like-minded nations and partners to prevent Syria’s stockpiles of chemical and advanced conventional weapons from falling into the hands of violent extremists.

**ABDALLAH AZZAM BRIGADES**

**State Department**

**aka** Abdullah Azzam Brigades; Ziyad al-Jarrah Battalions of the Abdallah Azzam Brigades; Yusuf al-’Uyayri Battalions of the Abdallah Azzam Brigades

**Description:** The Abdallah Azzam Brigades (AAB) was designated as a Foreign Terrorist Organization on May 30, 2012. AAB formally announced its establishment in a July 2009 video statement claiming responsibility for a February 2009 rocket attack against Israel. The group is divided into two branches: the Arabian Peninsula-based Yusuf al-’Uyayri Battalions of the Abdullah Azzam Brigades, named after the now-deceased founder of al-Qa’ida in the Arabian Peninsula; and the Lebanon-based Ziyad al-Jarrah Battalions of the Abdallah Azzam Brigades, named after Ziad al Jarrah, a Lebanese citizen who was one of the masterminds of the September 11 attacks on the United States. In a June 2012 video statement, the group named its leader as Majid bin Muhammad al Majid, a Saudi citizen who is on the Saudi government’s list of 85 Most Wanted Terrorists for his links to al-Qa’ida.

**Activities:** AAB has relied primarily on rocket attacks against Israeli civilians, and is responsible for numerous rocket attacks fired into Israeli territory from Lebanon. These attacks have targeted population
centers in Israel and have included incidents such as the September 11, 2009 double rocket attack on Nahariya and an April 2011 rocket attack on Ashkelon. In addition to rocket attacks, AAB carried out a July 2010 suicide bombing attack against the Japanese-owned oil tanker M/V M. Star in the Strait of Hormuz. According to a statement released online, AAB claimed that the attack was carried out by its Arabian Peninsula Branch. AAB has repeatedly articulated its intent to carry out attacks against Western interests in the Middle East. In 2010, for example, the group expressed an interest in kidnapping U.S. and British tourists in the Arabian Peninsula.

Strength: Unknown

Location/Area of Operation: AAB is based in both Lebanon and the Arabian Peninsula.

Funding and External Aid: Unknown

ANSAR AL-ISLAM

State Department

aka Ansar al-Sunna; Ansar al-Sunna Army; Devotees of Islam; Followers of Islam in Kurdistan; Helpers of Islam; Jaish Ansar al-Sunna; Junid al-Islam; Kurdish Taliban; Kurdistan Supporters of Islam; Partisans of Islam; Soldiers of God; Soldiers of Islam; Supporters of Islam in Kurdistan

Description: Designated as a Foreign Terrorist Organization on March 22, 2004, Ansar al-Islam’s (AI’s) goals include expelling western interests from Iraq and establishing an independent Iraqi state based on Sharia law. AI was established in 2001 in Iraqi Kurdistan with the merger of two Kurdish extremist factions that traced their roots to the Islamic Movement of Kurdistan. On May 4, 2010, Abu Abdullah al-Shaﬁ’i, Ansar al-Islam’s leader, was captured by U.S. forces in Baghdad and remains in prison. On December 15, 2011 AI announced a new leader, Abu Hashim Muhammad bin Abdul Rahman al Ibrahim. Mullah Krekar (aka Najmuddin Faraj Ahmad), an Iraqi citizen and the founder of Ansar al-Islam, continued to reside in Norway on a long-term residence permit. In March 2012, a trial court convicted Krekar of issuing threats and inciting terrorism, and sentenced him to six years in prison. Krekar appealed, and in December an appeals court affirmed his convictions for issuing threats and intimidating witnesses, but reversed his conviction for "inciting terrorism." The appeals court reduced his sentence to two years and 10 months in prison.

Activities: AI has conducted attacks against a wide range of targets including Iraqi government and security forces, and U.S. and Coalition Forces. AI has conducted numerous kidnappings, executions, and assassinations of Iraqi citizens and politicians. The group has either claimed responsibility or is believed to be responsible for attacks in 2011 that killed 24 and wounded 147.

Strength: Though precise numbers are unknown, AI is considered one of the largest Sunni terrorist groups in Iraq.

Location/Area of Operation: Primarily northern Iraq, but also maintains a presence in western and central Iraq.

Funding and External Aid: AI receives assistance from a loose network of associates in Europe and the Middle East.

GAMA’A AL-ISLAMIYYA

State Department

aka al-Gama’at; Egyptian al-Gama’at al-Islamiyya; GI; Islamic Gama’at; IG; Islamic Group

Description: Gama’a al-Islamiyya (IG) was designated as a Foreign Terrorist Organization on October 8, 1997. Once Egypt’s largest militant group, IG was active in the late 1970s, but is now a loosely organized network. It formed the Building and Development political party that competed in the 2011 parliamentary elections, winning 13 seats. Egypt-based members of IG released from prison prior to the revolution have renounced terrorism, though some members located overseas have worked with or joined al-Qa’ida (AQ). Hundreds of members who may not have renounced violence were released from prison in 2011. The external wing, composed of mainly exiled members in several countries, maintained that its primary goal
was to replace the Egyptian government with an Islamic state. IG’s “spiritual” leader, the “blind Sheikh,” Umar Abd al-Rahman, is serving a life sentence in a U.S. prison for his involvement in the 1993 World Trade Center bombing. Supporters of al-Rahman have called for reprisal attacks in the event of his death in prison.

Activities: In the 1990s, IG conducted armed attacks against Egyptian security, other government officials, and Coptic Christians. IG claimed responsibility for the June 1995 assassination attempt on Egyptian President Hosni Mubarak in Addis Ababa, Ethiopia. The group also launched attacks on tourists in Egypt, most notably the 1997 Luxor attack. In 1999, part of the group publicly renounced violence.

Strength: At its peak, IG likely commanded several thousand core members and a similar number of supporters. Security crackdowns following the 1997 attack in Luxor and the 1999 cease-fire, along with post-September 11 security measures and defections to AQ, have probably resulted in a substantial decrease in what is left of an organized group.

Location/Area of Operation: The IG maintained an external presence in Afghanistan, Yemen, Iran, the UK, Germany, and France. The IG terrorist presence in Egypt was minimal due to the reconciliation efforts of former local members.

Funding and External Aid: Unknown

---

HIZBALLAH

State Department

aka the Party of God; Islamic Jihad; Islamic Jihad Organization; Revolutionary Justice Organization; Organization of the Oppressed on Earth; Islamic Jihad for the Liberation of Palestine; Organization of Right Against Wrong; Ansar Allah; Followers of the Prophet Muhammad

Description: Hizballah was designated as a Foreign Terrorist Organization on October 8, 1997. Formed in 1982 in response to the Israeli invasion of Lebanon, the Lebanese-based radical Shia group takes its ideological inspiration from the Iranian revolution and the teachings of the late Ayatollah Khomeini. The group generally follows the religious guidance of Khomeini’s successor, Iranian Supreme Leader Ali Khamenei. Hizballah is closely allied with Iran and the two often work together on shared initiatives, though Hizballah also acts independently. Hizballah shares a close relationship with Syria, and like Iran, the group is providing assistance to Syrian regime forces in the Syrian conflict.

Hizballah has strong influence in Lebanon, especially with the Shia community. Hizballah plays an active role in Lebanese politics, and the group holds 13 seats in the 128-member Lebanese Parliament and two seats in the 30-member Council of Ministers. Hizballah’s political strength grew in the wake of the 2006 war with Israel and the group’s 2008 takeover of West Beirut, though its reputation and popularity have been significantly undermined by the group’s active support for the Asad regime.

Hizballah provides support to several Palestinian terrorist organizations, as well as a number of local Christian and Muslim militias in Lebanon. Besides overt political support, support includes the covert provision of weapons, explosives, training, funding, and guidance.

Activities: Hizballah’s terrorist attacks have included the suicide truck bombings of the U.S. Embassy and U.S. Marine barracks in Beirut in 1983; the U.S. Embassy annex in Beirut in 1984; and the 1985 hijacking of TWA flight 847, during which a U.S. Navy diver was murdered. Elements of the group were responsible for the kidnapping, detention, and murder of Americans and other Westerners in Lebanon in the 1980s. Hizballah was implicated, along with Iran, in the 1992 attacks on the Israeli Embassy in Argentina and on the 1994 bombing of the Argentine-Israeli Mutual Association in Buenos Aires. In 2000, Hizballah operatives captured three Israeli soldiers in the Shebaa Farms area and, separately, kidnapped an Israeli non-combatant in Dubai. Though the non-combatant survived, on November 1, 2001, Israeli Army Rabbi Israel Weiss pronounced the soldiers dead. The surviving non-combatant and the bodies of the IDF soldiers were returned to Israel in a prisoner exchange with Hizballah in 2004.

Hizballah and a Palestinian group affiliated with al-Qa’ida blamed each other for a May 2011 roadside bomb attack that wounded six Italian soldiers with the UN Interim Force in Lebanon (UNIFIL). Two other attacks against UNIFIL peacekeepers – an attack in late July that wounded six French citizens and a second
attack days later that injured three other French soldiers – were believed to have been carried out by Hizballah. Also in 2011, four Hizballah members were indicted by the U.N.-based Special Tribunal for Lebanon (STL), an international tribunal investigating the 2005 assassination of Lebanese Prime Minister Rafik Hariri. The four Hizballah members indicted by the STL were Mustafa Badreddine Salim Ayyash, Assad Sabra, and Hassan Anise. Identified as the primary suspect in Hariri’s assassination, Badreddine is believed to have replaced his cousin, Imad Mugniyeh, as Hizballah’s top military commander after Mugniyeh’s 2008 death. Hizballah denounced the trial and vowed to retaliate, saying the four indicted Hizballah members would not be handed over.

On January 12, Thai police detained a Hizballah operative on immigration charges as he was attempting to depart Thailand from Suvarnabhumi International Airport. He led police to nearly 10,000 pounds of urea-based fertilizer and 10 gallons of liquid ammonium nitrate in a commercial building about 20 miles south of Bangkok. It was unclear if the materials were intended to be used to carry out terrorist attacks in Thailand – possibly against Israeli tourists – or if they were to be transported to another country. The Hizballah operative was awaiting trial at year’s end.

In 2012, Hizballah stepped up the pace of its terrorist plotting, and was implicated in several terrorist plots around the world. In Cyprus, a suspected Lebanese Hizballah operative was detained by the Cypriot authorities on July 7 for allegedly helping plan an attack against Israeli tourists in Cyprus. The trial began in September 2012, and on March 21, 2013, a Cyprus court found a Hizballah operative guilty of charges stemming from his surveillance activities of Israeli tourist targets.

In Bulgaria, on July 18, a terrorist attack was carried out on a passenger bus carrying 42 Israeli tourists at the Sarafovo Airport near the Bulgarian city of Burgas. The explosion killed five Israelis and injured 32, and also killed the Bulgarian bus driver. On February 5, 2013, Bulgarian Deputy Prime Minister Tsvetan Tsevtanov, publically linked Hizballah to the Burgas bombing, citing the involvement of two Hizballah operatives in the plot.

**Strength: Several thousand supporters and members.**

**Location/Area of Operation:** Hizballah is based in the southern suburbs of Beirut, the Bekaa Valley, and southern Lebanon. However, as evidenced by Hizballah’s activities during the course of 2012, the group is capable of operating around the globe.

**Funding and External Aid:** Iran continues to provide Hizballah with training, weapons, and explosives, as well as political, diplomatic, monetary, and organizational aid; Syria furnished training, weapons, diplomatic, and political support. Hizballah also receives funding from private donations and profits from legal and illegal businesses. Hizballah receives financial support from Lebanese Shia communities in Europe, Africa, South America, North America, and Asia. As illustrated by the Lebanese Canadian bank case, Hizballah supporters are often engaged in a range of criminal activities that benefit the group financially. These have included smuggling contraband goods, passport falsification, trafficking in narcotics, money laundering, and credit card, immigration, and bank fraud.

**NCTC**

Formed in 1982 in response to the Israeli invasion of Lebanon, Hizballah (the “Party of God”), a Lebanon-based Shia terrorist group, advocates Shia empowerment within Lebanon. The group also supports Palestinian rejectionist groups in their struggle against Israel and provides training for Iraqi Shia militants attacking Coalition forces in Iraq. A Hizballah operative, Ali Musa Daqduq, faces US military charges of coming to Iraq to train extremists, and of being responsible for an attack against a military facility in Karbala’, Iraq, in January 2007 that left five American soldiers dead.

Hizballah has been involved in numerous anti-US terrorist attacks, including the suicide truck bombings of the US Embassy in Beirut in April 1983, the US Marine barracks in Beirut in October 1983, and the US Embassy annex in Beirut in September 1984, as well as the hijacking of TWA 847 in 1985 and the Khobar Towers attack in Saudi Arabia in 1996. Although Hizballah’s leadership is based in Lebanon, the group has established cells worldwide.

Hizballah has participated in the Lebanese government since 1992. With the 2004 passage of UN Security Council Resolution 1559, which called for the disarmament of all armed militias in Lebanon, Hizballah has focused on justifying its retention of arms by casting itself as the defender of Lebanon against Israeli
aggression. On 12 July 2006, Hizballah kidnapped two Israeli soldiers, sparking the 2006 war in which Hizballah claimed victory by virtue of its survival; it has since sought to use the conflict to justify its need to retain its arms as a Lebanese resistance force. In May 2008, Hizballah militants seized parts of Beirut in response to calls by the government to restrict Hizballah’s secure communications and arms. In negotiations to end the violence, Hizballah gained veto power in the government, and retained its arms and secure communications.

In February 2008, Hizballah’s military chief ‘Imad Mughniyah was killed by a vehicle bomb in Damascus. Hizballah Secretary General Hassan Nasrallah publicly blamed Israel and continues to promise retaliation. Several Hizballah operations have been disrupted since Mughniyah’s death, including the 2008 disruption of a cell in Baku, Azerbaijan, targeting the Israeli embassy there, and the late-2008 disruption of a Hizballah cell in Egypt targeting Israeli tourists and ships in transiting the Suez Canal. Additionally, a Hizballah operation was reportedly disrupted in Turkey in 2009, and in early 2011 Israel warned its citizens of several Hizballah plots against Israeli interests in Turkey, Azerbaijan, Georgia, and Cyprus.

In July 2011 the UN Special Tribunal for Lebanon (STL) indicted four Hizballah members—including a senior Hizballah official—for the assassination of former Lebanese Prime Minister Rafiq al-Hariri, who was killed by a car bomb in Beirut on 14 February 2005. Their trials, which will be held in absentia, are tentatively scheduled to begin on 25 March 2013.

In July 2012, a bomb exploded on a bus in Burgas, Bulgaria, killing six Israeli tourists and a Bulgarian. The Israeli prime minister announced his government had “unquestionable” intelligence indicating Hizballah conducted the attack.

**IRAN**

**State Department**

Designated as a State Sponsor of Terrorism in 1984, Iran increased its terrorist-related activity, including attacks or attempted attacks in India, Thailand, Georgia, and Kenya. Iran provided financial, material, and logistical support for terrorist and militant groups in the Middle East and Central Asia. Iran used the Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) and militant groups to implement foreign policy goals, provide cover for intelligence operations, and stir up instability in the Middle East. The IRGC-QF is the regime’s primary mechanism for cultivating and supporting terrorists abroad.

In 2012, Iran was implicated in planned attacks in India, Thailand, Georgia, and Kenya. On February 13, in New Delhi, India, a magnetic bomb placed under the vehicle of an Israeli diplomat’s wife exploded, seriously injuring her and three Indian nationals. On February 14, a similar device was discovered under a vehicle belonging to the Israeli embassy in Tbilisi, Georgia, and safely defused. Also on February 14, Thai police arrested three Iranian nationals in connection with explosions in a Bangkok private residence that revealed bomb-making materials and makeshift grenades intended for use in attacks against Israeli targets. On June 19, Kenyan authorities arrested two Iranian nationals in connection with explosives stockpiled for a suspected terrorist attack. According to press reports, the individuals were members of the IRGC-QF.

On October 17, Iranian-born U.S. dual-national Mansour Arbabsiar was arrested by U.S. authorities and pled guilty in a New York court to participating in a 2011 plot to murder the Saudi ambassador to the United States. Arbabsiar held several meetings with an associate whom Iranian officials believed was a narcotics cartel member. This associate, in fact, was a confidential source for U.S. law enforcement. Arbabsiar admitted to working on behalf of the IRGC-QF to carry out the plot. An IRGC-QF officer who remains at large was also indicted. The thwarted plot demonstrated Iran’s interest in using international terrorism – including in the United States – to further its foreign policy goals.

In 2012, the IRGC-QF trained Taliban elements on small unit tactics, small arms, explosives, and indirect fire weapons, such as mortars, artillery, and rockets. Since 2006, Iran has arranged arms shipments to select
Taliban members, including small arms and associated ammunition, rocket propelled grenades, mortar rounds, 107mm rockets, and plastic explosives. Iran has shipped a large number of weapons to Kandahar, Afghanistan, aiming to increase its influence in this key province.

Despite its pledge to support Iraq’s stabilization, Iran trained, funded, and provided guidance to Iraqi Shia militant groups. The IRGC-QF, in concert with Lebanese Hizballah, provided training outside of Iraq as well as advisors inside Iraq for Shia militants in the construction and use of sophisticated improvised explosive device technology and other advanced weaponry.

Regarding Syria, Iran provided extensive support, including weapons, funds, and training to assist the Asad regime in its brutal crackdown that has resulted in the death of more than 70,000 civilians. Iran provided weapons, training, and funding to Hamas and other Palestinian terrorist groups, including the Palestine Islamic Jihad and the Popular Front for the Liberation of Palestine-General Command. Since the end of the 2006 Israeli-Hizballah conflict, Iran has assisted in rearming Hizballah, in direct violation of UNSCR 1701. Iran has provided hundreds of millions of dollars in support of Hizballah in Lebanon and has trained thousands of Hizballah fighters at camps in Iran.

Iran actively supported members of the Houthi tribe in northern Yemen, including activities intended to build military capabilities, which could pose a greater threat to security and stability in Yemen and the surrounding region. In July 2012, the Yemeni Interior Ministry arrested members of an alleged Iranian spy ring, headed by a former member of the IRGC.

Iran remained unwilling to bring to justice senior al-Qa’ida (AQ) members it continued to detain, and refused to publicly identify those senior members in its custody. Iran allowed AQ facilitators Muhsin al-Fadhli and Adel Radi Saqr al-Wahabi al-Harbi to operate a core facilitation pipeline through Iran, enabling AQ to move funds and fighters to South Asia and to Syria. Al-Fadhli is a veteran AQ operative who has been active for years. Al-Fadhli began working with the Iran-based AQ facilitation network in 2009 and was later arrested by Iranian authorities. He was released in 2011 and assumed leadership of the Iran-based AQ facilitation network.

Since 2009, the Financial Action Task Force (FATF) has called for its members and the international community to institute countermeasures to protect their respective financial sectors and the global financial system from the risks – in particular the terrorist financing threat – posed by Iran. In October 2012, the FATF strengthened its language and again called for countermeasures against Iran. Iran has had some limited engagement regarding anti-money laundering/combating the financing of terrorism and has responded to overtures by multilateral entities such as the UN’s Global Programme against Money Laundering, but it has failed to criminalize terrorist financing and require that financial institutions and other obliged entities file suspicious transaction reports. Iran has not engaged with FATF and was not a member of a FATF-style regional body.

Iran remains a state of proliferation concern. Despite multiple UNSCRs requiring Iran to suspend its sensitive nuclear proliferation activities, Iran continues to violate its international obligations regarding its nuclear program. For further information, see the Report to Congress on Iran-related Multilateral Sanctions Regime Efforts (February 2013), and the Report on the Status of Bilateral and Multilateral Efforts Aimed at Curtailing the Pursuit of Iran of Nuclear Weapons Technology (September 2012).

**JUNDALLAH**

**State Department**

aka People’s Resistance Movement of Iran (PMRI); Jonbesh-i Moqavemat-i-Mardom-i Iran; Popular Resistance Movement of Iran; Soldiers of God; Fedayeen-e-Islam; Former Jundallah of Iran; Jundullah; Jonduallah; Jundollah; Jongdallah; Jondallah; Army of God (God’s Army); Baloch Peoples Resistance Movement (BPRM)
**Description: Jundallah** was designated as a Foreign Terrorist Organization on November 4, 2010. Since its inception in 2003, Jundallah, which operates primarily in the province of Sistan va Balochistan of Iran, has engaged in numerous attacks, killing and maiming scores of Iranian civilians and government officials. Jundallah’s stated goals are to secure recognition of Balochi cultural, economic, and political rights from the Government of Iran, and to spread awareness of the plight of the Baloch situation through violent and nonviolent means.

**Activities:** In March 2006, Jundallah attacked a motorcade in eastern Iran, which included the deputy head of the Iranian Red Crescent Security Department, who was then taken hostage. The Governor of Zahedan, his deputy, and five other officials were wounded; seven others were kidnapped; and more than 20 were killed in the attack. An October 2009 suicide bomb attack in a marketplace in the city of Pishin in the Sistan va Balochistan province, which killed more than 40 people, was reportedly the deadliest terrorist attack in Iran since the 1980s. In a statement on its website, Jundallah claimed responsibility for the December 15, 2010 suicide bomb attack inside the Iman Hussein Mosque in Chabahar, which killed an estimated 35 to 40 civilians and wounded 60 to 100. In July 2010, Jundallah attacked the Grand Mosque in Zahedan, killing approximately 30 and injuring an estimated 300.

**Strength:** Reports of Jundallah membership vary from 500 to 2,000.

**Location/Area of Operation:** Throughout Sistan va Balochistan province in southeastern Iran and the greater Balochistan area of Afghanistan and Pakistan.

**Funding and External Aid:** Unknown

---

**KATA’IB HIZBALLAH**

**State Department**

aka Hizballah Brigades; Hizballah Brigades in Iraq; Hizballah Brigades-Iraq; Kata’ib Hezbollah; Khata’ib Hezbollah; Khata’ib Hizballah; Khattab Hezballah; Hizballah Brigades-Iraq of the Islamic Resistance in Iraq; Islamic Resistance in Iraq; Kata’ib Hizballah Fi al-Iraq; Katibat Abu Fathel al-A’abas; Katibat Zayd Ebin Ali; Katibut Karbalah

**Description:** Designated as a Foreign Terrorist Organization on July 2, 2009, Kata’ib Hizballah (KH) was formed in 2006 and is a radical Shia Islamist group with an anti-Western outlook and extremist ideology that has conducted attacks against Iraqi, U.S., and Coalition targets in Iraq. KH has threatened the lives of Iraqi politicians and civilians that support the legitimate political process in Iraq. The group is notable for its extensive use of media operations and propaganda by filming and releasing videos of attacks. KH has ideological ties to Lebanese Hizballah and receives support from that group and its sponsor, Iran.

**Activities:** KH has been responsible for numerous terrorist attacks since 2007, including improvised explosive device bombings, rocket propelled grenade attacks, and sniper operations. In 2007, KH gained notoriety with attacks on U.S. and Coalition Forces in Iraq. KH was particularly active in summer 2008, recording and distributing video footage of its attacks.

In June 2011, five U.S. soldiers were killed in a rocket attack in Baghdad, Iraq, when KH assailants fired between three and five rockets at U.S. military base Camp Victory. The group remained active in 2012, but has not conducted an attack on U.S. interests since July 2011.

**Strength:** Membership is estimated at 400 individuals.

**Location/Area of Operation:** KH’s operations are predominately Iraq-based. In 2011, KH conducted the majority of its operations in Baghdad but was active in other areas of Iraq, including Kurdish areas such as Mosul. KH militants were reportedly in Syria, protecting Shia shrines and fighting alongside Syrian President Asad’s troops against Syrian opposition forces.

**Funding and External Aid:** KH is almost entirely dependent on support from Iran and Lebanese Hizballah.

---

**KURDISTAN WORKERS’ PARTY**

**State Department**
aka the Kurdistan Freedom and Democracy Congress; the Freedom and Democracy Congress of Kurdistan; KADEK; Partiya Karkeran Kurdistan; the People’s Defense Force; Halu Mesru Savunma Kuvveti; Kurdistan People’s Congress; People’s Congress of Kurdistan; KONGRA-GEL

Description: Founded by Abdullah Ocalan in 1978 as a Marxist-Leninist separatist organization, the Kurdistan Workers’ Party (PKK) was designated as a Foreign Terrorist Organization on October 8, 1997. The group, composed primarily of Turkish Kurds, launched a campaign of violence in 1984. The PKK’s original goal was to establish an independent Kurdish state in southeastern Turkey, but in recent years it has spoken more often about autonomy within a Turkish state that guarantees Kurdish cultural and linguistic rights.

Activities: In the early 1990s, the PKK moved beyond rural-based insurgent activities to include urban terrorism. In the 1990s, southeastern Anatolia was the scene of significant violence; some estimates placed casualties at some 30,000 persons. Following his capture in 1999, Ocalan announced a “peace initiative,” ordering members to refrain from violence and requesting dialogue with Ankara on Kurdish issues. Ocalan’s death sentence was commuted to life imprisonment; he remains the symbolic leader of the group. The group foreswore violence until June 2004, when the group’s hard-line militant wing took control and renounced the self-imposed cease-fire of the previous five years. Striking over the border from bases within Iraq, the PKK has engaged in terrorist attacks in eastern and western Turkey. In 2009 the Turkish government and the PKK resumed peace negotiations. However, talks broke down after a PKK initiated attack on July 14, 2011, that left 13 Turkish soldiers dead. Violence in 2011 and 2012 has marked one of the most deadly time periods in the almost 30 year conflict. Widely publicized peace talks between Ocalan and the Turkish government to resolve the conflict began at the end of 2012.

Primary targets have been Turkish government security forces, local Turkish officials, and villagers who oppose the organization in Turkey. The PKK remained active in 2012: on August 20, a car bomb in the southeastern Turkish city of Gaziantep killed nine people, including four children, and wounded in excess of 70. Similar car bombings occurred in both Hakkari province in January, killing one and injuring 28, and Kayseri province in May, injuring 18.

Strength: Approximately 4,000 to 5,000 members; 3,000 to 3,500 are located in northern Iraq.

Location/Area of Operation: The PKK operate primarily in Turkey, Iraq, and Europe.

Funding and External Aid: The PKK receives financial support from the large Kurdish diaspora in Europe and from criminal activity.

KONGRA-GEL (KGK) - formerly the Kurdistan Worker’s Party, PKK

NCTC

The Kurdistan People’s Congress (KGK, formerly the Kurdistan Worker’s Party, PKK) is a Kurdish separatist group primarily active in part of northern Iraq and southeastern Turkey. Composed mostly of Turkish Kurds, the group in 1984 began a campaign of armed violence, including terrorism, which has resulted in over 45,000 deaths. Historically, KGK directed operatives to target Turkish security forces, government offices, and villagers who opposed the group. KGK’s imprisoned leader, Abdullah Ocalan, in 2006 publicly called for a KGK “unilateral cease-fire,” which in practice meant stopping terrorist attacks and limiting violence to “defensive” attacks against Turkish soldiers and security forces patrolling areas that the KGK considered theirs.

The KGK wages a seasonal insurgency, and has declared cease-fires that coincide with the group’s typical drawdown during the winter months, during which time KGK members regroup and train. The KGK urban terrorism wing, the Kurdistan Freedom Hawks (TAK), in 2005 began using terrorist tactics—including suicide bombings—to target Turkish tourist destinations in order to damage the Turkish economy and provide the KGK with plausible deniability for the attacks.

In November 2009, the Turkish Government announced its plan to grant social and economic rights to Turkey’s Kurdish population, largely to undercut support for the KGK. This initiative faltered, however, due to public and political opposition. The KGK since 2010 has continued to take an active defense posture against Turkish military operations in southeastern Turkey and northern Iraq, while TAK claimed responsibility for a 2010 attack on a military bus, killing five, and a suicide bombing the same year that
wounded 32 in Istanbul. The US Treasury Department in April 2011 designated five KGK leaders under the Kingpin Act, freezing any assets they may have under US jurisdiction and prohibiting US persons from conducting financial or commercial transactions with them.

In July 2011, a clash between Turkish forces and the KGK in Diyarbakir Province resulted in the deaths of thirteen Turkish soldiers, and TAK in September 2011 killed three people in a car bombing in Ankara. A KGK attack in October 2011 killed 24 Turkish troops and was the deadliest incident since 1993. Attacks persisted in 2012, with KGK’s armed wing, the People’s Defense Force (HPG), killing eight Turkish soldiers and wounding 16 in coordinated attacks in June. KGK also stepped up its kidnapping campaign against Turkish state employees and soldiers, which included the unprecedented abduction of a Turkish parliamentary deputy in August. In addition to its stronghold in northern Iraq, the KGK’s Syrian affiliate, the Democratic Union Party (PYD), has increased its presence in northern Syria along the border with Turkey by establishing control in Kurdish areas, resulting in concerns of a heightened threat to Turkey and increased tensions along the border.

---

**LASHKAR I JHANGVI**

**State Department**

**aka** Army of Jhangvi; Lashkar e Jhangvi; Lashkar-i-Jhangvi

**Description:** Designated as a Foreign Terrorist Organization on January 30, 2003, Lashkar I Jhangvi (LJ) is the militant offshoot of the Sunni Deobandi sectarian group Sipah-i-Sahaba Pakistan. LJ focuses primarily on anti-Shia attacks and other attacks in Pakistan and Afghanistan, and was banned by Pakistan in August 2001, as part of an effort to rein in sectarian violence. Many of its members then sought refuge in Afghanistan with the Taliban, with whom they had existing ties. After the collapse of the Taliban as the ruling government in Afghanistan, LJ members became active in aiding other terrorists, providing safe houses, false identities, and protection in Pakistani cities, including Karachi, Peshawar, and Rawalpindi. LJ works closely with Tehrik-e Taliban Pakistan.

**Activities:** LJ specializes in armed attacks and bombings and has admitted responsibility for numerous killings of Shia religious and community leaders in Pakistan. In January 1999, the group attempted to assassinate former Prime Minister Nawaz Sharif and his brother Shabaz Sharif, Chief Minister of Punjab Province. Media reports linked LJ to attacks on Christian targets in Pakistan, including a March 2002 grenade assault on the Protestant International Church in Islamabad that killed two U.S. citizens.

LJ was active in 2011 and 2012. The most notable 2011 attack occurred in December, when an LJ suicide bomber detonated an improvised explosive device in a crowd of Shia mourners in Kabul, killing 48 civilians – including 12 children – and wounding 193. LJ attacks in 2012 ranged from suicide bombings to targeted shootings of ethnic Hazaras. In April, LJ members committed a series of shootings that killed 27 ethnic Hazaras over a two-week period. In June, a suicide bombing on a bus of pilgrims travelling from Iran to Pakistan left 14 dead, and 30 wounded. In September, LJ claimed responsibility for killing seven Shia in Hazarganja, and LJ members were arrested by Pakistani authorities when two explosions in Karachi killed seven, including two children, and wounded another 22. In October, the chief of the LJ Karachi branch, Mehmood Babar, was arrested by Pakistani authorities. Pakistani authorities claimed the arrest of the cell leader and his co-conspirators disrupted operational planning of VBIED attacks on a school and prison.

**Strength:** Assessed in the low hundreds.

**Location/Area of Operation:** LJ is active primarily in Punjab, the Federally Administered Tribal Areas, Karachi, and Baluchistan.

**Funding and External Aid:** Funding comes from wealthy donors in Pakistan, as well as the Middle East, particularly Saudi Arabia. The group engages in criminal activity to fund its activities, including extortion and protection money.

---

**PALESTINE ISLAMIC JIHAD - SHAQAQI FACTION**

**State Department**
aka PIJ; Palestine Islamic Jihad; PIJ-Shaqaqi Faction; PIJ-Shallah Faction; Islamic Jihad of Palestine; Islamic Jihad in Palestine; Abu Ghunaym Squad of the Hizbollah Bayt al-Maqdis; Al-Quds Squads; Al-Quds Brigades; Saraya al-Quds; Al-Awdah Brigades

**Description:** Palestine Islamic Jihad (PIJ) was designated as a Foreign Terrorist Organization on October 8, 1997. Formed by militant Palestinians in Gaza during the 1970s, PIJ is committed to both the destruction of Israel through attacks against Israeli military and civilian targets and the creation of an Islamic state in all of historic Palestine, including present day Israel.

**Activities:** PIJ terrorists have conducted numerous attacks, including large-scale suicide bombings against Israeli civilian and military targets. PIJ continued to plan and direct attacks against Israelis both inside Israel and in the West Bank and Gaza. Though U.S. citizens have died in PIJ attacks, the group has not directly targeted U.S. interests. PIJ attacks between 2008 and 2011 were primarily rocket attacks aimed at southern Israeli cities, and have also included attacking Israeli targets with explosive devices. 2012 saw no deviation from PIJ terrorist tactics. The group is thought to be behind a large number of the record setting 2,300 plus rockets launched from Gaza towards Israel. Additionally, on November 21, 2012, PIJ operatives, working with HAMAS, detonated a bomb on a bus in Tel Aviv, leaving 29 civilians wounded.

**Strength:** PIJ has fewer than 1,000 members.

**Location/Area of Operation:** Primarily Gaza with minimal operational presence in the West Bank and Israel. The group’s senior leadership resides in Syria. Other leadership elements reside in Lebanon and official representatives are scattered throughout the Middle East.

**Funding and External Aid:** Receives financial assistance and training primarily from Iran.


**Figure 2: Measuring the Comparative Intensity of Gulf and Nearby Terrorist Threats**

*Ten countries with the most terrorist attacks, 2012*

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Attacks</th>
<th>Total Killed</th>
<th>Total Wounded</th>
<th>Average Number Killed per Attack</th>
<th>Average Number Wounded per Attack</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>1404</td>
<td>1848</td>
<td>3643</td>
<td>1.32</td>
<td>2.59</td>
</tr>
<tr>
<td>Iraq</td>
<td>1271</td>
<td>2436</td>
<td>6641</td>
<td>1.92</td>
<td>5.23</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>1023</td>
<td>2632</td>
<td>3715</td>
<td>2.57</td>
<td>3.63</td>
</tr>
<tr>
<td>India</td>
<td>557</td>
<td>231</td>
<td>559</td>
<td>0.41</td>
<td>1.00</td>
</tr>
<tr>
<td>Nigeria</td>
<td>546</td>
<td>1386</td>
<td>1019</td>
<td>2.54</td>
<td>1.87</td>
</tr>
<tr>
<td>Thailand</td>
<td>222</td>
<td>174</td>
<td>897</td>
<td>0.78</td>
<td>4.04</td>
</tr>
<tr>
<td>Yemen</td>
<td>203</td>
<td>365</td>
<td>427</td>
<td>1.80</td>
<td>2.10</td>
</tr>
<tr>
<td>Somalia</td>
<td>185</td>
<td>323</td>
<td>397</td>
<td>1.75</td>
<td>2.15</td>
</tr>
<tr>
<td>Philippines</td>
<td>141</td>
<td>109</td>
<td>270</td>
<td>0.77</td>
<td>1.91</td>
</tr>
<tr>
<td>Syria</td>
<td>133</td>
<td>657</td>
<td>1787</td>
<td>4.94</td>
<td>13.44</td>
</tr>
</tbody>
</table>

- Although terrorist attacks occurred in 85 different countries in 2012, they were heavily concentrated geographically. Over half of all attacks (55%), fatalities (62%), and injuries (65%) occurred in just three countries: Pakistan, Iraq, and Afghanistan.

- The highest number of fatalities occurred in Afghanistan (2,632); however the country with the most injuries due to terrorist attacks was Iraq (6,641).
The average lethality of terrorist attacks in Nigeria (2.54 deaths per attack) is more than 50 percent higher than the global average of 1.64. The average lethality of terrorist attacks in Syria (4.94 deaths per attack) is more than 200 percent higher than the global average.

The average number of people wounded per terrorist attack was especially high in Syria, where 1,787 people were reportedly wounded in 133 attacks, including four attacks that caused 670 injuries.

In contrast, the rates of lethality for India (0.42 deaths per attack), the Philippines (0.77 deaths per attack), and Thailand (0.78 deaths per attack) were relatively low among the countries with the most attacks.

Ten perpetrator groups with the most attacks worldwide, 2012

<table>
<thead>
<tr>
<th>Perpetrator Group Name</th>
<th>Total Attacks</th>
<th>Total Killed</th>
<th>Average Number Killed per Attack</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taliban</td>
<td>525</td>
<td>1842</td>
<td>3.51</td>
</tr>
<tr>
<td>Boko Haram</td>
<td>364</td>
<td>1132</td>
<td>3.11</td>
</tr>
<tr>
<td>Al-Qa’ida in Iraq (AQI)/Islamic State of Iraq (ISI)</td>
<td>249</td>
<td>892</td>
<td>3.58</td>
</tr>
<tr>
<td>Maoists (India)/ Communist Party of India-Maoist</td>
<td>204</td>
<td>131</td>
<td>0.64</td>
</tr>
<tr>
<td>Al-Shabaab</td>
<td>121</td>
<td>278</td>
<td>2.30</td>
</tr>
<tr>
<td>Al-Qa’ida in the Arabian Peninsula (AQAP)</td>
<td>108</td>
<td>282</td>
<td>2.61</td>
</tr>
<tr>
<td>Tehrik-e Taliban Pakistan (TTP)</td>
<td>103</td>
<td>510</td>
<td>4.95</td>
</tr>
<tr>
<td>Kurdistan Workers’ Party (PKK)</td>
<td>80</td>
<td>83</td>
<td>1.04</td>
</tr>
<tr>
<td>Revolutionary Armed Forces of Colombia (FARC)</td>
<td>71</td>
<td>122</td>
<td>1.72</td>
</tr>
<tr>
<td>Corsican National Liberation Front (FLNC)</td>
<td>58</td>
<td>0</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Information about perpetrators was reported in source materials for 38 percent of terrorist attacks in 2012. More than 160 organizations were named as perpetrators of terrorist attacks. Of the attacks for which perpetrator information was reported, 20 percent were attributed to the Taliban, operating primarily in Afghanistan.

In 36.3 percent of the attacks with information about the perpetrator group, the group explicitly claimed responsibility. In the remaining attacks, source documents attributed responsibility to a particular group or groups based on reports from authorities or observers.

In addition to carrying out the most attacks, the Taliban in Afghanistan was responsible for the greatest number of fatalities in 2012. Along with Tehrik-e Taliban Pakistan (TTP) and al-Qa’ida in Iraq (AQI), the Taliban was among the most lethal organizations, causing an average of 3.5 deaths per attack.

Boko Haram was responsible for a number of highly lethal attacks in 2012, including a series of coordinated bombings and armed assaults in Kano, Nigeria on January 20 that killed an estimated 190 people.

In contrast, the Corsican National Liberation Front (FLNC) was the tenth most active terrorist group in 2012, yet it was not responsible for any fatal attacks. Rather, the group was linked to several series of bombing attacks on vacant vacation homes and supermarkets. The group claimed responsibility for 50 of these attacks, either via a statement made after the attack or graffiti left at the scene.

Emphasizing the Middle East and Rebalancing the US Force Towards Asia

The Obama Administration has made relying on strategic partnerships to deal with these threats -- rather than unilateral US action -- a key part of the new strategy it announced in early 2012. While some press reports have described this strategy as a “pivot to Asia,” such reports are incorrect.

The text and substance of the new US strategy gave equal priority to improving US deterrence and defense capability in the Middle East and Asia. The Department of Defense documentation submitted with the President’s FY2013 budget request in February 2012 stated that:

The U.S. economic and security interests are inextricably linked to developments in the arc extending from the western Pacific and East Asia into the Indian Ocean region and South Asia, creating a mix of evolving challenges and opportunities. Accordingly, while the U.S. military will continue to contribute to security globally, we will of necessity rebalance toward the Asia-Pacific region. (p. 2-1)

In the Middle East the aim is to counter violent extremists, prevent destabilizing threats from developing, while upholding our commitment to allies and partner states. The U.S. continues to place emphasis on U.S. and allied military presence in the region, by working with partner nations in the region. (p. 2-1)

… DoD will tailor its global presence and posture with the right capabilities in the right places. We will rebalance toward the Asia-Pacific, emphasizing our existing alliances and expanding our networks of cooperation with emerging partners throughout the Asia-Pacific to ensure collective capability and capacity for securing common interests. We will maintain an emphasis on the greater Middle East to deter aggression and prevent the emergence of new threats… (p. 2-2)

…[The President’s strategic guidance calls for a rebalance in force structure and investments toward the Asia-Pacific and Middle East regions while sustaining key alliances and partnerships in other regions. (p. 4-1)

… Our defense efforts in the Middle East will be aimed at countering violent extremists and destabilizing threats, as well as upholding our commitments to allies and partner states. U.S. policy will emphasize gulf security to prevent Iran’s development of a nuclear weapon capability and counter its destabilizing policies. The United States will do this while standing up to Israel’s security and a comprehensive Middle East peace. (p. 7-6)

Continuing the Emphasis on the Gulf In Spite of Defense Budget Cuts

The US made no changes in these policies or in its emphasis on forces in the Middle East and Asia in the FY2014 budget request it submitted in April 2013, in spite of ongoing defense budget cuts and sequestration:

There will be a rebalance of force structure and investments toward the Asia-Pacific and Middle East regions while sustaining key alliances and partnerships in other regions… More change is taking place as U.S. economic and security interests are inextricably linked to developments extending from the western Pacific and East Asia into the Indian Ocean region and South Asia. Accordingly, while the U.S. military will continue to be central to ensuring global security, we will of necessity rebalance forces and funding priorities toward the Asia-Pacific region. In the Middle East the aim is to counter violent extremists, prevent destabilizing threats from developing, and uphold our commitments to allies and partner states (p. I, I-2)

Across the globe, the United States will seek to be the security partner of choice, pursuing new partnerships with a growing number of nations…In the Middle East, the aim is to counter violent extremists, prevent destabilizing threats from developing, and uphold our commitments to allies
and partner states. Social movements like the Arab revolutions may introduce tensions between and within existing governments and societies, but will ultimately result in more stable and reliable partners of the United States as governments in the region become more responsive to the legitimate aspirations of their people. The United States continues to place emphasis on the U.S. and allied military presence in the Middle East region by working with partner nations in the region. (2-1 to 2-2)

**The US Central Command View**

The US has since consistently reinforced its strategic commitment to the Middle East and the Gulf. Both General James Mattis, the former commander of the US Central Command (USCENTCOM), and its new commander, General Lloyd J. Austin, III summarized these threats in the Gulf region – and the need for the US to meet them – as follows in separate testimony to the House and Senate in March and April 2013.63

Significant factors are currently shaping and changing the region. The Arab Awakening will bring years of political and social changes as the demographic challenges of a burgeoning youth bulge collide with struggling economies. There will be additional pressure on governments to respond to popular interests. We recognize the Awakening is what it is and not necessarily what we hope it will be: it is first a flight from repression and may or may not result in an embrace of democratic principles. The future is not foreseeable, but one thing is clear: America must remain deeply engaged in the region and fully utilize all tools of national power as a force for stability and prosperity.

Traditional regimes that held power for decades have been swept aside or are under siege, adding to the region's uncertain future. Modern communications and social media have the potential to both empower and endanger people. While they can enable users to better understand their social circumstances and provide ways to organize to improve them, they can also make people more vulnerable to manipulation by malevolent actors. The increasing role of our adversaries in cyberspace necessitates additional emphasis and urgency on a targeted expansion of our presence, influence, capabilities and the authorities necessary to maintain an advantage in cyberspace. Threat networks including those maintained by Iran are adjusting opportunistically, and are emboldened by regional developments—to include the Arab Spring and events such as those in Benghazi and Syria. These networks pursue a range of destabilizing activities that include but are not limited to the transfer of illicit arms, as well as the provision of financial, lethal, and material aid support to a range of malign actors seeking to undermine regional security. In our efforts to counter destabilizing extremists, our international and regional partnerships remain one of our greatest strengths, and most potent tools. Addressing these activities will require our continued engagement, reassurance and commitment to work with other nations against extremists' violent activities.

U.S. Central Command's operating environment is also influenced by the major and emerging powers bordering our region, by the increasing Sunni-Shia polarization, and by Iran's malign influence. U.S. government efforts led by State Department to develop more militarily capable and confident partners in the region are advancing, and contributing significantly to enhancing our robust regional security architecture. There is also widespread attention on how the U.S. and NATO will remain involved in Afghanistan post-2014 to prevent its regression, and whether the U.S. will continue to remain resolute in the face of a growing Iranian threat. Finally, the threat of weapons of mass destruction is prevalent in the region, with both Syria and Iran possessing chemical weapons or the capability to produce them and Iran advancing its nuclear program. Pakistan has a fast growing nuclear arsenal and violent extremists continue to profess a desire to obtain and use weapons of mass destruction. This danger has our full attention.

… The most serious strategic risks to U.S. national security interests in the Central region are:

- **Malign Iranian influence:** Despite significant economic sanctions and increased diplomatic isolation within the global community, Iran continues to export instability and violence across the region and beyond. There are five main threats Iran continues to
develop: the potential nuclear threat; counter maritime threat; theater ballistic missile threat; the Iranian Threat Network to include the Qods Force and its regional surrogates and proxies; and cyber-attack capabilities.

- **Potential nuclear threat.** Iran continues to expand its nuclear enrichment capabilities, which enable Iran to quickly produce weapons-grade nuclear material, should Tehran make that decision.

- **Counter Maritime threat.** Iran is improving its counter maritime capabilities (mines, small boats, cruise missiles, submarines) to threaten sea-lanes vital to the global economy. The occasionally provocative behavior of the Revolutionary Guard Navy is an issue with which we deal and we refine our operational approaches in sustaining our stabilizing maritime presence in the Persian Gulf.

- **Theater Ballistic Missiles.** Iran has the largest and most diverse ballistic missile arsenal in the Middle East and is increasing medium and short range ballistic missile inventories and capability with ranges up to about 2,000 kilometers, sufficient to strike targets with increasing precision throughout the region. While Iran has previously exaggerated its capabilities, there is consensus that Tehran has creatively adapted foreign technology to increase the quality and quantity of its arsenal.

- **Iranian Threat Network.** Malign influence and activities (illicit weapons, financial aid, trained personnel and training) in Syria, Iraq, Afghanistan, Sudan, Gaza, Lebanon and Yemen along with the 2011 attempt here in Washington to assassinate the ambassador of the Kingdom of Saudi Arabia, indicate a long-term trend that has clear potential for murderous miscalculation that could spark a disastrous regional conflict. Iran continues to seek to establish nodes throughout the region through which to advance its destabilizing agenda.

- **Cyber.** Given Iran's growing capabilities in this sensitive domain, the U.S. must recognize and adapt now to defend against malicious cyber activity.

- **Violent Extremist Organizations (VEOs):** The focus of our military efforts over the past decade has largely been on Al Qaeda, its adherents and affiliates (AQAA), and we have achieved measurable successes in combating them. The AQAA “franchise” remains a threat however. An equally concerning long-term threat continues to emanate from the Iran-sponsored Shia brand of extremism wielded by groups such as Lebanese Hezbollah. In addition to the threat from these terrorists with which we are already familiar, a clash brought on by these two brands of extremism could pour fuel on the simmering Sunni-Shia tensions we observe from Baluchistan to Syria and incite a worsening cycle of violence.

- **State Security and Weapons of Mass Destruction (WMD):** WMD proliferation and the potential loss of control of WMD by regional governments, for example the potential loss of control of Syrian chemical weapons, pose a significant risk to the region and our most vital national security interests. The potential for WMD in the hands of non-state actors and extremist organizations cannot be addressed by traditional Cold War deterrence methods and presents a clear threat to our regional partners, innocent populations, and our forces and bases.

- **Regional Instability:** As savagery increases in Syria's civil war, the number of refugees fleeing the fighting continues to grow. The impacts on Turkey, Jordan and Lebanon are severe, with media reports of over 4 million internally displaced persons and the U.N. estimating over 900 thousand refugees in neighboring countries. Refugees into Jordan alone continue to increase by more than 50,000 monthly since the New Year. The potential destabilizing impact is clear and there is a growing likelihood of unpredictable longer-term effects on regional stability. Refugee camps are not a permanent solution, they have not proven to be economically viable, nor do they give hope to younger generations.
• **Perceived Lack of U.S. Commitment**: Perhaps the greatest risk to U.S. interests in the region is a perceived lack of an enduring U.S. commitment to collective interests and the security of our regional partners. This impression, if not actively and often countered, and any lack of clarity regarding U.S. intentions in the region, particularly with respect to Afghanistan's future, Middle East Peace, and shaping an acceptable outcome in Syria, could reduce our partners' commitment to stand with us and leave space for other actors to assume less benign leadership roles. If we seek to influence events, we must listen to partner concerns and continue to demonstrate our support through tangible actions. Our regional partners want to share the security burden with us, and we should actively enable them to do so, especially as we face our own fiscal realities.

**USCENTCOM's Approach:**

All of U.S. Central Command's military activities are firmly nested in four main drivers of U.S. foreign policy. First is security, and in particular, meeting the urgent challenges posed by Iran's reckless behavior across a wide front and being prepared to respond to a range of regional contingencies, as well as the related imperative of accelerating a transition to the new leadership that the Syrian people so deeply deserve. The second driver is our continued support for political openness, democratic reforms and successful post-revolutionary transitions. Third, no political transition or democratic reform process can succeed without a sense of economic opportunity. Fourth and finally, a re-energized effort is needed to resolve persistent regional conflicts, and especially for renewing hope for a two-state solution between Israelis and Palestinians. Within this framework, USCENTCOM stands firmly alongside our friends and supports regional security, territorial integrity of sovereign nations, and the free flow of commerce.

CENTCOM's approach to protect the nation's interests in the Middle East is to work BY, WITH and THROUGH key regional partners to bolster regional security and promote stability, while minimizing a permanent U.S. military footprint. In so doing, we can build our partners' capacity to enable them to share in the security costs for the region.

USCENTCOM uses four principal levers as we engage in the region:

• **Military to Military Engagements**: These lay the foundation for and bolster our broader diplomatic relationships. Much of this work is ongoing, but as resources decrease and American forward presence in the region declines, mil-to-mil engagements and working by, with, and through our partners will become increasingly important. This type of forward engagement is often the bedrock of our most important relationships and builds the trust necessary to work closely together.

• **Plans and Operations**: USCENTCOM develops and executes plans and operations in close collaboration with our fellow Combatant Commands, interagency organizations and international partners as necessary to address developing contingencies and crises. While providing military options for the Commander-in-Chief, these plans are designed from the outset to be inclusive of regional and traditional partners.

• **Security Cooperation Programs**: Building partner capacity is the responsible way to reduce U.S. military presence and maintain the health of our force by partnering with regional nations to distribute more of the security burden. In order to build partner effectiveness, we must be more responsive to their capability needs while strategically aligning acquisition and training plans with regional collective security requirements. Combined training, multilateral exercises (resourced by OSD's Combatant Commanders' Exercise Engagement and Training Transformation program), defense reviews and expanded professional military education exchanges are cost-effective means to enhance trust and interoperability while encouraging progress on rule of law and human rights issues. Once fully implemented, the Global Security Contingency Fund will offer us opportunities to respond to emerging security cooperation, assistance and requirements.

• **Posture and Presence**: A tailored, lighter footprint supported by access to infrastructure that enables rapid reinforcement is the foundational concept for future military posture in
the region. The USCENTCOM military presence will continue to become more maritime in character, supported by expeditionary land forces and have strong air enablers. I anticipate the need to sustain maritime defense, anti-fast attack craft capabilities, amphibious ships and mine-countermeasure capability and Intelligence Surveillance and Reconnaissance capabilities. I see the need for growth in our Counter Intelligence and Human Intelligence (HUMINT) capacities across the region. In summary, we will need strong strategic relationships with our partners to enable the presence required to deter adversaries and reassure our friends.

Around the Region:
The Department of Defense carefully shapes military presence (U.S. and partners) in the Middle East to protect the global free flow of critical natural resources and to provide a counterbalance to Iran—a balanced force presence ready to respond to a variety of contingencies, and to deter Iranian aggression. To maintain a right-sized American security footprint in the Gulf, the U.S. promotes close teamwork with the Gulf Cooperation Council (GCC) states. By deepening strategic ties with the Gulf and improving the capability of the GCC states through multilateral exercises, security assistance and training, regional stability is appropriately shown to be an international responsibility. The U.S. will continue to promote the capabilities of GCC partners in such missions as missile defense, maritime security, critical infrastructure protection and development of a common operating picture that allows us to work smoothly together when necessary.

During the past year, we have seen significant progress in our military relationship with countries of the GCC. In support of the efforts of the Secretary of State and Secretary of Defense and the U.S.-GCC Strategic Cooperation Forum, we have worked to enhance and deepen Ballistic Missile Defense cooperation in response to the proliferation of these weapons. We continue to emphasize U.S.-GCC multilateral exercises, such as our successful International Mine Countermeasure Exercise, which included participants from over 30 countries from five continents in 2012, and our Proliferation Security Initiative (PSI) exercise LEADING EDGE 2013 ably hosted by UAE. The Gulf States have demonstrated the willingness to work with one another and with international partners to counter malign influence in the region and ensure freedom of commerce—a critical international issue in terms of the global economy. Interoperability in this framework improves U.S. defense-in-depth and our own capabilities become more robust by supporting partner capacity and working by, with and through the GCC.

Cooperation by Country
General Mattis and General Austin provided the same description of the need for US cooperation with each key country in the Gulf region in their testimony in the spring of 2013 – although this testimony could not anticipate the impact of overthrow of the Morsi regime in Egypt and the crisis over Syria’s use of chemical weapons.

- **Saudi Arabia:** For decades, security cooperation has been a cornerstone of our relationship with the Kingdom of Saudi Arabia. As we face ever more sophisticated regional challenges in the Middle East, helping to enable the upgrade of Saudi Arabia's defense capabilities sustains our strong military-to-military relations, improves operational interoperability, helps the Kingdom prepare to meet regional threats and safeguards the world's largest oil reserves. In difficult times, the Kingdom has demonstrated its willingness and capability to use its military forces to fight as part of a coalition against regional threats. Sustaining the Saudi military capability deters hostile actors, increases U.S.-Saudi military interoperability and positively impacts the stability of the global economy. Working with Department of State, USCENTCOM helped establish the first interagency security assistance program to build the capabilities of the Ministry of Interior Security Forces that protect Saudi Arabia's critical infrastructure. This is a long-term $1 billion FMS Interagency Technical Cooperation Agreement, which has shown remarkable progress.

- **Kuwait:** A long term and strong ally in the region, Kuwait continues to build upon a long bi-lateral military relationship with its critical support for U.S. troops and equipment. Kuwait remains a valued partner and is steadily reconciling its long-standing issues with Iraq and supporting the
region's stability. We enjoy excellent relations with the Kuwaiti military built on many years of trust between us since the liberation in 1991.

- **UAE**: The United Arab Emirates (UAE) has been a valued partner through Operations Desert Shield/Desert Storm, Bosnia, Kosovo, Somalia, Afghanistan and Libya. The Emirates participated in Operation Unified Protector in Libya, flying as part of NATO's effort and the Emiratis have increased the number of their troops and aircraft deployed to Afghanistan even as other nations are drawing down. The UAE is also a leader in the Gulf for air and missile defense capabilities. Their Foreign Military Sales purchases total $18.1 billion and include the Theater High Altitude Area Defense (THAAD) system, valued at approximately $3.5 billion, a highly capable and wholly defensive system that will contribute to regional stability and our interoperability. The UAE was the first foreign government to purchase this system. Their many contributions to collective defense and their close military ties over decades mark UAE as one of our strongest friends within the region, deserving of our continued close engagement and tangible FMS support.

- **Qatar**: Qatar is taking an increasingly active role within the region, supporting operations in Libya with both military and humanitarian aid. Qatar continues to demonstrate leadership in its foreign policy, including spearheading an Arab League resolution suspending Syria's membership. Qatar has placed wide-ranging sanctions on Syria in response to the Assad regime's violence against its own citizens and has played a leading role in helping the Syrian opposition to improve its organization and capabilities. We enjoy excellent military relations with this country that has generously hosted several of our forward headquarters and facilities.

- **Bahrain**: Home to our sole main naval operating base in the Middle East, Bahrain has been an important friend and partner for many decades, and provides key support for U.S. interests by hosting U.S. Navy's Fifth Fleet and providing facilities for other U.S. Forces engaged in regional security. The strong U.S.-Bahrain relationship is particularly critical in the face of the threat Iran poses to regional stability. Over the past several years, Bahrain has faced internal challenges. USCENTCOM works closely with others in the U.S. government to advance a message of support for dialogue and reform in Bahrain, which will be key to ensuring the country's stability and security. The United States supports Bahrain's National Dialogue and the government's ongoing efforts to implement recommendations from the Bahrain Independent Commission of Inquiry (BICI) report. We will continue to be a strong partner of Bahrain and the Bahraini people in the years ahead.

- **Oman**: Oman is strategically located along the Strait of Hormuz and the Indian Ocean and has played a steadying role and been a voice of moderation in the region for many years. We have a shared appreciation of the situation in the Gulf and Oman provides valued perspective for maintaining regional stability. We enjoy trusted military relations with the professional Omani Armed Forces and we are enhancing interoperability through exercises and Foreign Military Sales.

- **Jordan**: In the face of intense regional pressure and internal economic crisis, Jordan endures as one of our most dependable allies in the region. Political reform is clearly occurring even as the spillover of Syrian refugees severely impacts a challenging economic situation. Always a leader in the region, King Abdullah II continues to press forward with many political changes to strengthen Jordan's democratic processes. On the international front, he advocates for re-energizing the Middle East Peace. The Jordanian Armed Forces (JAF) continue to provide strong leadership and perform admirably and professionally while stretched thin, and while continuing to deploy troops in support of ISAF in Afghanistan. The JAF provides protection and humanitarian relief to the tens of thousands of Syrian refugees who have fled to Jordan over the last two years. Our continued support for Jordan, including building the capacity of the JAF, has never been more critical. A stable and secure Jordan is a needed bulwark now more than ever.

- **Iraq**: Iraq remains at the geo-strategic center of the Middle East. Iraq is also the fourth largest Foreign Military Sales (FMS) partner in the region, and ninth in the world. As we work to develop a new strategic relationship with the Iraqi government, our desired end state is a sustained U.S.-Iraqi partnership in which Iraq becomes a proactive security partner with their neighbors in the region. A shared border with Iran is a reality as is the spillover of Syria's civil war that can reignite...
sectarian violence in Iraq. Our military-to-military relationship forged in recent years is the foundation for developing the desired strategic partnership. U.S. security assistance and FMS are key tools for building and shaping Iraq's defense capabilities and integrating Iraqi security forces into the region, anchored by U.S. materiel and training. Recently convened Defense and Security Joint Coordination Committees have helped in this regard and USCENTCOM continues expanding security cooperation activities that deepen our military-to-military ties with Iraq, to include opening doors for Iraqis to participate in our regional exercises. Internally today, the security environment in Iraq continues to present significant challenges, and the United States is supporting the Government of Iraq's efforts to confront these threats. The imperfect political processes still keep most of the tensions from creating havoc. However, persistent Arab-Kurd tensions and increasing Sunni discontent—exacerbated by events in Syria and a sustained violent AQI threat—diminish their regional leadership potential as well as their internal stability. Now the world's third largest producer of oil and desirous of the needed stability for exporting its oil, Iraq's long term interests align more closely with its Arab neighbors in the GCC than with Iran. With our persistent efforts over time, Iraq could become a partner that is both a consumer and provider of security in the region.

- **Egypt**: Egypt remains one of the most important partners in the pursuit of regional peace and stability in USCENTCOM's theater of operations. They continue to support our over-flight permissions and Suez Canal transit courtesies and maintain a field hospital in Afghanistan in support of the NATO campaign. The Egyptian military is also deploying peacekeeping troops in Darfur, Sudan. The ceasefire agreement with Israel is holding and Israeli military leaders have noted that Gaza is quieter today than it has been in years. In the Sinai, the Egyptians are taking steps to improve security by relocating border detection equipment to counter smuggling activities and establishing a National Agency for Development and Reconstruction. Further, their military has created quick response forces to improve security for the Multinational Force and Observers Force stationed in the Sinai, which includes around 600 U.S. troops. The political situation remains fluid thus heightening the potential for further changes, and this dynamic could place strains on the network of relations between Egypt and its neighbors that have historically been critical to the anticipation and mitigation of emergent crises. Additionally, the dire state of the Egyptian economy remains a cause of concern and a driver of internal dissent. Our relationship with the Egyptian senior military leadership remains on a firm footing characterized by candid and professional discussions. Our military assistance plays a major role in protecting our interests and is crucial to the modernization and interoperability of the Egyptian Armed Forces and USCENTCOM endorses its continued support without conditionality.

- **Yemen**: In Yemen, President Hadi has made important progress implementing the GCC-sponsored political transition agreement. He continues to exhibit sound leadership and a strong commitment to reform. To support the Yemeni government's implementation of the agreement, we are working closely with the Ministry of Defense to restructure and professionalize the military and security apparatus to effectively deal with critical national security threats. The economic situation, already degraded by a long period of unrest, remains vulnerable and poses a significant threat to stability. The security situation remains fragile due to the threats posed by Al Qaeda in the Arabian Peninsula (AQAP) and Iran's destabilizing activities. We continue our support to the national unity government to reduce the opportunity for violent extremists to hold terrain, challenge the elected government, or conduct operations against U.S. interests in the region or the homeland.

**Using Arms Transfers to Build Partnerships**

Arms transfers and military advisory missions have become a key aspect of the US commitment to the region and its effort to build affordable and sustainable strategic partnerships. While the major Western European states and China have cut their weapons exports to the region in recent years relative to the mid-2000s, Figure 3 shows the US increased its arms agreements with the GCC states by over eight times between 2004-2007 and 2008-2011.
Saudi Arabia made the most drastic increases in agreements, with a nine-fold increase in 2008-2011 versus 2004-2007. Kuwait, Oman, the UAE, and Qatar have also experienced considerable growth in arms sales agreement with the US. Figure 4 shows similar increases in arms deliveries.

These data show that the US commitment to the security of the Arab Gulf states has steadily grown stronger, as the Iranian asymmetric and missile threat and the prospect of Iranian nuclear weapons has become more threatening. The data in Figures 3 and 4 also leave no doubt that Washington and the Southern Gulf states take Iranian threats seriously, and are cooperating closely in building the region’s deterrent and defensive capabilities.
Figure 3: New Arms Transfer Agreements in Millions of Current US Dollars

<table>
<thead>
<tr>
<th>Recipient Country</th>
<th>U.S.</th>
<th>Russia</th>
<th>China</th>
<th>Major West European</th>
<th>All Other European</th>
<th>All Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Algeria</td>
<td>0</td>
<td>6,500</td>
<td>400</td>
<td>200</td>
<td>0</td>
<td>0</td>
<td>7,100</td>
</tr>
<tr>
<td>Bahrain</td>
<td>400</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>500</td>
</tr>
<tr>
<td>Egypt</td>
<td>4,400</td>
<td>400</td>
<td>300</td>
<td>0</td>
<td>300</td>
<td>0</td>
<td>5,400</td>
</tr>
<tr>
<td>Iran</td>
<td>0</td>
<td>1,600</td>
<td>300</td>
<td>0</td>
<td>100</td>
<td>100</td>
<td>2,100</td>
</tr>
<tr>
<td>Iraq</td>
<td>1,100</td>
<td>100</td>
<td>100</td>
<td>200</td>
<td>600</td>
<td>200</td>
<td>2,300</td>
</tr>
<tr>
<td>Israel</td>
<td>1,800</td>
<td>300</td>
<td>0</td>
<td>1,500</td>
<td>0</td>
<td>0</td>
<td>3,600</td>
</tr>
<tr>
<td>Jordan</td>
<td>700</td>
<td>200</td>
<td>100</td>
<td>0</td>
<td>300</td>
<td>0</td>
<td>1,300</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,000</td>
</tr>
<tr>
<td>Lebanon</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Libya</td>
<td>0</td>
<td>200</td>
<td>0</td>
<td>600</td>
<td>200</td>
<td>0</td>
<td>1,000</td>
</tr>
<tr>
<td>Morocco</td>
<td>0</td>
<td>200</td>
<td>0</td>
<td>400</td>
<td>100</td>
<td>0</td>
<td>700</td>
</tr>
<tr>
<td>Oman</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>2,100</td>
<td>0</td>
<td>0</td>
<td>2,200</td>
</tr>
<tr>
<td>Qatar</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>5,000</td>
<td>0</td>
<td>800</td>
<td>16,900</td>
<td>800</td>
<td>100</td>
<td>23,600</td>
</tr>
<tr>
<td>Syria</td>
<td>0</td>
<td>5,700</td>
<td>500</td>
<td>0</td>
<td>100</td>
<td>600</td>
<td>6,900</td>
</tr>
<tr>
<td>Tunisia</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>U.A.E.</td>
<td>1,400</td>
<td>300</td>
<td>100</td>
<td>1,100</td>
<td>200</td>
<td>100</td>
<td>3,100</td>
</tr>
<tr>
<td>Yemen</td>
<td>0</td>
<td>200</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>100</td>
<td>400</td>
</tr>
</tbody>
</table>
### Notes:
- Data less than $50 million or nil. All data are rounded to the nearest $100 million.
- Major West European category includes France, United Kingdom, Germany, and Italy totals as an aggregate figure.


<table>
<thead>
<tr>
<th>Recipient Country</th>
<th>U.S.</th>
<th>Russia</th>
<th>China</th>
<th>Major West European*</th>
<th>All Other European</th>
<th>All Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>0</td>
<td>2,100</td>
<td>200</td>
<td>800</td>
<td>100</td>
<td>0</td>
<td>3,200</td>
</tr>
<tr>
<td>Bahrain</td>
<td>400</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>400</td>
</tr>
<tr>
<td>Egypt</td>
<td>7,400</td>
<td>500</td>
<td>600</td>
<td>100</td>
<td>300</td>
<td>0</td>
<td>8,900</td>
</tr>
<tr>
<td>Iran</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>100</td>
<td>300</td>
</tr>
<tr>
<td>Iraq</td>
<td>4,600</td>
<td>300</td>
<td>0</td>
<td>500</td>
<td>0</td>
<td>200</td>
<td>6,700</td>
</tr>
<tr>
<td>Israel</td>
<td>5,900</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5,900</td>
</tr>
<tr>
<td>Jordan</td>
<td>1,500</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>1,600</td>
</tr>
<tr>
<td>Kuwait</td>
<td>2,500</td>
<td>700</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>200</td>
<td>3,200</td>
</tr>
<tr>
<td>Lebanon</td>
<td>300</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>500</td>
</tr>
<tr>
<td>Libya</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>700</td>
<td>200</td>
<td>0</td>
<td>1,000</td>
</tr>
<tr>
<td>Morocco</td>
<td>2,700</td>
<td>0</td>
<td>500</td>
<td>1,000</td>
<td>900</td>
<td>0</td>
<td>5,100</td>
</tr>
<tr>
<td>Oman</td>
<td>1,500</td>
<td>0</td>
<td>0</td>
<td>200</td>
<td>0</td>
<td>0</td>
<td>1,700</td>
</tr>
<tr>
<td>Qatar</td>
<td>200</td>
<td>0</td>
<td>0</td>
<td>800</td>
<td>0</td>
<td>0</td>
<td>1,000</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>45,600</td>
<td>0</td>
<td>0</td>
<td>5,300</td>
<td>1,100</td>
<td>100</td>
<td>52,100</td>
</tr>
<tr>
<td>Syria</td>
<td>0</td>
<td>1,700</td>
<td>200</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>2,000</td>
</tr>
<tr>
<td>Tunisia</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>U.A.E.</td>
<td>14,300</td>
<td>100</td>
<td>0</td>
<td>1,600</td>
<td>1,100</td>
<td>100</td>
<td>17,200</td>
</tr>
<tr>
<td>Yemen</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>300</td>
<td>0</td>
<td>500</td>
</tr>
</tbody>
</table>
Figure 4: New Arms Deliveries in Millions of Current US Dollars

GCC Spending = 80X Iran in 2008-2011
25X Iran in 2004-2007

<table>
<thead>
<tr>
<th>Recipient Country</th>
<th>U.S.</th>
<th>Russia</th>
<th>China</th>
<th>Major West European</th>
<th>All Other European</th>
<th>All Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Algeria</td>
<td>0</td>
<td>900</td>
<td>200</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,100</td>
</tr>
<tr>
<td>Bahrain</td>
<td>200</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>300</td>
</tr>
<tr>
<td>Egypt</td>
<td>5,700</td>
<td>300</td>
<td>400</td>
<td>0</td>
<td>400</td>
<td>0</td>
<td>6,800</td>
</tr>
<tr>
<td>Iran</td>
<td>0</td>
<td>500</td>
<td>200</td>
<td>0</td>
<td>0</td>
<td>200</td>
<td>900</td>
</tr>
<tr>
<td>Iraq</td>
<td>200</td>
<td>100</td>
<td>0</td>
<td>100</td>
<td>300</td>
<td>100</td>
<td>800</td>
</tr>
<tr>
<td>Israel</td>
<td>5,700</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5,800</td>
</tr>
<tr>
<td>Jordan</td>
<td>600</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>700</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1,500</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,500</td>
</tr>
<tr>
<td>Lebanon</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Libya</td>
<td>0</td>
<td>200</td>
<td>0</td>
<td>0</td>
<td>200</td>
<td>0</td>
<td>400</td>
</tr>
<tr>
<td>Morocco</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>300</td>
</tr>
<tr>
<td>Oman</td>
<td>700</td>
<td>0</td>
<td>300</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,000</td>
</tr>
<tr>
<td>Qatar</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>4,300</td>
<td>0</td>
<td>200</td>
<td>9,900</td>
<td>100</td>
<td>100</td>
<td>14,600</td>
</tr>
<tr>
<td>Syria</td>
<td>0</td>
<td>500</td>
<td>300</td>
<td>0</td>
<td>0</td>
<td>300</td>
<td>1,100</td>
</tr>
<tr>
<td>Tunisia</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>U.A.E.</td>
<td>600</td>
<td>200</td>
<td>0</td>
<td>4,000</td>
<td>400</td>
<td>0</td>
<td>5,200</td>
</tr>
<tr>
<td>Yemen</td>
<td>0</td>
<td>400</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>100</td>
<td>600</td>
</tr>
</tbody>
</table>
Notes: 0=data less than $50 million or nil. All data are rounded to the nearest $100 million.

a. Major West European category includes France, United Kingdom, Germany, and Italy totals as an aggregate figure.

The US has focused on helping the Southern Gulf states develop their air, naval, asymmetric warfare, and counterterrorism capabilities. It has also helped them develop improved missile defense capabilities, particularly in Qatar and the UAE.

Many GCC states are acquiring PAC-3 capabilities for their PATRIOT missile defense systems. Unlike the PAC-2 variant, the PAC-3 can accommodate 16 missiles per launcher rather than four and offers “more advanced radar and electronics systems” as well as “‘hit to kill’” capabilities, whereas the PAC-2 uses a “proximity fuse.” This system can be used “against short-range ballistic missiles, large-caliber rockets, and air-breathing threats.”

Additionally, the US is selling Terminal High Altitude Area Defense (THAAD) capabilities to Qatar and the UAE. THAAD – like PAC-3 – also offers “hit-to-kill” capabilities, and is able to intercept ballistic missiles in the last segment of their flight, but is a wide area missile defense system. The ability of the system to intercept missiles at high altitude – including above the Earth’s atmosphere – makes it an appealing system for the intercept of nuclear, chemical, or biological-tipped missiles. This system will offer additional protection to these countries and US facilities and assets within them by working synergistically with PATRIOT PAC-3 and Aegis systems already in the region. According to Lockheed Martin, “The system [THAAD] has a track record of 100% mission success in flight testing.”

In addition to missile defense developments, the US has taken steps to enhance the air and maritime security capabilities of each friendly state to protect against threats from the air, land, and sea.

Complimenting these efforts, the US has offered Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR) assistance to many of the most vulnerable states to instability in the region – such as Yemen and Bahrain – as will be discussed in greater detail later in this assessment.

The Gulf Security Dialogue (GSD) initiated by the Bush Administration has been sustained through the Obama Administration as Washington engages the region. There have been discussions indicating the possibility of US security guarantees or “extended deterrence” in an effort to protect these states against Iranian threats. Such efforts could reduce the possibility that some Gulf states would acquiesce to Iranian pressure and limit the threat of proliferation in the event that Iran actually equips its force with nuclear weapons.

All of these measures represent a US commitment to the containment and deterrence of Iran in the Gulf – addressing the conventional and unconventional threats posed to these states. At the same time, the US has encouraged economic, social, and political reform, the development of energy exports, and the expansion of trade.

**Dealing With the Strengths and Weaknesses of Gulf Partners**

The Southern Arab Gulf states represent the key strategic bloc in the region, and one whose ties to the US are critical to its competition with Iran and the security of world oil flows and the global economy.
As the most powerful state on the Arabian Peninsula, Saudi Arabia maintains a larger defense budget than any of the other countries in the region – spending almost four times as much on defense in 2011 ($49 billion) as the next largest spender on the Peninsula, the UAE ($12.7 billion). Saudi Arabia is estimated to have spent over two times more on defense than Iran spent in 2012.\textsuperscript{71}

The differences in size of active forces in the Gulf largely reflect the differences in population size between the Gulf countries, with Saudi Arabia and Yemen having the largest active forces on the Peninsula in 2013 – 233,500 and 66,700 respectively, as reflected in Figure 5. Despite the considerable gap between the Kingdom’s defense budget and that of Iran’s, Tehran’s active force is over twice the size of Riyadh’s, with 523,000 active personnel, compared to the Kingdom’s 233,500.\textsuperscript{72}

\textbf{Figure 5: Relative Active Force Sizes of the Arab Gulf States}


Energy exports are an important factor driving national security spending for the region’s main exporters. The Peninsula’s largest national security spending occurs in the two countries with the highest crude oil export rates – Saudi Arabia and the UAE.\textsuperscript{73} It is believed that spending on defense will continue to rise as revenues from energy exports also increase, at the expense of spending on social programs.\textsuperscript{74} The highly socialized economies of the Gulf states are dependent on energy export revenues to finance social programs and create jobs for the unemployed population. The allocation of a greater share of energy export revenue toward security could exacerbate economically-driven social problems, possibly leading to greater internal security challenges.

\textbf{Southern Gulf Alignments With the US}

The US is divided from the Southern Gulf states by its different political system and values, by its ties to Israel, and by its need to focus on other global strategic commitments at a time it must limit its national security spending. At the same time, the US remains committed to dealing with Iran’s actions, the violent political upheavals in the region, and the threat of terrorism and internal extremists -- while these same forces have steadily
pushed the Southern Gulf states towards building up their military capabilities and creating a more effective partnership with the US, the UK, and France.

The leaders of each Southern Gulf state made this clear in the official press statement issued after the December 2012 (33rd) Supreme Council meeting of the GCC. This statement not only highlighted the Iranian threat, but indirectly challenged Iran on Syria and any Iranian role in Yemen:

The Supreme Council reiterated its firm stance as per previous statements rejecting the Iranian occupation of the UAE's three Islands namely: (Greater Tunb, Lesser Tunb and Abu Musa), asserting the right to supremacy on the three islands and regional territorial waters, airspace and continental cliff and free economic zone which form an integral and inseparable part of the United Arab Emirates.

The Supreme Council expressed sorrow because no positive results could be reached through communications with the Islamic Republic of Iran as to culminate in a solution for the issue of the three UAE's islands so as to contribute into boosting the security and stability of the region.

Any acts or practices implemented by Iran on the three islands will be deemed null and void and should not entail any change in legal or historic status of the Islands that confirm the right of supremacy of the United Arab Emirates over its three Islands.

The Supreme Council did not rule out considering all peaceful means which could lead to reinstating the right of the United Arab Emirates over its three islands, inviting the Islamic Republic of Iran to respond to the UAE's efforts to solve the issue through direct negotiations or resorting to the International Court of Justice.

The Supreme Council rejected and denounced continual Iranian interference in the GCC states' internal affairs and urged Iran to immediately stop these practices for good and to refrain from policies and acts that increase tension or threaten regional security and stability. The Supreme Council emphasized the need for Iran's full compliance with the principles of good neighborliness and mutual respect and non-intervention in internal affairs and solving disputes by peaceful means without resorting to force or threats.

The Supreme Council asserted that the Iranian nuclear program does not only threaten regional security and stability but also international security and stability, urging Iran to cooperate with the International Atomic Energy Agency (the IAEA), and renewed the GCC firm stance regarding the significant need for Iran's compliance in order to make the Middle East region, including the Arabian Gulf region, free from weapons of mass destruction as well as from nuclear weapons, praising international efforts aimed to solve the Iranian nuclear program through peaceful means.

The Supreme Council affirmed the right of countries, including Iran, to harnessing peaceful nuclear energy on condition of responsibility of the operating country for the safety of its nuclear facility whilst taking into consideration environmental safety in the large geographic region and the need to fully comply with standards of safety and security and non-nuclear proliferation. Now that Iran began operating the Bushehr reactor, the GCC countries urge Iran to maintain full transparency vis-a-vis this matter and to join the agreement on nuclear safety and enforce maximum safety standards in its facilities.

The Supreme Council reviewed latest developments on the Syrian arena, under continually deteriorating conditions and the human suffering of the brotherly Syrian people. The Council expressed utmost pain and grief towards continuous bloodshed and loss of innocent lives, destruction of cities and infrastructures that necessitates a speedy political power transition. The Council urged the international community to move seriously in order to promptly stop these massacres and blatant violations that contradict with all heavenly commandments, international laws and human values.

The Supreme Council asserted its support to the Syrian National Coalition which is the sole lawful representative of the Syrian people formed in Doha in November 2012 under the kind patronage of
His Highness Sheikh Hamad bin Khalifa the Emir of the State of Qatar and auspices of the Arab League, urging the international community to urgently provide all sorts of humanitarian assistance to the brotherly Syrian people who suffer from harsh living conditions.

The Supreme Council expressed its support to the mission of the UN Arab Envoy to Syria, Mr. Lakhdar Brahimi, provided that this gains consensus from the UN Security Council especially its permanent members, in accordance with the powers and responsibilities of the UN Security Council in maintaining international security and stability.

… The Supreme Council was informed by King Hamad bin Isa Al Khalifa about the message he had received from Yemeni President Abdourabou Mansour Hadi regarding accomplishment of the GCC Initiative for Yemen's part one who thanked the GCC leaders for protecting Yemen from the ghost of civil war and solving its problem.

The Council praised the Yemeni President's recent resolution in favor of restricting the Yemeni Armed forces as part of the GCC Initiative and its executive mechanism in a key step aimed to boost security and stability in Yemen.

The Supreme Council looks forward to Yemen's implementation of the second phase of the GCC Initiative for Yemen after convening the national dialogue with participation from all segments of the Yemeni people and their concurring on what is in the best interest of Yemen and its unity, security and stability.

The Supreme Council reiterated its previous resolutions and firm stances vis-a-vis Iran in terms of respecting its territorial integrity and independence, urging Iraq to comply with UN resolutions regarding its borders and pending issues with the State of Kuwait.

A later press release on a press conference by Shaikh Khalid bin Ahmed Al Khalifa, Minister of Foreign Affairs of the Kingdom of Bahrain and Dr. Abdullatif bin Rashid Al-Zayani, Secretary General of the GCC, reported that: 76

'The efforts to communicate with the Islamic Republic of Iran have not stopped and will not stop and relations with it always passes stages and there are things which we disagree with Iran. GCC is keen to put its relationship with Iran in the correct path without allowing to any party to intervene in the affairs of the other party and not endanger the region, whether to the danger of violence, of environment or that of war or to the threat of nuclear reactors, even in situations of peace, and news about the danger of nuclear reactors was circulated and that was clarified for the Islamic Republic.'

…He also said 'We want a radical solution ending the tragedy of the Syrian people,'.

…On the issue of Yemen, Dr. Al-Zayani said that the GCC member States support Yemen's stability and they have had their efforts through the GCC initiative, and that the amount collected was eight billion, of which most of it came from the GCC member States and we are optimistic about the situation in Yemen for our confidence in the wisdom of the Yemeni brothers.

Also, the Bahraini Foreign Minister explained that the GCC efforts in resolving the issue of the occupied islands of the United Arab Emirates (UAE) are still going on and our stance is solid towards it and they are UAE islands occupied by Iranian forces and must be returned to the UAE either through negotiations or arbitration, and that any action carried out by Iran on these islands won't result in any legal interest in Iran's favor and we support all the UAE steps in this regard.

…On the assessment of Russian efforts to resolve the Syrian crisis, the Foreign Minister of Bahrain stressed that Russia's role is an important role, and that there is a dialogue between the GCC countries and Russia, and work is going on to remove any misunderstanding between the two sides.

Concerning the negotiations between the 'Five Plus One' group and Iran on the latter's nuclear program, Sheikh Khalid Al Khalifa said that 'if the talks are about the region, we are the region, and we need to know hidden things.'
On the nuclear negotiations, Sheikh Al Khalifa wished them success and that the two sides may reach an agreement to spare the region the scourges. In this regard, he also said that 'If you look at the language of the final statement issued earlier today by the summit, you will find a new language added to it, we want the Iranian program to be transparent and clear after international news on some of its risks.'

Answering a question on the Iraqi situation, the Foreign Minister of Bahrain said “Ties with Iraq included in the final statement, and the relationship should be strong and the situation in Iraq now is not the optimal one.” Since that time, upheavals in Egypt, instability in Yemen, the intensity and regional impact of the Syrian civil war, and the renewed rise of violence in Iraq have all reinforced the need for cooperation within the GCC, greater strategic and military unity, and the need for more effective cooperation and interoperability with the United States and partners like Britain and France. Unfortunately, the GCC states have made only slow progress in acting on their words.

The Impact of the Divisions Between the Arab Gulf States

The long series of tensions between the Southern Gulf states and Iran – beginning with the Iran-Iraq War and now shaping the growing tensions over Iran’s nuclear efforts and growing asymmetric threat in the Gulf – have made it clear to Southern Gulf capitals that security cooperation with the US is necessary to ensure national security, whether it be protecting tankers transiting the Gulf, or repelling an Iraqi invasion – as was the case for Kuwait and Saudi Arabia.

The growing partnership between the US and the Southern Gulf states has improved the combined ability of the US and these states to both deter and defend against any threat in the region. At the same time, the tensions between the Arab Gulf states impose important limitations that have restricted the effectiveness of the GCC, its military integration, and its level of interoperability. These problems are created by nationalism, divisions between the Arab Gulf states, and by the fact that the smaller states fear Saudi dominance:

- **Bahrain**: Bahrain is closely tied to Saudi Arabia, and is the headquarters of the US Fifth Fleet. It sees Iran as a major source of its current Shia and Sunni tensions. There is still some residual tension with Qatar over past disputes over the waters and reefs between them, and the fact that the Qatari ruling Al Thani family seized the Peninsula in the mid-1800s from the Bahraini Al-Khalifa royal family after the Al-Khalifa’s had occupied Bahrain.

- **Kuwait**: Kuwait was the key country leading to US intervention in the Iran-Iraq War in 1987-1988 – after the US agreed to reflag Kuwaiti tankers being attacked by Iran. It has been closely tied to the US since the Iraqi invasion of Kuwait in 1990, and provided assistance for the invasion of Iraq. Kuwait maintains close cooperation with the US with major basing and prepositioning facilities since 2002, when the US prepared for the invasion of Iraq. Kuwait’s security concerns focused on the threat from Iraq until 2003, and Kuwait is careful to avoid provoking Iran when possible. There is a legacy of Kuwaiti-Saudi tension from the period in which Kuwait was the more developed state. Kuwait is partly divided from Saudi Arabia by a Neutral Zone, but there is no evidence of serious tension over management of the zone, and all boundary, offshore, and island issues seem to have been resolved well over a decade ago.

- **Oman**: Oman plays a key strategic role in Gulf security because of its location on the Strait of Hormuz, at the entrance to the Gulf, and with access to the Gulf of Oman and the Indian Ocean. It has a long history of low-level tension with Saudi Arabia over past border disputes, the Omani search for an increased role in GCC and aid for its forces, and Oman’s desire to avoid Saudi domination of the GCC. Oman had some past tension with UAE over maritime boundaries. It offers the US contingency bases and prepositioning facilities, and Oman has close security ties to the UK. Muscat has tried to maintain correct and “friendly” relations with Iran – which sits across
from Oman at the Strain of Hormuz, but has been careful to assert its sovereignty and avoid any Iranian interference.

- **Qatar**: Qatar is a key partner of the US. It hosts the US Combined Air Operations Center (CAOC), and provides air basing and prepositioning facilities. Qatar shares the same interpretation of Islam as Saudi Arabia, but there is a history of border disputes with Saudi Arabia which seemed to be resolved in 2001, along with its border disputes with Bahrain, but have led to some discussion of border revisions between Qatar, Saudi Arabia, and the UAE.

There was ongoing tension existed between Saudi Arabia, Abu Dhabi and Qatar’s ruler – Amir Hamad bin Khalifa Al Thani. Amir Hamad overthrew his father in a bloodless coup in 1995 and then felt Saudi Arabia and the UAE supported a failed countercoup attempt by his father. The Amir and his brother, the Foreign Minister and Prime Minister Sheikh Hamad bin Jassim al Thani often took positions that challenged or disagreed with Saudi Arabia.

This situation may have changed, however, in late June 2013. Amir Hamad gave up the throne and made his son, Sheikh Tamim bin Hamad al Thani, the new Amir. Amir Tamin replaced Foreign Minister and Prime Minister Sheikh Hamad bin Jassim al Thani, and supported Saudi Arabia and the UAE in support the Egyptian Army’s overthrow of Morsi in Egypt.

Amir Tamin did make it clear in his first speech, however, that. “We don't take direction (from anyone) and this independent behavior is one of the established facts”...As Arabs we reject splitting countries on a sectarian basis... and because this split allows for foreign powers to interfere in the internal affairs of Arabs and influence them...We are a coherent state, not a political party, and therefore we seek to keep relationships with all governments and states...We respect all the influential and active political trends in the region, but we are not affiliated with one trend against the other. We are Muslims and Arabs who respect diversity of sects and respect all religions in our countries and outside of them.”

Both Qatar and Saudi Arabia supported the rebel side in the Syrian civil war, but Qatar supported more hardline Islamist elements while Saudi Arabia supported more moderate factions. Qatar supported the Muslim Brotherhood in Egypt, opposed the Egyptian military’s overthrow of President Morsi’s government, and backed some elements of Muslim Brotherhood-linked entities in Syria. Saudi Arabia, the UAE, and Kuwait strongly backed the Egyptian military in overthrowing Morsi and provided some $12 billion in aid – opposing both Qatar and the US which had pressed the military reach some settlement with Morsi, avoid civil violence and repression, and move quick towards elections. These differences have led to quiet rifts within the GCC, creating challenges for the US as it works to build consensus on regional issues.

- **Saudi Arabia**: Saudi Arabia is the largest power by far in the Southern Gulf and the only GCC state large enough to have great strategic depth. It has been a key security partner of the US since World War II, and was the co-commander with the US and leader of the Arab forces in the coalition that liberated Kuwait in 1990-1991. Saudi Arabia no longer provides basing facilities to the US, but provided quiet support to the US during its invasion of Iraq in 2003; has strong US advisory teams for its military, National Guard, and internal security forces; and has bought massive numbers of arms transfers from the US. Saudi Arabia has sought correct and “friendly” relations with Iran, but has long challenged any Iranian effort to lead the Gulf.

The Kingdom has leveraged its power as well as the ambiguity of border demarcations to influence energy developments in the region. It is reported to have initially voiced opposition to the Dolphin natural gas pipeline, which links Qatar and the UAE. Though that opposition was eventually lifted, Riyadh blocked efforts by Qatar to develop a pipeline with Kuwait. Such issues jeopardize Gulf unity and underscore the need for increased cooperation through the GCC to formalize borders and cooperatively address energy issues.

- **UAE**: The UAE has become the most effective military force in the GCC, and now cooperates closely with the US in its military development and security affairs in the Gulf. Like Qatar, it is one of the two states now buying THAAD missile defenses, and has played an overt role in supporting insurgents in Libya and Sunni forces in Syria. The Emirates have been divided in the
past in dealing with Iran; Dubai is a key transshipment and training partner with Iran, but Abu Dhabi and Sharjah have long led the GCC-wide challenge to Iran’s control of Abu Musa and the Tunbs – islands the Shah seized from Sharjah during British withdrawal from the Gulf and which Iran later fully occupied. At present, the UAE seems united in resisting Iran. There is some tension with Saudi Arabia over Saudi efforts to lead the GCC, and some low-level comments about reopening past border issues.

- **Yemen:** Yemen has long been the most troubled and poorest Gulf state, lacking significant petroleum resources, and built on an uncertain unity between what was once North Yemen or the Yemeni Arab Republic (YAR) and South Yemen or the People’s Democratic Republic of Yemen (PDRY). Both states were affected by war – the YAR by a civil war, and an Egyptian invasion that marked the first use of poison gas since the end of World War II and the PDRY by constant internal power struggles and its support of the Dhofar rebellion in Oman. Unity came only after the internal collapse of the PDRY and a low-level conflict between northern and southern factions. A failed central government, a failed economy, massive population growth, tribal and sectarian differences, and shortages in water have left Yemen under uncertain central control, brought Saudi Arabia to intervene in the northwest border area, and have made Yemen the key source of instability in the Arabian Peninsula.

**The Gulf Cooperation Council (GCC) and Moves Towards Federation and Unity**

Progress in the modern military history of the Southern Gulf has to some extent been the history of bilateral and multilateral efforts to break out of these divisions and create a stable regional power structure that produces more effective political and economic cooperation, more internal stability and security, and an effective military alliance that can deter and defend against outside threats.

**Movements Towards Enhanced Cooperation**

Six of the Southern Gulf states – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE – established the GCC in Abu Dhabi on May 25, 1981. They did so at a time when they faced several emerging threats from Iran. The Iran-Iraq War was intensifying, and the Gulf states backed Saddam Hussein in his fight against Iran. Additionally, the 1979 revolution in Iran threatened to mobilize Shia throughout the Gulf against their Sunni governments.80 The GCC was designed to enhance political, social, economic, and security cooperation, and to serve, “… as a mechanism for resolving internal political and economic issues and coordinating multilateral security cooperation.”81 Its individual members have steadily expanded their military forces, far outpacing Iran in military expenditures, arms transfers, and force modernization. It has great potential for such cooperation, and in 2012, it had a total population of some 45.9 million, a total GDP of $1.37 trillion (rising from $207.7 billion in 1990 and $375.5 billion in 2000), and an average GDP per capita of $39,900.82 They have made limited progress in security cooperation in spite of their internal divisions. Once such effort was the creation of a Peninsula (Jazeera) Shield Force, which was formed in 1984, and is described as a “collective defence force” under the GCC.83 It was established after Iran went on the offensive in the Iran-Iraq War. The force had serious political and military limitations that ensured it had only token value during the effort to liberate Kuwait.
It has, however, provided the shell for more recent collective security action. It was the cover for the force contingents from Saudi Arabia, the UAE, and Qatar, as well as the Kuwaiti Navy deployed to help Bahrain deal with its political upheavals in 2011. It was expanded to a nominal strength of nearly 40,000 in 2002-2003. It continues to be based at King Khalid Military City in Saudi Arabia, near Hafar al Batin. In practice, however, its readiness remains low and much of its assigned strength is missing or remains in its parent country.

Other security initiatives have included the “Belt of Cooperation’ air space monitoring network” and a 2004 agreement on “intelligence-sharing.” Neither has made the needed levels of progress, but they have helped lay the groundwork for further cooperation.

The GCC has also made progress in economic internal security. It launched a common market in 2008, and has considered establishing a common currency. A customs union was launched in 2003, but has reportedly made only a marginal impact. It also has slowly improved cooperation in intelligence and counterterrorism through a network of different committees and coordinating bodies and the sharing of intelligence and security data.

The GCC is also expanding. Yemen has become associated with some GCC institutions and is tentatively seeking membership in 2015. Jordan requested to join the GCC in 1986, and its request was accepted in May 2011. Morocco was invited to join – sending ministers to the GCC for the first time in September 2011.

**GCC Relations with the US**

The US has strongly encouraged such moves as a way of strengthening regional security and stability. The GCC and Washington established a Gulf Security Dialogue (GSD) in 2006. This initiative was based on developing GCC member militaries as well as addressing sensitive issues like the Arab-Israeli conflict, terrorism, proliferation, Iraqi security, and building “interoperability” between regional defense forces.

High-level interactions take place at the assistant secretary level of the State and Defense Departments, with lower-level interactions involving the same agencies as well as the National Security Council, US CENTCOM, and the Joint Staff. The US has used the dialogue to help the Gulf states build the means to defend themselves, as well as to protect energy industry assets in the region.

More recent US-GCC interactions have been focused on security issues like developing a Gulf missile defense system to protect the region against missile attacks from Iran. According to former US Secretary of State Hillary Clinton:

> We can do even more to defend the Gulf through cooperation on ballistic missile defense... Sometimes to defend one nation effectively you might need a radar system in a neighboring nation...But it’s the cooperation – it what they call ‘interoperability’ – that we now need to really roll up our sleeves and get to work on.

This initiative has helped lead to the sale of THAAD and PATRIOT systems from the US to GCC states, launching an X-band radar in Qatar, and the development of command, control, and communications (C3) capabilities within the GCC.

In its 2013 Posture Statement, USCENTCOM emphasizes Washington’s engagement with the GCC on a number of different security initiatives:
By deepening strategic ties with the Gulf and improving the capability of the GCC states through multilateral exercises, security assistance and training, regional stability is appropriately shown to be an international responsibility. The U.S. will continue to promote the capabilities of GCC partners in such missions as missile defense, maritime security, critical infrastructure protection and development of a common operating picture that allows us to work smoothly together when necessary.

During the past year, we have seen significant progress in our military relationship with countries of the GCC. ... We have worked to enhance and deepen Ballistic Missile Defense cooperation in response to the proliferation of these weapons. We continue to emphasize U.S.-GCC multilateral exercises, such as our successful International Mine Countermeasure Exercise, which included participants from over 30 countries from five continents in 2012, and our Proliferation Security Initiative (PSI) exercise LEADING EDGE 2013 ably hosted by UAE. The Gulf States have demonstrated the willingness to work with one another and with international partners to counter malign influence in the region and ensure freedom of commerce—a critical international issue in terms of the global economy. Interoperability in this framework improves U.S. defense-in-depth and our own capabilities become more robust by supporting partner capacity and working by, with and through the GCC.

**GCC Relations with Iran**

The GCC was conceived largely in response to the perceived threat from a post-revolutionary Iranian policy in the Gulf. Since then, Iran has consistently been a central issue shaping the actions of the council. The containment of Iran has been a continuing priority of the GCC since the decade following the Iran-Iraq and Gulf Wars, and the GCC currently seeks to build its defensive capabilities to protect the peninsula against Iran’s missile threats and unconventional forces in the Gulf.92

The GCC did seek to deepen economic engagement with Iran. A free trade agreement with the Islamic Republic was considered in 2008, but rising tensions with Iran have since effectively blocked progress in such areas.93

The GCC is now united in expressing concern about Iran’s actions in dealing with Abu Musa and the Tunbs, its buildup of asymmetric forces in the Gulf and threats to close the Strait of Hormuz, and the Iranian nuclear program and possible implications this could have on regional security. However, the members of the GCC remain cautious about any form of military engagement with Iran, and publically advocate a political rather than military solution to the nuclear dispute.94

These GCC concerns over the Iranian nuclear program include concerns over the presence of nuclear facilities along the coastline of the Persian Gulf – particularly the Bushehr reactor – and the implications an accident could have on regional security.95 According to Bahrain’s State Minister for Foreign Affairs, Ganem Al Buainain:96

> The GCC countries have stated that they do not appreciate the existence of nuclear plants on the shores of the Gulf [even] if they are for peaceful purposes... They do represent a threat to the people of the region if there is a leak. This threat is not confined to the GCC people, but also to the Iranians themselves living on the eastern shore of the Arabian Gulf. This matter does deserve greater attention.

Tensions between the GCC and Iran grew in spring 2011 as the GCC issued a communiqué criticizing Iran, and deployed the Peninsula Shield Force to Bahrain. On April 20, 2011, the GCC and the EU issued a joint communiqué that alluded to the Bahrain and Yemen issues without directly mentioning them – calling for Iran “to cease interfering in the internal affairs of GCC Member States and other countries in the
region.” At the same time, the GCC continued to challenge Iranian claims to the Tunbs and Abu Musa, turning the disputes into multilateral issues that gave the Arab states far greater leverage over Iran.

The statement encouraged Tehran “…to fully comply with the relevant resolutions adopted by [the] UNSC and the IAEA and recalled their commitment to the full implementation of relevant UNSC resolutions,” while also calling for diplomacy with Iran on its nuclear endeavors.

This GCC communiqué and statements about Iranian involvement in Bahrain and Yemen prompted numerous harsh responses from Iranian figures against the GCC:

- “The recent statement of the PGCC contains repetitive words that are always uttered to delight their friends and themselves… They are errand boys of the Americans.” – Hassan Kamran, National Security and Foreign Policy Commission, Iranian Parliament, published April 5, 2011.
- “They have always sought to show Iran as an anti-security element…They attempt to accuse Iran of meddling in the regional countries’ affairs, while all these protests are self-driven and the result of cruelty of tyrant rulers against the oppressed people.” – Daryoush Qanbari, Rapporteur, Iranian parliament minority faction, published April 10, 2011.
- “While military forces of some countries are killing defenseless men and women, PGCC claims that Iran interferes in other countries’ internal affairs.” – Ramin Mehman-Parast, Spokesman, Iranian Foreign Ministry, published April 20, 2011.
- “The PGCC is searching for foreign elements in vain since a change and an evolution has happened among the people and they are protesting and expect their voices to be heard… There is no foreign element in this movement…. Two years ago Yemeni President Ali Abdullah Saleh similarly accused Iran and others of having a hand in the developments in his country, but could they find even a single Iranian or foreign national in the demonstrations of hundreds of thousands of the Yemeni people.” – Manouchehr Mottaki, Former Iranian Foreign Minister, published May 16, 2011.
- “Unfortunately, certain (countries), under the influence of the hegemonic powers’ media outlines [sic] and without taking the regional nations’ interests into consideration, are creating a commotion about the Islamic Republic of Iran and causing misunderstanding among regional nations, a move which will negatively affect regional relations and undermine stability and security.” – Ramin Mehman-Parast, Spokesman, Iranian Foreign Ministry, published September 13, 2011.

Relations between the GCC and Iran remain tense. The December 2011 meeting of the GCC Supreme Council used stronger rhetoric to address Iranian interference in the region and reportedly “demanded Iran to desist from such policies and practices,” while also pressing Iran to work with the IAEA on its nuclear program.

A GCC Ministerial meeting in April 2012 produced a communiqué that strongly criticized President Ahmadinejad’s trip to the disputed island Abu Musa. The communiqué stated, “[a]ny aggression on the sovereignty or interference in the internal affairs of a member country would be considered as an attack on all member countries and interference in their affairs.”

The Syrian Civil War also continues to be a point of division between the GCC and Iran, with both parties supporting opposing sides in the conflict. While Iran has provided military and political support to the Syrian regime, Saudi Arabia and Qatar have provided support to the opposition, and the GCC as a whole now considers the National Coalition of Syrian Revolutionary and Opposition Forces as the official representation of Syria.
Movements Towards Greater Unity and “Federation”

The upheavals in the region and the Arab world have led the GCC to explore forming a GCC political union. In late 2011, King Abdullah of Saudi Arabia called on the formation of a union of Gulf states. Saudi Arabia and Bahrain remain the most vocal proponents of the plan, while other GCC states are not prepared to commit at this point to a union.107

The GCC is also examining ways to create more integrated and interoperable forces. The growing threat from Iran has led the GCC to place far more emphasis on such enhanced military cooperation. Saudi Arabia has pressed for rapid progress since the GCC ministerial at the end of 2011, and the GCC states agreed to seek added cooperation in some form of federation in March 2012.

A press release issued by Shaikh Khalid bin Ahmed Al Khalifa, Minister of Foreign Affairs of the Kingdom of Bahrain and Dr. Abdullatif bin Rashid Al-Zayani, Secretary General of the GCC member states, after the December 2012 GCC Summit meeting stated that:108

On the schedule for the creation of the GCC union, the Foreign Minister of Bahrain explained that the march began in the previous summit in Riyadh and that there is a group working to develop a perception which has been emphasized in Manama summit and that will be announced in due course after the completion of it in a special summit in Riyadh.

… Answering a question about a GCC joint defense system, the Bahraini Minister of Foreign Affairs said 'The GCC Legion put forward previously by Sultan Qaboos bin Said of Oman and by the Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz Al Saud in the past, and we have a joint defensive coordination and the Peninsula Shield will not be canceled and it is a fundamental element in the GCC joint defense action.'

For his part, the GCC Secretary General commented on the same question by saying that 'This issue is relating to the common defense and its mechanisms and methods will be defined.'

With respect to the security agreement, Dr. Abdullatif Al-Zayani said 'The agreement was called the amended security agreement and it was amended to comply with the constitutions and regulations in the GCC member countries. This amended agreement included follow-up and exchange of information on offenders, criminals and the ability to deal with crises and disasters, and forged a mechanism to deal with situations such as rescue, extradition mechanism and to create a network for the exchange of information.'

A separate report on the final Ministerial statement issued after the meeting noted that:109

The Supreme Council endorsed resolutions by the joint defense council and blessed the creation of a unified military command for coordination, planning and leadership of the dedicated and additional ground, naval and air forces, and the decision to approve the treatment of employees of the armed forces and their families in the GCC countries, who are sent on official tasks or participate in training courses in the Member States in military hospitals.

The Supreme Council also approved the security agreement of the GCC countries, as amended and signed by their Highnesses and Excellencies the Ministers of Interior in their 31st meeting on November 13, 2012, stressing the importance of intensifying cooperation in particular with respect to the exchange of information among security agencies in the Member States.

The Supreme Council asserted the firm positions of Member States to renounce terrorism and extremism in all its forms and manifestations, whatever the motives and justifications, and whatever its source.

It condemned the outrageous terrorist bombings that occurred recently in the city of Manama, Bahrain, and killed a number of innocent people, praising the constructive role of the Government
of Bahrain and its comprehensive dealing with events, stressing full solidarity with Bahrain in its efforts to maintain its national unity and consolidate security and stability.

The Supreme Council welcomed the opening of the International Excellence Center for Curbing Violent Extremism (Hidayah) in Abu Dhabi where experts and expertise are pooled from various countries in order to combat all sorts and phenomena of violent extremism.

Nevertheless, there have been no announcements of tangible steps to follow-up on these policy statements, of better institutions within the GCC, or a better focus on the missions the GCC needs to give the highest priority. Security cooperation between GCC states still lags badly because of the remaining tensions between Southern Gulf regimes, and each state’s military forces now cooperate more effectively with the US commands in the region than at the GCC level.

**Iranian Interests in the Gulf**

The Gulf region is Iran’s key focus in foreign policy and national security, and is seen as the Iranian regime’s “foremost strategic priority” by experts like Ray Takeyh. Exerting power and influence over the broader Gulf region has been an important part of Iran’s present and past. Contemporary examples can be found in Iran’s claims to the Tunbs and Abu Musa islands off the coast of the UAE, as well as official rhetoric about Iran’s claims to Bahrain (discussed in greater detail in the UAE and Bahrain sections, respectively).

Since the start of Iran’s Islamic Revolution, Iran has perceived the Gulf regimes as illegitimate, although such claims have become less public and strident with time. Ayatollah Khomeini initially expressed his desire for similar revolutions to be carried out in the Gulf – a key factor triggering Iraq’s initial invasion of Iran and leading to tensions between Iran and Saudi Arabia, as discussed in the Saudi Arabia section. Iran soon found, however, that any overt effort to claim religious leadership and undermine the Gulf states left it isolated during the Iran-Iraq War, and that there was little support for its religious claims outside Syria and Lebanon. Most of the demands of the Shia in the Arab Gulf were driven more by self-interests than any support for Iran’s revolution and concept of a Supreme Leader, and Arab Sunni governments responded aggressively against the uprisings.

Following Iran’s defeat in the Iran-Iraq War, the first decade of the Islamic Republic, and the death of Khomeini, Iran pursued less aggressive policies under the leadership of a new Supreme Leader, Ayatollah Khamenei. During the presidency of Akbar Hashemi Rafsanjani, Iran became more willing to engage the Gulf states it had demonized during the first decade of the Islamic Republic, though this did not change Iran’s policies towards the US or halt its regional ambitions.

During the presidency of Mohammad Khatami, Tehran remained critical of Washington’s security ties to the Gulf states, yet showed a willingness to continue to engage them at the political and economic levels despite the conflicting relationships – a policy known as the “Good Neighbor” initiative. This policy was pursued with the support of the Ayatollah Khamenei – a critical development in an Iran where the Supreme Leader and not the president controls religious orthodoxy, the armed forces, the security and intelligence services, the justice system, and the media.
The development of Iranian asymmetric forces and nuclear and missile capabilities; the growing instability in Bahrain; and tensions over Iran’s role in Iraq, Syria, Lebanon, and Yemen have all increased tensions between the Gulf states and Iran. So have other regional and extra-regional issues:

- **US Security Ties to the Gulf:** The high level of military cooperation between the US and the states on the Arabian Peninsula is of great concern to Iran’s leadership. The presence of US Central Command (US CENTCOM) facilities in Qatar, the US Navy Fifth Fleet in Bahrain, and the positioning of US Air Force aircraft and landing facilities throughout the region – while deemed necessary by the leadership of the Gulf states – has caused increasing unease in Tehran. The US military assets in the region – to say nothing of the vast airpower and missile defense capabilities of the GCC states, particularly Saudi Arabia – could easily be employed against Iran and its military in the event of an escalation. US military cooperation is discussed in greater detail in each of the respective country sections.

- **Gulf State Policies Toward Shia:** Iran employs a broad strategy of providing support to Shia populations in the Middle East and Central Asia, and exploits any tensions between them and their Sunni leadership. This affects Iranian support of Shia in Pakistan, the Hazara in Afghanistan, and Shia throughout the Arab world. It affects Iranian relations with the Shia in Iraq, Alawites in Syria, Hezbollah in Lebanon, and Shia populations in the Gulf. Arab Gulf leaders believe Iran is linked to the Shia uprising in Bahrain, the Shia Houthi insurgency in Yemen, and Sunni-Shia tensions in Saudi Arabia and Kuwait. Such support would put pressure on regimes that are in close economic, political, and security cooperation with the US. However, as was discussed above, there are real limits to the ability of Iran to engage these states for the purposes of advancing Iranian foreign policy interests.

- **Syrian Civil War:** While Iran has firmly backed the regime of Bashar al-Assad and has provided military assistance and deployed the IRGC Quds Force to Syria to protect the regime, the states of the Arabian Peninsula have displayed considerable support to the anti-Assad Syrian rebels. Saudi Arabia, Qatar, and the UAE are reported to have provided assistance to the rebels. Qatar hosted a critical conference in fall 2012 that brought together opposition factions. This conference proved important in establishing the Syrian National Initiative, and the entire GCC considers the new National Coalition for the Forces of the Syrian Revolution and Opposition to be “‘the legitimate representative of the brotherly Syrian people.’”

These tensions are likely to continue to grow more intense as the US enhances its military assistance ties in the Gulf, as the instability in Bahrain and Yemen becomes more intense, as Iran increases its asymmetric warfare and missile forces in the Gulf, as Iran moves closer to a nuclear weapons breakout capability, as Sunni and Shia tensions rise in Iraq, and as the Syrian Civil War polarizes Iran’s support of Assad and Alawites and the Arab states’ support of Sunni insurgents.

Simultaneously, tensions have continued to rise between Washington and Tehran over the Iranian nuclear program and Iran’s lack of cooperation with the International Atomic Energy Agency (IAEA) regarding allegations of experimentation towards the creation of a nuclear bomb. This – coupled with Iran’s reluctance to reach an agreement with the Five Permanent Members of the UN Security Council and Germany (P5+1) – exacerbated regional tensions.

**Internal Dynamics Affecting US and Iranian Competition**

So far, Bahrain and Yemen are the only Southern Gulf states that have been seriously affected by the broader patterns of unrest in the Arab world, and both have been able to limit the impact of these upheavals. The US partnership with the Southern Gulf states is,
however, subject to many of the same internal pressures in each Southern Gulf state that had led to major crises in Egypt, Libya, and Tunisia and affects every state in the region. These pressures do not necessarily make this partnership unstable, but they do need to be considered in detail, and it is important to note that the mix of such pressures differ sharply between one state and another.

**Demographic Trends and Tensions**

More broadly, both military threats and terrorist threat interact with the other threats the Arab Gulf states face to their security and stability. The Arabian Peninsula states face internal challenges in demographics, economics, and natural resources that influence the politics of each state, and as well as how they deal with Iran and terrorism.

The data involved are often uncertain, differ from source to source, and are sometimes dated. Nevertheless, most sources agree that demographic pressure is a major problem in many Arab Gulf states, as it is throughout the Middle East.

- The population trends in the Gulf Arab states are summarized in **Figure 6**, and are shown in detail in **Figure 7**. They reflect massive growth in Iran, Iraq, Saudi Arabia, and Yemen that later figures show has sharply limited per capita income, even in states with high total petroleum export earnings.

- **Figure 8** shows this population pressure has created an extremely young population in some Gulf states that puts heavy pressure on infrastructure, education and medical services, and economies with limited job creation outside the government sector. While population growth rates are dropping, this will be a continuing problem in Gulf states through 2050.

- **Figure 9** shows that productivity is limited by low rates of female employment at a time when women are increasingly well educated, and now graduate from secondary school and university in higher percentages than males in countries like Saudi Arabia.

- At the same time, **Figure 10** shows the massive dependence some Gulf states have on foreign labor – a factor that has sharply affected the work ethic of native males, raised local unemployment in some cases, and leads to a substantial cash flow out of the country in the form of remittances. Oil wealth and broader economic growth in the Gulf has led to a large inflow of foreign labor. The largest expatriate population is in the UAE, where roughly 74-80% of the total population is foreign. The UAE is not alone in having over half of its population consist of foreigners; Kuwait (50-63%) has a high number of foreigners and one estimate shows Oman (19-62%) as having a majority population of expatriates.

All of the Arab Gulf states experienced substantial population growth during the 20th century, particularly from the 1970s into the 1980s as they developed their societies and economies, attracting foreign labor. The most striking population growth has been in Saudi Arabia and Yemen – whose populations are expected to grow by roughly 56% and 95% respectively between 2010 and 2050. The UAE has also seen considerable population growth since the 1970s (**Figure 6**), driven by the country’s strong economy (second highest GDP and GDP per capita on the peninsula, as shown later in **Figure 18**) and high rates of migration.
Figure 6: Population Trends in the Arabian Peninsula – 1950-2050

Figure 7 Demographic Pressure on the Gulf States: 1950-2050

Figure 8: Percentage of Population 15-24 Years of Age (In 1,000s)
Figure 9 Female Participation in the Labor Force
Figure 10 Dependence on Foreign Labor in Arab Gulf States

**Sectarian, Ethnic, Tribal, and Regional Divisions**

Sectarian, ethnic, tribal, and regional divisions are further sources of tension affecting the Southern Gulf states as well as the other states in the region. The data on such divisions is again highly uncertain, but Figures 11 and 12 provide illustrative data as to the size of such pressures, and how they interact with dependence on foreign labor.

The most significant factor illustrated by Figures 11 and 12 that affects US and Iranian competition is the size of the Shia community in each Arab state. These sectarian divisions have a history of violence and tension that have divided the Sunni and Shia communities since shortly after the death of the Prophet Mohammed, and the links between Iran – a Shia state – and the Shia communities in the Gulf states have been a concern of Sunni governments since the Iranian Revolution.

As Figure 12 indicates, the Shia constitute a larger proportion of the population in Bahrain (55-75%) than anywhere else in the region, followed by Yemen (35-40%), Kuwait (15-25%), and Saudi Arabia (7-15%).

It should be noted that no official sect based census has been conducted for any of these figures. Many of the Shia/Sunni figures vary from one source to the other, while GCC officials claim Western figures to be highly exaggerated. For instance, the last sect based census conducted in Bahrain was held in 1941. Justin Gengler, a Fulbright Scholar, who conducted a mass political survey of Bahrainis in 2009, concludes that the Shia population is 57.6%. Another issue arises with the total population figures themselves: population estimates in the GCC that are used by international and regional organizations have been found to differ by as much as 25 percent or more from the best official/authoritative estimates, which results in serious distorted socio-economic indicators.

All four of these countries have Sunni governments, and Saudi Arabia and Yemen have the lowest per capita GDP rates on the peninsula (Bahrain is ranked in the middle,) as displayed in Figure 18. All four of these governments have been particularly cautious about their Shia populations, and all share a history of violent tension with Iran. With the exception of Kuwait – the wealthiest country per capita of the four – all of these states face internal Shia unrest with alleged Iranian involvement. At the same time, many of the comparisons shown earlier reveal less stress in the Southern Gulf states than similar figures for the countries that have already had major political upheavals, namely Egypt, Libya, Tunisia, and Yemen. It is also important to note that Iran had equally bad or worse figures than the Southern Gulf states even before strict sanctions began to go into effect in 2012.
Figure 11: Key Ethnic and Sectarian Differences by Country: Gulf

**Bahrain**

**Ethnicity:** Population 1,195,020; includes 610,332 non-nationals and 584,688 nationals (2011 est.)

**Religion:** Muslim (Shia and Sunni – no break out) 81.2%, Christian 9%, other 9.8% (2001 census)

**Language:** Arabic (official), English, Farsi, Urdu.

**Iran**

**Ethnicity:** Persian 51%, Azeri 24%, Gilaki and Mazandarani 8%, Kurd 7%, Arab 3%, Lur 2%, Baloch 2%, Turkmen 2%, other 1%

**Religion:** Muslim 98% (Shia 89%, Sunni 9%), other (includes Zoroastrian, Jewish, Christian, and Baha'i) 2%

**Language:** Persian and Persian dialects 58%, Turkic and Turkic dialects 26%, Kurdish 9%, Luri 2%, Balochi 1%, Arabic 1%, Turkish 1%, other 2%.

**Iraq**

**Ethnicity:** Arab 75%-80%, Kurdish 15%-20%, Turkoman, Assyrian, or other 5%

**Religion:** Muslim 97% (Shia 60%-65%, Sunni 32%-37%), Christian or other 3%

*note:* while there has been voluntary relocation of many Christian families to northern Iraq, recent reporting indicates that the overall Christian population may have dropped by as much as 50 percent since the fall of the Saddam HUSSEIN regime in 2003, with many fleeing to Syria, Jordan, and Lebanon

**Language:** Arabic (official), Kurdish (official in Kurdish regions), Turkoman (a Turkish dialect), Assyrian (Neo-Aramaic), Armenian.

**Kuwait**

**Ethnicity:** Population: 2,695,316; *note:* includes 1,291,354 non-nationals (2013 est.). Kuwaiti 45%, other Arab 35%, South Asian 9%, Iranian 4%, other 7%. non-Kuwaitis represent about 60% of the labor force (2010 est.)

**Religion:** Muslim 85% (Sunni 70%-85%, Shia 15-25%), other (includes Christian, Hindu, Parsi) 15%

**Language:** Arabic (official), English widely spoken.

**Oman**

**Ethnicity:** Arab, Baluchi, South Asian (Indian, Pakistani, Sri Lankan, Bangladeshi), and African. Population is 3,876,283; *note:* includes 1,710,650 non-nationals (July 2013 est.). About 44.1% of the labor force is non-national.

**Religion:** Ibadhi Muslim majority (includes Sunni Muslim 25-35%, Shia Muslim Less than 5%, Hindu)

**Language:** Arabic (official), English commonly used as a second language.

**Qatar**

**Ethnicity:** Population is 1,732,718 (2011), includes 1,277,445 non-nationals. Arab 40%, Indian 18%, Pakistani 18%, Iranian 10%, other 14%

**Religion:** Muslim 77.5%, Christian 8.5%, other 14% (2004 census)

**Language:** Arabic (official), English commonly used as a second language.

**Saudi Arabia**
Ethnicity: Population is 29,195,895: includes 9357447 non-nationals (2012 est.). Arab 90%, Afro-Asian 10%.

Religion: Muslim 100%

Language: Arabic (official).

UAE

Ethnicity: Population is 8,260,000 note: non-nationals are 7,312,000, which is 75% of total population.,

Religion: Muslim 96% (Shia roughly 10%), other (includes Christian, Hindu) 4%

Language: Arabic (official), Persian, English, Hindi, Urdu.

Yemen

Ethnicity: predominantly Arab; but also Afro-Arab, South Asians, Europeans

Religion: Muslim including Shafi' (Sunni) and Zaydi (Shia), small numbers of Jewish, Christian, and Hindu

Language: Arabic (official)

Figure 12: Relative Size of Shia and Foreign Sectors of the Population in the Arab Gulf States

<table>
<thead>
<tr>
<th>Country</th>
<th>Population</th>
<th>Shia Population</th>
<th>Expatriates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>29,195,895</td>
<td>7-15%</td>
<td>32% (9357447)</td>
</tr>
<tr>
<td>Kuwait</td>
<td>2,695,316 (2013 est.)</td>
<td>15-25%</td>
<td>47.9% (1,291,354)</td>
</tr>
<tr>
<td>Bahrain</td>
<td>1,195,020 (2011)</td>
<td>55-75%</td>
<td>51% (610,332)</td>
</tr>
<tr>
<td>Oman</td>
<td>3,876,283 (2013)</td>
<td>4-10%</td>
<td>44.1% (1,710,650)</td>
</tr>
<tr>
<td>Qatar</td>
<td>2,042,444 (2013)</td>
<td>Roughly 5-10%</td>
<td>85% (1,736,077)</td>
</tr>
<tr>
<td>UAE</td>
<td>8,260,000 (2013)</td>
<td>Roughly 10%</td>
<td>88.5% (7,312,000)</td>
</tr>
<tr>
<td>Yemen</td>
<td>24,771,809</td>
<td>35-40%</td>
<td>No data</td>
</tr>
</tbody>
</table>


Resource Trends

The Arab Gulf states are all dependent on either the direct income from various aspects of the petroleum sector or on the income from services for their income and on a state sector that gets much or most of its income indirectly from the domestic petroleum sector or that in neighboring countries.

The Arab and other Gulf states do, however, differ radically in oil and gas reserves, production, and revenues. They also differ radically in relative per capita income, which provides a crude index of real national wealth. According to CIA estimates, they have the following global rankings in per capita income: Qatar 2nd, UAE 12th, Kuwait 19th, Bahrain 49th, Oman 51st, Saudi Arabia 55th, Iran 95th, Egypt 132nd, Jordan 142nd, Iraq 163rd, and Yemen 184th. In broad terms, any state close to the 100 ranking or below faces serious challenges in meeting popular expectations and long-term stability.

These differences are often lost when outsiders refer to all the Gulf states as “wealthy oil states.” Figures 13-15 show the reality is very different. The GCC states, Iran, Iraq, and Yemen all differ radically in terms of reserves, current production, export revenue, and revenue per capita. They also show the extent to which the energy output of the GCC is far more important in economic and strategic terms than that of Iran:

- **Figure 13** shows the relative oil and gas reserves of Middle Eastern states. Saudi Arabia dominates conventional oil reserves, followed by Iran, Iraq, Kuwait, and the UAE. These data are controversial, but few would question the broad conclusion that the GCC states have reserves four times greater than those of Iran, and that all the Arab states combined have reserves five times larger.
The data on gas reserves are very different. Iran has the largest reserves, followed by Qatar, Saudi Arabia, the UAE, and Iraq. The GCC states are still cumulatively larger, but only to a limited degree, and adding Iraq and Yemen to the GCC total does not make a major difference.

- **Figure 14** shows the relative oil and gas production of Middle Eastern states. Saudi Arabia dominates and is close to three times the output of Iran. The GCC states have total production reserves 4.6 times that of Iran, and all the Arabian Gulf states combined have production six times larger.

The data on gas production again are very different. Iran has the largest production followed closely by Qatar and then Saudi Arabia, the UAE, and Oman. The GCC states have roughly twice the production of Iran, and adding Iraq and Yemen to the GCC total does not make a major difference.

- **Figure 15** shows the relative oil export revenues of Organization of the Petroleum Exporting Countries (OPEC) states. It provides a dramatic picture of both how different total revenues are and how much relative population affects oil export income per capita. It is clear, for example, that Saudi Arabia is by far the largest earner in terms of total revenues, followed by Kuwait, Iran, and Iraq. At the same time, Saudi Arabia only has a moderate per capita income from exports and Iran and Iraq are anything but “wealthy” oil states, while several of the smaller Arab Gulf states rank among the wealthiest states in the word. Generalizations about Gulf oil wealth are not only meaningless, but totally misleading, and each state must shape its economy and spending on the basis of very different criteria.
Figure 13: BP Estimates of Arabian and Middle East Conventional Oil and Gas Reserves: 1991-2011

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven Oil Reserves</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iran</td>
<td>151.2</td>
<td>151.2</td>
<td>151.2</td>
<td>151.2</td>
</tr>
<tr>
<td>Kuwait</td>
<td>20.9</td>
<td>20.9</td>
<td>20.9</td>
<td>20.9</td>
</tr>
<tr>
<td>Oman</td>
<td>19.3</td>
<td>19.3</td>
<td>19.3</td>
<td>19.3</td>
</tr>
<tr>
<td>Qatar</td>
<td>4.3</td>
<td>4.3</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>26.5</td>
<td>26.5</td>
<td>26.5</td>
<td>26.5</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>9.7</td>
<td>9.7</td>
<td>9.7</td>
<td>9.7</td>
</tr>
<tr>
<td>Other Middle East</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Total Middle East</td>
<td>195.1</td>
<td>195.1</td>
<td>195.1</td>
<td>195.1</td>
</tr>
<tr>
<td>Proven Gas Reserves</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bahrain</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Iran</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Kuwait</td>
<td>26.5</td>
<td>26.5</td>
<td>26.5</td>
<td>26.5</td>
</tr>
<tr>
<td>Oman</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Qatar</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>28.7</td>
<td>28.7</td>
<td>28.7</td>
<td>28.7</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Other Middle East</td>
<td>4.2</td>
<td>4.2</td>
<td>4.2</td>
<td>4.2</td>
</tr>
<tr>
<td>Total Middle East</td>
<td>35.0</td>
<td>35.0</td>
<td>35.0</td>
<td>35.0</td>
</tr>
</tbody>
</table>

datacategory=25000000contentid=7659480
Figure 14: BP Estimates of Arabian and Middle East Conventional Oil and Gas Production: 2001-2011

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven Oil Reserves</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
</tr>
<tr>
<td><strong>Iraq</strong></td>
<td>20.8</td>
<td>20.8</td>
<td>20.8</td>
<td>20.8</td>
<td>20.8</td>
<td>20.8</td>
<td>20.8</td>
<td>20.8</td>
<td>20.8</td>
<td>20.8</td>
<td>20.8</td>
</tr>
<tr>
<td><strong>Iran</strong></td>
<td>15.6</td>
<td>15.6</td>
<td>15.6</td>
<td>15.6</td>
<td>15.6</td>
<td>15.6</td>
<td>15.6</td>
<td>15.6</td>
<td>15.6</td>
<td>15.6</td>
<td>15.6</td>
</tr>
<tr>
<td><strong>Kuwait</strong></td>
<td>12.3</td>
<td>12.3</td>
<td>12.3</td>
<td>12.3</td>
<td>12.3</td>
<td>12.3</td>
<td>12.3</td>
<td>12.3</td>
<td>12.3</td>
<td>12.3</td>
<td>12.3</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>19.2</td>
<td>19.2</td>
<td>19.2</td>
<td>19.2</td>
<td>19.2</td>
<td>19.2</td>
<td>19.2</td>
<td>19.2</td>
<td>19.2</td>
<td>19.2</td>
<td>19.2</td>
</tr>
<tr>
<td><strong>Total Middle East</strong></td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
<td>92.0</td>
</tr>
</tbody>
</table>

| Proven Gas Reserves              |      |      |      |      |      |      |      |      |      |      |      |
| **Total**                        | 92.0 | 92.0 | 92.0 | 92.0 | 92.0 | 92.0 | 92.0 | 92.0 | 92.0 | 92.0 | 92.0 |
| **Iraq**                         | 20.8 | 20.8 | 20.8 | 20.8 | 20.8 | 20.8 | 20.8 | 20.8 | 20.8 | 20.8 | 20.8 |
| **Iran**                         | 15.6 | 15.6 | 15.6 | 15.6 | 15.6 | 15.6 | 15.6 | 15.6 | 15.6 | 15.6 | 15.6 |
| **Kuwait**                       | 12.3 | 12.3 | 12.3 | 12.3 | 12.3 | 12.3 | 12.3 | 12.3 | 12.3 | 12.3 | 12.3 |
| **Others**                       | 19.2 | 19.2 | 19.2 | 19.2 | 19.2 | 19.2 | 19.2 | 19.2 | 19.2 | 19.2 | 19.2 |
| **Total Middle East**            | 92.0 | 92.0 | 92.0 | 92.0 | 92.0 | 92.0 | 92.0 | 92.0 | 92.0 | 92.0 | 92.0 |

Figure 15: EIA Estimate of OPEC Oil Export Revenues

### Net Export Revenues

<table>
<thead>
<tr>
<th>Country</th>
<th>Nominal (Billion $)</th>
<th>Real (Billion 2005$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>$63</td>
<td>--</td>
</tr>
<tr>
<td>Angola</td>
<td>$68</td>
<td>--</td>
</tr>
<tr>
<td>Ecuador</td>
<td>$10</td>
<td>--</td>
</tr>
<tr>
<td>Iran</td>
<td>$95</td>
<td>--</td>
</tr>
<tr>
<td>Iraq</td>
<td>$71</td>
<td>--</td>
</tr>
<tr>
<td>Kuwait</td>
<td>$85</td>
<td>--</td>
</tr>
<tr>
<td>Libya</td>
<td>$13</td>
<td>--</td>
</tr>
<tr>
<td>Nigeria</td>
<td>$90</td>
<td>--</td>
</tr>
<tr>
<td>Qatar</td>
<td>$57</td>
<td>--</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>$311</td>
<td>--</td>
</tr>
<tr>
<td>UAE</td>
<td>$101</td>
<td>--</td>
</tr>
<tr>
<td>Venezuela</td>
<td>$60</td>
<td>--</td>
</tr>
<tr>
<td>OPEC</td>
<td>$1,026</td>
<td>$1,154</td>
</tr>
</tbody>
</table>

### Net Revenues Per Capita

<table>
<thead>
<tr>
<th>Country</th>
<th>Nominal ($)</th>
<th>Real (2005$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>$1,811</td>
<td>--</td>
</tr>
<tr>
<td>Angola</td>
<td>$5,106</td>
<td>--</td>
</tr>
<tr>
<td>Ecuador</td>
<td>$711</td>
<td>--</td>
</tr>
<tr>
<td>Iran</td>
<td>$1,409</td>
<td>--</td>
</tr>
<tr>
<td>Iraq</td>
<td>$2,341</td>
<td>--</td>
</tr>
<tr>
<td>Kuwait</td>
<td>$29,292</td>
<td>--</td>
</tr>
<tr>
<td>Libya</td>
<td>$1,978</td>
<td>--</td>
</tr>
<tr>
<td>Nigeria</td>
<td>$608</td>
<td>--</td>
</tr>
<tr>
<td>Qatar</td>
<td>$57,641</td>
<td>--</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>$10,465</td>
<td>--</td>
</tr>
<tr>
<td>UAE</td>
<td>$19,683</td>
<td>--</td>
</tr>
</tbody>
</table>

Source: EIA, OPEC Export Revenues, May 2012,
http://www.eia.gov/cabs/OPEC_Revenues/Factsheet.html
**Economic Trends**

The data on Gulf economies often disguise massive uncertainties in the quality of the data involved, and some key data like unemployment rates are definitional nightmares involving major uncertainties regarding disguised unemployment and what percentage of the potential work forces is actually included. Basic data like GDP differ sharply in quality, and are particularly unreliable for states with large native populations like Iran, Iraq, Oman, Saudi Arabia, and Yemen. Data on the poverty level are little more than guesswork, and there are no reliable data on income distribution and anything like the Gini index.

- **Figure 16** provides a broad indication of just how different the sizes of various Gulf economies are and their relative level of military spending.

- **Figure 17** shows that many of the Southern Gulf countries have liberalized their economies and do now encourage their private sectors. There still, however, are often state barriers to investment, capital finances, permitting, and other problems that are not reflected in the various indexes that attempt to rate such factors. Similar problems occur in various efforts to apply indexes of corruption – a problem common to the region but where various ranking systems often lack a reliable source and/or clear explanation.

- **Figure 18** shows that a range of sources agree that there are massive disparities in per capita income between different Gulf states, and that some countries – like Iran (before the impact of sanctions), Iraq, and Yemen have levels so low that this must be a source of serious potential unrest – particularly given the fact that almost all observers agree that corruption and major inequalities in income distribution are serious to critical problems.

It is clear from interviews that youth employment is a serious problem; that younger members of the native population have problems getting meaningful jobs (and sometimes will not accept the jobs they can get); that the male work ethic in the richer states is often poor; and that housing, education, and marriage costs are sometimes a cause of serious problems for younger males.
### Figure 16: Gulf State Economic Indicators and Defense Budgets

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP PPP (2011 est.)</th>
<th>GDP Per Capita PPP (2011 est.)</th>
<th>Defense Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>$687,700,000,000</td>
<td>$24,400</td>
<td>$46,200,000,000* (2011)</td>
</tr>
<tr>
<td>Kuwait</td>
<td>$153,500,000,000</td>
<td>$41,700</td>
<td>$4,050,000,000 (2011)</td>
</tr>
<tr>
<td>Bahrain</td>
<td>$31,300,000,000</td>
<td>$27,700</td>
<td>$873,000,000 (2011)</td>
</tr>
<tr>
<td>Oman</td>
<td>$85,000,000,000</td>
<td>$27,600</td>
<td>$4,270,000,000 (2011)</td>
</tr>
<tr>
<td>Qatar</td>
<td>$174,900,000,000</td>
<td>$98,900</td>
<td>$3,450,000,000 (2011 expenditures)</td>
</tr>
<tr>
<td>UAE</td>
<td>$256,500,000,000</td>
<td>$47,700</td>
<td>$9,320,000,000 (2011)</td>
</tr>
<tr>
<td>Yemen</td>
<td>$57,970,000,000</td>
<td>$2,300</td>
<td>$2,040,000,000 (2011)</td>
</tr>
</tbody>
</table>

Figure 17: Ease of Doing Business Index

The Ease of Doing Business Index ranks economies from 1 to 183. For each economy, the ranking is calculated as the simple average of the percentile range on each of the 10 topics included in the index: starting a business, dealing with construction permits, getting electricity, registering property, protecting investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency. The index may vary from 0 to 100, with 100 representing the most favorable regulatory environment for business. The rankings are based on primary responses to the Doing Business survey.

Figure 18: Gulf GDP Per Capita Estimates by Country

**Note:** *Indicates that the World Bank data for that country is from the year 2009.*

**Sources:**
- International Monetary Fund, [http://www.imf.org](http://www.imf.org)
The Need for Country-by-Country Case Studies

If there is any single message that emerges from these statistics, it is just how different each Southern Gulf state is, and just how different the factors are that drive its internal stability, the ability of the US and Iran to compete, and the issues the US must be prepared to deal with in each partner country. As a corollary, it is also clear that military and internal security are only part of the challenges each state and the GCC must meet. Economics, demographics, politics, and social change are at least as important to each country’s future, and both they and the US must constantly remember that competition with Iran is only one of many priorities.

It is also important to note that while the US and the Arabian Gulf states share a common interest in deterring and defending against Iran, no Gulf state has identical strategic interests with the US or its neighbors. A successful US partnership must focus on the broader strategic problem of providing regional security, but it must be tailored to the needs and expectations of each individual partner.

As is the case throughout the Middle East and the world, the US must adopt “dual standards” in dealing with each Arab Gulf state and the GCC collectively. The US must find the right balance between a narrow short term “pragmatism” that focuses on the security threats posed by Iran and extremism and the need to help each state ensure its internal stability, modernize, and meet the needs of its people.

At the same time, the US and its European allies must recognize that US and Western values are not “universal” values, that each state is both Arab and Islamic, and that the rate of modernization has to focus on evolution and not revolution. The US must accept the fact that it must often give security priority over its own approaches to human rights and democracy.

This need to constantly adjust US policy to find the right balance, and mix of “standards,” is another key reason to address each Southern Gulf state separately. It is also a reason the US should never lose sight of the fact that US strategic interests are best served by focusing as much on each country’s internal needs and stability as on its role as a military partner.
Saudi Arabia

Saudi Arabia is the single most important US partner in the Gulf region. It has the most energy resources and production capability, the largest territory and most strategic depth, the largest military forces, and plays a critical role in the Arab and Islamic worlds. It is also a proven security partner and one whose stability and alignment with US strategic interests have endured for more than half a century. Saudi Arabia’s key statistics are shown in Figure 19 below.

A recent CIA analysis summarizes recent developments in Saudi Arabia as follows:

Saudi Arabia is the birthplace of Islam and home to Islam's two holiest shrines in Mecca and Medina. The king's official title is the Custodian of the Two Holy Mosques. The modern Saudi state was founded in 1932 by Abd al-Aziz bin Abd al-Rahman Al SAUD (Ibn Saud) after a 30-year campaign to unify most of the Arabian Peninsula. One of his male descendants rules the country today as required by the country's 1992 Basic Law. King Abdallah bin Abd al-Aziz ascended to the throne in 2005.

Following Iraq's invasion of Kuwait in 1990, Saudi Arabia accepted the Kuwaiti royal family and 400,000 refugees while allowing Western and Arab troops to deploy on its soil for the liberation of Kuwait the following year. The continuing presence of foreign troops on Saudi soil after the liberation of Kuwait became a source of tension between the royal family and the public until all operational US troops left the country in 2003.

Major terrorist attacks in May and November 2003 spurred a strong on-going campaign against domestic terrorism and extremism. King Abdallah has continued the cautious reform program begun when he was crown prince. The king instituted an interfaith dialogue initiative in 2008 to encourage religious tolerance on a global level; in 2009, he reshuffled the cabinet, which led to more moderates holding ministerial and judicial positions, and appointed the first female to the cabinet.
The 2010-12 uprising across Middle Eastern and North African countries sparked modest incidents in Saudi cities, predominantly by Shia demonstrators calling for the release of detainees and the withdrawal from Bahrain of the Gulf Cooperation Council's Peninsula Shield Force. Protests in general were met by a strong police presence, with some arrests, but not the level of bloodshed seen in protests elsewhere in the region. In response to the unrest, King Abdallah in February and March 2011 announced a series of benefits to Saudi citizens including funds to build affordable housing, salary increases for government workers, and unemployment benefits.

To promote increased political participation, the government held elections nationwide in September 2011 for half the members of 285 municipal councils. Also in September, the king announced that women will be allowed to run for and vote in future municipal elections - first held in 2005 - and serve as full members of the advisory Consultative Council.

During 2012, Shia protests increased in violence, while peaceful Sunni protests expanded. The country remains a leading producer of oil and natural gas and holds more than 20% of the world's proven oil reserves. The government continues to pursue economic reform and diversification, particularly since Saudi Arabia's accession to the WTO in December 2005, and promotes foreign investment in the kingdom. A burgeoning population, aquifer depletion, and an economy largely dependent on petroleum output and prices are all ongoing governmental concerns.

Saudi Arabia has an oil-based economy with strong government controls over major economic activities. It possesses about one-fifth of the world's proven petroleum reserves, ranks as the largest exporter of petroleum, and plays a leading role in OPEC. The petroleum sector accounts for roughly 80% of budget revenues, 45% of GDP, and 90% of export earnings. Saudi Arabia is encouraging the growth of the private sector in order to diversify its economy and to employ more Saudi nationals.

Diversification efforts are focusing on power generation, telecommunications, natural gas exploration, and petrochemical sectors. Almost 6 million foreign workers play an important role in the Saudi economy, particularly in the oil and service sectors, while Riyadh is struggling to reduce unemployment among its own nationals. Saudi officials are particularly focused on employing its large youth population, which generally lacks the education and technical skills the private sector needs.

Riyadh has substantially boosted spending on job training and education, most recently with the opening of the King Abdullah University of Science and Technology - Saudi Arabia's first co-educational university. As part of its effort to attract foreign investment, Saudi Arabia acceded to the WTO in December 2005 after many years of negotiations. The government has begun establishing six "economic cities" in different regions of the country to promote foreign investment and plans to spend $373 billion between 2010 and 2014 on social development and infrastructure projects to advance Saudi Arabia's economic development.

Saudi Arabia has reinforced its concrete-filled security barrier along sections of the now fully demarcated border with Yemen to stem illegal cross-border activities; Kuwait and Saudi Arabia continue discussions on a maritime boundary with Iran; Saudi Arabia claims Egyptian-administered islands of Tiran and Sanafir.

A Long and Growing Strategic Partnership

Saudi Arabia is a key economic and strategic partner of the US. The relationship predates the independence of most of the other Arab Gulf states by several decades, and has played a key role in advancing US strategy in the region since World War II. The US initially grouped Saudi Arabia with Iran as part of the US “Twin Pillar policy” in Cold War communist containment. However, the Islamic Revolution in Iran in 1979 and the end of the Cold War served as catalysts in reshaping US regional policy.

Saudi Arabia became a steadily more important part of the new US strategy of “dual containment” of Iran and Iraq. The strategic partnership grew again after the
deployment of US troops to the Kingdom in the early 1990s first to deter an Iraqi invasion of Saudi Arabia and then liberate Kuwait – a US presence that lasted until Saudi Arabia tacitly supported US movements and deployments during the invasion of Iraq in 2003.

In 2013, Riyadh remained a key military partner with strong advisory teams and over $60 billion in defense sales to support Saudi and US cooperation in deterring and containing Iran’s conventional and unconventional capabilities in the Gulf. Saudi Arabia cooperated with the US in a wide range of military and counterterrorism activities, and the US maintained strong advisory teams for both the Saudi Ministry of Defense and the Saudi Ministry of the National Guard. The US had also created a strong counterterrorism advisory team after Al Qaida began large-scale attacks in Saudi Arabia in 2003.

The economic dimensions of the Saudi-US strategic relationship have been as important as the security dimensions. Saudi Arabia has long been a major trading partner and the secure flow of its petroleum exports is critical to the stability and growth of the global and US economies. Saudi Arabia exports more crude oil than any other country – aside from Russia – and as of November 2011, Saudi Arabia was the second-largest source of US crude oil imports, having surpassed Mexico.

Saudi Arabia also factors into US-Iran competition because the Kingdom’s security and that of the maritime trade lanes near the Kingdom are of vital importance to the US and global economies. Additionally, Riyadh’s substantial conventional military capabilities, its leadership in the GCC, its status as an authority in the Sunni Islamic world, and its links to Sunni groups in countries such as Lebanon and Syria make it an important player in continuing to contain Iranian power.

At the same time, this is a partnership between a secular, democratic US and an Islamic monarchy whose people are generally more conservative than its ruling elite. Like its neighbors, Saudi Arabia is steadily modernizing, but on its own terms and at its own pace. Saudi Arabia has many values and interests that do match those of the US, and the one totally predictable aspect of its political evolution is that it will never mirror the West. Saudi leaders are all too conscious of this fact – as is much of the Saudi population – and the US must constantly adapt its role in Saudi Arabia accordingly.

Moreover, the US needs to be far more sensitive to how Saudi Arabia and the other Southern Gulf states perceive the US. Their governments understand the depth of the US ties to Israel, but they see an agreed solution to the divisions between Israel and the Palestinians and the creation of a sovereign Palestinian state as a vital national security interest in terms of both bring stability to the region and in maintaining popular support for strategic ties to the United States.

They all have deep questions about the impact of the US federal budget crisis, cuts in US national security spending and forces, and US willingness to sustain its strategic commitments to the Gulf. They see the lack of firm US support of Mubarak and the Egyptian military, the failure of the US to create a solid strategic partnership with Iraq, and the limits to US action in dealing with the Syrian civil war as further causes of concern. They worry about US “war fatigue” as the US ends its military role in Afghanistan, and US willingness to support allies like Bahrain in dealing with internal unrest. Further, in spite of the consistent US effort to put pressure on Iran, there is a wide
range of conspiracy theories in the Southern Gulf states that the US might somehow force an alliance with Iran at their expense.

Like all strategic partnerships, there are different national interests and concerns in the US and Saudi strategic relationship – as there are in the US strategic partnership with the other GCC states and nearby Arab states. This requires constant effort on both sides of each relationship, as well as an understanding of the other nation’s different priorities and concerns.
**Figure 19: Saudi Arabia: A Statistical Overview**

<table>
<thead>
<tr>
<th>Key Data and Indicators</th>
<th>Figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population in Millions</td>
<td>26.5</td>
</tr>
<tr>
<td>Median Age in Years</td>
<td>25.7</td>
</tr>
<tr>
<td>Percent 0-14 Years</td>
<td>28.80%</td>
</tr>
<tr>
<td>Urban Population</td>
<td>82%</td>
</tr>
<tr>
<td>Literacy Rate</td>
<td>86.60%</td>
</tr>
<tr>
<td>GDP (in $ US billions) Official Exchange Rate</td>
<td>$587.50</td>
</tr>
<tr>
<td>GDP PPP Per Capita World Ranking</td>
<td>56</td>
</tr>
<tr>
<td>Labor Force in Thousands</td>
<td>7,630 (roughly 80% non-national)</td>
</tr>
<tr>
<td>Unemployment, ages 15-24</td>
<td>28.20%</td>
</tr>
<tr>
<td>Annual entrants to the workforce (male)</td>
<td>261,105</td>
</tr>
<tr>
<td>Annual entrants to the workforce (female)</td>
<td>244,763</td>
</tr>
</tbody>
</table>

Saudi-Iranian Competition

There is nothing new about Iranian and Saudi competition, and the level and sources of these tensions must be kept in perspective. Prince Turki Al-Faisal – who was the Saudi Ambassador to the UK and the US and the Director General of the Saudi General Intelligence Directorate (GID) between 1977 and 2001 – described the Saudi view of the Iranian threat and how it fit into Saudi Arabia’s overall strategic priorities in an April 2013 speech to the Belfer Center for Science and International Affairs at Harvard University’s John F. Kennedy School of Government:

Our overall goal vis-a-vis other nations is to strengthen our allies in the region and beyond and to assist in whatever way we can to help our neighbors maintain stability. Saudi Arabia firmly believes that peace in the region, and a conclusion to various longstanding, conflict resolution efforts must be a primary objective of the next decade.

This peace will only be achieved through cooperation that is built on trust, dialogue, mutual respect and engagement. This is why Saudi Arabia will continue to take the lead in negotiating between conflicting parties and nations. Furthermore, the Kingdom firmly believes that the next decade’s most vital security issue is progress. There must be evidence of political, economic and social progress for the people and of the governments of the Middle East so that peace, not conflict is clearly seen as the gateway to prosperity.

That said let us look at what our foreign policy imperatives will be over the next decade. The first issue, without preference to any prioritizing, is the issue of Iran. Saudi Arabia has the world’s greatest petroleum reserves; Iran the second. Saudi Arabia is Custodian of the Two Holy Mosques and the birthplace of Islam, and as such it is the eminent leader of the wider Muslim world. Iran’s leaders pose themselves as the leaders of not just the Shiite world, but of all Muslim revolutionaries interested in standing up to the West.

Yet despite this seeming ideological canyon, Saudi Arabia really only has two concerns about Iran’s leaders. First, it is in our interest that they do not develop a nuclear weapon, for their doing so would compel other nations to pursue policies that could lead to untold and possibly dramatic consequences. This is why, through various initiatives, we are sending messages to Iran’s leaders that it is their right, as it is any nation’s right, and as we ourselves are doing, to develop a civilian nuclear program, but that trying to parlay that program into nuclear weapons is a dead end, and that wiser choices will result in wider riches.

Alas, Khameni is looking closely at developments with North Korea and reaching a conclusion that the US is more bluster than arm twister. Economic sanctions will not deter Iran from pursuing nuclear weapons. Unilateral or bilateral military action will bring devastating consequences to the area. Only a Zone Free of Weapons of Mass Destruction (the theme of the seminar I will be conducting tomorrow at the Belfer Center) is the best means to get Iran and Israel to give up nuclear weapons.

Such a Zone must be accompanied by a rewards regime that provides economic and technical support for countries that join; plus a nuclear security umbrella guaranteed by the permanent members of the Security Council. It should include a sanctions regime that imposes economic and political sanctions on countries that don’t join; plus military sanctions against hose countries that try to develop weapons of mass destruction, also guaranteed by the permanent members of the Security Council.

Second, Iranian leaders’ meddling and destabilizing efforts in the only two other countries with Shi’ite majorities, Iraq and Bahrain, as well as those countries with significant minority Shi’ite communities, such as Syria, Yemen, Kuwait and Lebanon must also come to an end. Saudi Arabia will oppose any and all of their actions in other countries because it is Saudi Arabia’s position that they have no right to meddle in other nations’ internal affairs. Indeed, they take this position as well – they are very sensitive about other countries meddling in their domestic affairs. They
should treat others like they expect to be treated. The Kingdom expects them to practice what they preach.

**The History of Saudi and Iranian Competition**

Saudi Arabia saw the Shah as a constant challenge to its position in the Gulf during British withdrawal from east of Suez and as a competitor as the US replaced the UK as the major outside power in the region. The two states have been far more direct rivals since Ayatollah Khomeini came to power in 1979.

There are many current sources of tension between Saudi Arabia and Iran. This includes the different Arab and Persian and sectarian identities of each state – and the different roles of state and non-state actors in their respective religious sects – Saudi Arabia is believed to be 85-95% Sunni, and is viewed as a leader amongst the Sunni Arab world in general and the Sunni Gulf states in particular. Iran on the other hand is 89% Shia, and is viewed similarly as a leader amongst Shia throughout the Middle East.

This sectarian competition has been a major factor ever since the 1979 Islamic Revolution turned Iran into a theocratic state that sought to export its religious revolution. At the same time, the 1980-1988 Iran-Iraq War pitted the Sunni government of Saddam Hussein against Iran – a war in which Riyadh backed Baghdad and where Saudi and Iranian air forces clashed on one occasion.

The Iran-Iraq War led to wide-scale US defense assistance and arms transfers that tightened the bonds between the Kingdom and the US and provided Riyadh with the Airborne Warning and Control System (AWAC) aircraft that were used to destroy two Iranian aircraft flying over Saudi Arabia during the war.

This partnership led to a major US troop and air presence in the Kingdom during the first Gulf War, and while US forces withdrew from Saudi Arabia after 2003, close diplomatic and military relations between Washington and Riyadh have continued ever since. The Saudi military buildup and role of US advisors and major new US arms transfers are troubling for Tehran.

Iran’s nuclear program is seen as deeply troubling by Riyadh, as is its perception that Iran has encouraged Shia uprisings and Iran’s efforts to win influence in Iraq, its support of the Hezbollah and Hamas, its partnership with Assad in Syria, and support of Shia movements in Bahrain, Yemen, and other states.

**Tensions Over the Iranian Nuclear Program**

Saudi Arabia acquired Chinese made ballistic missiles to counter the potential threat from Iran as a result of the missile wars during the Iran-Iraq War and Iraqi strikes on Saudi Arabia during the Gulf war. It has since responded to the growing Iranian missile threat by acquiring new missile basing capabilities that have been brought to light by *HIS Janes Intelligence Review*, that show Saudi Arabia has new a missile launch facility consisting of two launch pads with their marks pointing at Israel and Iran. These platforms can launch now obsolescent Chinese DF3 missiles, which have conventional warheads and limited accuracy. They do, however, illustrate Saudi Arabia’s willingness to create a deterrent to every advance in Iran’s forces and the DF-3 can carry a nuclear warhead with a range of around 2,500 to 4000km.
Senior members of the Saudi royal family have warned that Riyadh might develop its own nuclear weapons in response to any future Iranian deployment of such weapons. Several reports have suggested that Saudi Arabia would acquire its own nuclear capability after Tehran showed it has nuclear weapons. One account of such warnings comes from former US National Security Council (NSC) official Dennis Ross, who claims that the Saudi King made clear his intention to weaponize after Iran – despite Ross’s attempts to convince the King against Saudi weaponization.\(^{139}\)

The King’s statement illustrates the significance of the Iranian nuclear program to Saudi national security. Saudi leaders realize that any Saudi nuclear program or purchase of weapons from a country like Pakistan would be met with unease by officials in Washington, and might limit future US security assistance to the Kingdom in an effort to prevent nuclear proliferation. US officials are also concerned that other states in the region might follow suit, including other Gulf states and Turkey. Moreover, a combination of Iranian and Saudi nuclear efforts might lead Israel to decide to increase the size of its own nuclear arsenal. These scenarios would pose serious challenges to both Riyadh and Washington, increasing the risks of nuclear conflict or the proliferation of nuclear technology to terrorist groups.

**Tensions Over Saudi Shia**

While the Shia remain a small demographic within the broader Saudi population, much of this population is in its Eastern Province, the key strategic petroleum region in the Kingdom. Saudi Arabia feels Iran has deliberately encouraged recent uprisings witnessed in key Shia parts of the country.

While the Kingdom has made progress, Saudi Arabia’s Shia still suffer from social, economic, and political discrimination that has led to periodic unrest in parts of the country. This treatment of Shia in the Kingdom is reflected in the US State Department’s 2010 Human Rights Report, which highlights the illegal detention of key Shia, the incarceration for over 14 years of a Shia for “apostasy” with an additional five years for “criticizing the judicial system and the government’s human rights record,” prohibitions on gatherings in mostly Shia areas, and a small Shia representation in the country’s Consultative Council.\(^{140}\)

A Pew Research estimate from 2009 suggests that Shia constitute 10-15% of the Saudi population – 2-4 million people; US State Department reporting in 2012 reflected numbers closer to the lower end of that estimate, while other sources put the total as low as 7%.\(^{141}\)

The CIA *World Factbook* estimated the total population at 26,534,504 as of July 2012, including 5,576,076 non-nationals.\(^{142}\) A range of 7% to 15% of the native population would total 1,467,717-3,145,114 out of 20,967,428. While the precision of such numbers is illusory at best, the two-to-one differences that emerge in such calculations do illustrate the level of uncertainty involved. The Central Department of Statistics and Information of Saudi Arabia puts the estimate of the population in 2012 at 29,195,895, with a non-national population of 9,357,447.\(^{143}\)

The location of key parts of the Shia population explains much of the Saudi concern about the Shia threat. Most Saudi Shia belong to the Twelver Shia Baharna – which
inhabit the east of the country. The most substantial Shia presence in the country is in the cities of Al-Hasa, Dammam, and Qatif. The biggest oil field in Saudi Arabia – Ghawar – which is in fact the biggest in the world, is situated in close proximity to the predominantly Shia city of Al Hofuf.144

Some Shia – known as the Nakhawila – also reside in Medina, in addition to the Zaydi and Ismai’ili who reside in the south. The Kingdom’s export facilities are located along the Shia-populated Saudi Gulf Coast in the country’s east. The presence of Shia in these strategic locations in the Kingdom, coupled with questions about Iranian links to the Saudi Shia, has raised concerns about the prospect of strikes against the Saudi petroleum industry. One scenario for such a strike includes hitting Saudi pipelines that are near key roadways.145 Another concern on the part of the Saudi government is sabotage, or local support of raids or covert attacks.

These tensions between the Saudi government and the Shia community are not a recent phenomenon. Relations between the two were particularly tense at the end of the 1970s. The Islamic Revolution in Iran is believed to have escalated Sunni-Shia tensions but not to have driven them – which was more a result of a repressive governor in the province. The replacement of the governor led to partial reforms that seemed to quiet many of the key tensions by the 1990s.146 There were also incidents in Bahrain, but again driven largely by local discrimination and issues. Tehran was unable to successfully spread the Islamic Revolution or win large-scale Arab Shia support.147

They have, however, taken a new form following the beginning of the current political upheavals in the Arab world, as calls have come for greater Shia rights within Saudi Arabia, and as Sunni-Shia tensions have escalated in Bahrain. One prominent Shia figure – Sheikh Nimr al-Nimr – has gone so far as to speculate about the Shia parts of the east breaking away from the rest of Saudi Arabia, which led to calls for his arrest in 2009. He has been accused of also disrespecting the passing of Saudi Crown Prince Nayef bin Abdul Aziz al-Saud. Shortly thereafter in July 2012, the police allegedly shot and then apprehended him. The arrest triggered protests, which saw the shooting deaths of two men.148 Adding to this incident, it is reported that all ten of the fatalities in the Kingdom linked to the uprisings that spread across the Arab World starting in 2011 were Shia.149

Riyadh claims that Iranian meddling in the Kingdom is responsible for such Shia unrest, but it is unclear how much leverage Tehran now has in driving Shia actors in the Kingdom. For one, religious leaders from Iraq have made greater inroads with Shia in Saudi Arabia than have their Iranian counterparts.150 According to Iran expert Ray Takeyh with the Council on Foreign Relations, it appears that Shia movements in the Gulf – not including Iraq – are still driven more by local concerns than by Iranian meddling.151 A number of US official experts share this view.

**Tensions Over Energy Resources**

Saudi Arabia is deeply concerned over the prospect of Iranian support of Shia sabotage of its energy facilities, Iran’s threats to close the Strait of Hormuz, and the steady buildup of Iranian asymmetric forces in the Gulf and Gulf of Oman.

Tensions between the Kingdom and the Islamic Republic increased in November 2012 when Saudi Arabia submitted a letter to the UN Secretary-General indicating that Iran
was violating Saudi sovereignty by overflying the Hasbah natural gas field. It is also reported that “two Iranian navy boats intercepted a vessel belonging to state-owned oil giant Saudi Aramco.”

Iran’s Foreign Ministry responded, stating that the Kingdom “has taken action for exploration activities in prohibited border areas.” Events such as these add to Saudi government concerns about Iran’s intentions and possible interests in interfering in the Kingdom’s energy sector.

**Tensions Over the Hajj**

The *Hajj* is another aspect of Saudi-Iranian competition that Saudis feel poses threats to their national security.

Iran has attempted to use demonstrations during the pilgrimage to put pressure on the Saudi government and threaten its legitimacy as custodian of Islam’s holy places. Saudi Arabia is the home of the Grand Mosque in Mecca – the location that all Muslims must endeavor to visit in their lifetimes during an annual pilgrimage known as the *Hajj*.

Despite these tensions between Saudi Arabia and Iran, Iranian pilgrims have regularly been permitted to take part in the *Hajj*. This was a major point of confrontation during the 1980s when Riyadh feared Iranian-provoked unrest from pilgrims. The 1987 *Hajj* in particular saw the deaths of 450 Iranians after their protests and demonstrations led the Saudi government to suppress them.

Some 25 years after this incident, Riyadh remains concerned that Tehran may exploit the *Hajj* in an unconventional assault on Saudi Arabia – perhaps if US-Iranian tensions escalate. In advance of the 2012 *Hajj*, Riyadh prohibited the politicization of the pilgrimage, although the Saudi government has also suggested that it did not anticipate issues for the 2012 *Hajj*.

**Tensions Over Terrorism and Covert Operations**

Terrorism and covert operations have been and continue to be a component in Saudi-Iranian strategic competition, with accusations from each side that the other has used unconventional tactics. Charges of Iranian terrorism against Saudi Arabia and perceived threats of terrorism have centered on attacks in the Kingdom on US facilities like Al Khobar, as well as the *Hajj*.

In 2006, a judge with a US federal district court determined that the Iranian government – including the Iranian armed forces and intelligence ministry – were involved in the June 1996 bombing of the Khobar Towers in Saudi Arabia. The bombing killed 19 people when the US Air Force dormitory was struck by Saudi Hezbollah.

In fall 2011, US authorities apprehended the cousin of a high-level member of Iran’s Quds Force who was planning to assassinate Adel al-Jubeir, the Saudi Ambassador to the US – an operation that was financed by the Quds Force. The attack – which would have involved an explosion at a restaurant in Washington, D.C. – targeted the nexus of the US and Saudi governments: a key Saudi official in the US capital.

Iranian covert action against Saudi Arabia has also taken non-violent forms through the use of cyber warfare. US intelligence community sources have suggested that Iran executed a computer virus that struck the oil firm Saudi Aramco in August 2012. The
attack reportedly involved a virus penetrating Aramco computers, destroying data and files, and communicating to Aramco which computers were impacted by the virus, so as to make clear the virus’ scale. This attack took place in the wake of cyber-attacks on Qatar’s RasGas natural gas firm and the US banks Capital One and BB&T, which the US intelligence community also believes were linked to Iran. These attacks may be a response to the 2010 Stuxnet and 2012 Flame viruses that impacted Iran’s nuclear infrastructure and oil industry, respectively.  

While Saudi Arabia has clearly been the subject of Iranian-linked terrorism and covert action, Iran claims that Saudi Arabia is linked to terrorist and covert threats that target Iran. Iran claims the most direct threat to Iranian national security comes from links between Saudi Arabia and the Jundallah militia, which has targeted the Iranian government through terrorist attacks in Iran’s Sistan and Baluchistan Province. Iran claims that the US, Pakistan, the UK, Saudi Arabia, the Taliban, and Al Qa’ida have provided assistance to the militia.  

Iran has claimed linkage exists between terrorism in the country’s unstable Sistan and Baluchistan Province, and cover Saudi support for outside actors – including Al-Qa’ida. The Iranian government claims that Al Qa’ida provides backing to Jundullah. Moreover, it seems to believe that the former Al Qa’ida figure Dr. Ashad Waheed had links with Jundallah head Ata-ur-Rahman – though Waheed died in Pakistan in 2008. It is difficult to decipher from unclassified reporting whether there is a clear and meaningful relationship between Al Qa’ida and Jundullah, and Iranian claims of such ties must be taken with a grain of salt as Tehran seeks to blame outside actors for its own security shortcomings.  

The Iranian government also supports the claims of Bashar al-Assad of Syria that the rebels fighting against the government in Damascus are terrorists, and Saudi and Qatari support of these groups amounts to state support for terrorists. One example is a meeting between a top Iranian official – Saeed Jalili – and Lebanese and Syrian officials in the Levant in August 2012. Jalili, who has close links with Ayatollah Khamenei and is was the Iranian negotiator with the P5+1, was in Beirut when he stated, “[t]hose who believe that, by developing insecurity in the countries in the region by sending arms and exporting terrorism, they are buying security for themselves are wrong.” He made the statement at a time when 48 Iranians were being held hostage in Syria, and Tehran was blaming the instability in Syria on Saudi Arabia and Arab other states that backed the Syrian rebels.  

In practice, however, Iran has taken advantage of the threat Al Qa’ida and other Sunni extremist poses to Saudi Arabia, other Arab states and the US when Al Qa’ida’s actions serve Iranian interests without threatening Iran. “The enemy of my enemy is my friend” is not a Persian proverb, but “opportunism in using the enemy of my enemy even when that enemy is my enemy” is a global diplomatic expedient that few nations chose to ignore.  

**Tensions Over Bahrain**  

Developments in Bahrain have a direct impact on Saudi security. Bahrain is a country with historic links to Iran. This has been the source of past and recent tension where allegedly Iranian-linked elements have fomented instability, triggering the mobilization
of the Saudi security forces to reinforce Bahraini stability and the security of Bahrain’s Sunni leadership.

Iran and Saudi Arabia have taken different sides in Bahrain. Saudi Arabia supports the Sunni leadership in Manama, which rules over what is believed to be a majority Shia country. Iran on the other hand has supported anti-regime Shia, and attacked the efforts of Bahrain’s government to control the uprising, as well as efforts taken by Riyadh to provide assistance via the GCC.

As will be discussed later in covering Bahrain, it is unclear what level of support Tehran is providing to Shia protestors in Bahrain, although Iran is believed to be linked to 1981 and 1996 coup plans against the Bahraini crown. Some experts feel the linkages between the Islamic Republic and Bahrain’s Shia and the ability Iran has to coerce that population are relatively limited, which raises serious questions about Iran’s ability to manipulate developments in the Gulf through the Shia population in Bahrain.

Bahrain is so close to Saudi Arabia that if Iran was to gain serious influence in the island, it would pose a major strategic threat. There is also a direct causeway between the two countries, and this poses a limited risk of some form of extremist or terrorist ties between the Shi’ite populations in the two countries.

Some reports claim Saudi Arabia deployed National Guard troops from the Kingdom to Bahrain during a low-level Shia uprising in the 1980s. Other reports state that one reason for the creation of the GCC was a coup attempt the government of Bahrain claimed was linked to Iran, and led the two states to create the Saudi-Bahrain Security Pact later that year.

What is clear is that Saudi Arabia and the other GCC states have since maintained a strong commitment to Bahrain’s security. In March 2011, Saudi Arabia and the UAE deployed 1,200 and 800 troops respectively to Bahrain at a time when the Bahraini government faced large Shia demonstrations that it felt threatened to become an uprising. The risk of spillover into the Kingdom from any Shia uprising in Bahrain, and possible Iranian intervention in Bahrain, heavily impacts Saudi strategic thinking.

Many officials in Saudi view the Al Khalifa family as a bulwark against Iranian influence among Bahrain’s Shia population and the Eastern province in Saudi Arabia. It should be noted that any security threat in Bahrain is considered a security threat in Saudi Arabia. The Saudi royal family has familial ties to the Bahraini royal family, and would never allow a Shia uprising to succeed.

**Tensions Over Iraq**

Relations between Saudi Arabia and Iraq are complex and have undergone numerous shifts as the strategic environments facing both states have changed. Riyadh’s interests in preserving Saudi national security have driven relations with Baghdad throughout the Kingdom’s history, with interests in Gulf hegemony – particularly vis-à-vis Iran – serving as a lower-priority driver of policy. Baghdad on the other hand has struggled since 2003 to find a balance between relations with its fellow Shia neighbor Iran, and the Sunni-governed, Iran-leery states of the GCC – led by Saudi Arabia.

When Iraq posed less of a threat to Saudi national security than the new Shia fundamentalist government in Iran, Riyadh provided support to Baghdad during the Iran-
Iraq War, with Saddam Hussein accruing $28 billion in debt to the Kingdom. However, when Iraq invaded Kuwait and posed a threat to both Saudi national security and the security of the Gulf region, Riyadh changed tack in its policy toward Baghdad, and became a key mechanism for the US containment of Iraq.

The emergence of a Shia-dominated Iraqi government after 2003 led to growing Saudi tension with Iraq. This tension continues, and the Saudi government sees the Maliki government of Iraq as tied to Iran, Shia in character, and a potential future threat. An Iraq dominated by pro-Iranian Shia is seen as a worse threat than an Iraq lead by Saddam Hussein.

It helps explain why Saudi Arabia has created a security fence along its 819 kilometer border with Iraq, as well as along its 1,416 kilometer border with Yemen, although smuggling and illegal immigration also played a role in the decision, Saudi Arabia awarded a contract to the European Aerospace and Defence Security (EADS) group that is reported to include a radar grid covering land borders with the UAE, Kuwait, Qatar, Jordan, Yemen and Oman. Reports by Ivan Gale in The National indicated that Saudi Arabia signed a five-year contract, worth between $1.6 and $1.98 billion in July 2009, “which combines infrastructure, weaponry, intelligence, marine and aerospace elements.”

EADS competed against DRS Technologies and Raytheon of the US, LG Electronics of South Korea, Thales of France and BAE Systems in the UK. The idea of providing a comprehensive protection system for the Kingdom’s border had been proposed in the 1990s, after the first Gulf War, and EADS had already won a contract to build a more limited fence on the Saudi-Iraqi border, and had completed part of a fence at a cost of $900 million.

The new fence is reported to measure 2.5 meters in height, and be made up of three sections; “each section consisting of a set of inter-connected barbed wire fencing that is extremely difficult to surmount.” It is secured by high technology surveillance towers that cover the fence links and border areas between them and have an electronic net of surveillance equipment, TV cameras, radar technology and day-night thermal that provide real time coverage to 28 command centers covering nearby sections of the Saudi border. The data go to a range of Saudi forces and intelligence groups and to Arar, the Frontier Guards’ command center.

It is not clear that all of the claimed sensor capability is working, but some two-thirds of the forward section of the security fence and 243 km of the rear section of the security fence were complete by mid-2010. Saudi press reports indicated it was complete in February 2012, but also that drug smuggling and illegal immigration still occur at border crossings.

The Saudi government keeps the Iraqi government at a political and military distance as well, although Riyadh decided to forge diplomatic ties with Baghdad in early 2012 by having the Saudi Ambassador to Jordan represent the Kingdom in Iraq as well. The factors driving this decision include the scaling-down of the US military presence, as well as Iraq’s spring 2012 hosting of an Arab League summit in an effort to enhance its relations with Arab states. Saudi-Iraq relations remain poor and Saudi-Iran competition continues to play out in Iraq.
While Baghdad sought to engage the Kingdom prior to the 2012 Arab League summit, finding longer-term common ground between the two states will pose a serious challenge, with Syria as a major point of contention. Iraq did support a resolution that was critical of Damascus in the UN General Assembly and has suggested that the Syrian status-quo is unsustainable. More recently, however, the Maliki government has been more supportive of Iran.

It was reported in September 2012 that military supplies were being exported from Iran to Syria by way of Iraqi airspace. According to the report, these flights were initially stopped in March during the run-up to the Arab League summit, but were continued in the autumn. In December 2012, allegations surfaced that these flights were occurring nearly each day, and that Iraq was providing Iran with information about inspections of Iranian aircraft, allowing Iran to avoid the capture of weapons.

Issues such as Iranian over flights to Syria reflect the balance Baghdad is attempting to strike between loyalties to Iranian interests and enhancing ties to the other Gulf states, which have been supportive of a transfer of power in Damascus.

Saudi Arabia and Iran continue to compete for influence over Iraq, and this competition has grown since US forces withdrew from Iraq. Some experts feel Saudi Arabia seeks an Iraq with a strong, unified central government to maintain order and Iraq’s identity as an Arab state while Iran seeks a factionalized, Shia dominated Iraq that is too preoccupied with internal issues to threaten Iran. Both Iran and the Kingdom support different religious groups in Iraq, and the Sunni-Shia divide between Iran and Saudi Arabia ensures both states work against one another.

Saudi and the wider GCC have viewed Iraq in such a negative light that many experts believe it has left Iraq no choice but to move closer to Iran. It is difficult for a country such as Saudi Arabia and other Gulf states to accept the fact that Iraq will be dominated by Shia politicians. The problem that arises with the sectarian tensions in the region is the “us vs. them” narrative, which results in bitter relations amongst states and populations within states. In the event that the Syrian regime does collapse, Iraq is in no position to sustain a position of isolation in the region: therefore it would have no choice but to cooperate and improve ties with its neighbors.

The heightening of Iranian-Saudi tensions over Syria has also had an impact on extremism in Iraq. Some reports state that Saudis account for as many as three-quarters of Iraqi suicide bombers. One the other hand, Iran continues arming Shia extremist groups within Iraq and using its leverage with Iraq’s key political parties to pursue policies that challenge Saudi interests.

Prince Turki described Saudi views towards Iraq as follows in his April 2013 speech:

One cannot discuss Iran without also mentioning Iraq. Iraq has a great history as a pivotal member of the Arab community. It has been, and it can still be, an important force in the Arab world. It is a founding member of the Arab League and of OPEC, possessing vast natural resource wealth, and may someday become a major player in the energy markets. It sits at the heart of the Middle East and has a capable and diverse population. But much of its potential is being crushed by Iranian policies.

Be it preferable to us or not, it is a new fact in the region that an Iraq that once waged a horribly bloody war against Iran has now become a significant arena of growing Iranian influence thanks to
the aftermath of the US invasion. There are people and groups in Iraq that are, as much as they deny it, completely beholden to Khameni, and that is not only unacceptable, but it is bad for the future of an ethnically and religiously diverse country. It is our goal that Iraq remains an active participant of the Arab world and throws off these destructive foreign influences.

This is the main reason why we continue to maintain the same distance from all Iraqi factions. However, let me point out that, because we still have serious, deep-seated reservations about the formation of the current government, we have not sent an ambassador to Iraq. What is the cause of these reservations? Let me give you one example. There was a certain Iranian general who, a week prior to the formation of the current Iraqi government, was in Baghdad negotiating on behalf of Iraqi Prime Minister Nuri Al Maliki with the Shi’ite and Kurdish groups, seeking their support for the new mandate.

These are the kinds of actions that are not missed by Saudi Arabia; we cannot condone such actions and we will do everything in our power to make them end. For instance, despite Baghdad’s considerable debts to Riyadh estimated at over $25 billion, the Saudi government has pledged to forgive most of them, but this is dependent upon an end to the sectarian, Iran-influenced direction the country is taking. In short, it is the Kingdom’s full intention to continue to work with the people of Iraq to assure that their country becomes a stable, positive, and independent member of the Arab world.

I propose that the Security Council should pass a resolution protecting Iraq’s territorial integrity. This will dampen internal centrifugal forces and challenge external ambitions should they arise.

**Tensions Over Yemen and Saudi Perceptions of a Wider Threat from Instability in Yemen**

Iran and Saudi Arabia compete for influence in Yemen through the conflict between the Houthi insurgency and the Yemeni government, which is just part of a much broader threat that Saudi Arabia sees in the current level of instability in Yemen, other border security problems, illegal immigration, and the fact that the primary terrorist threat to Saudi Arabia – al Qa’ida in the Arabian Peninsula – is now based largely in Yemen. Many of these threats are discussed later in this analysis in the country section on Yemen.

The Houthi insurgency rose out of longstanding tensions between northern tribal groups in Yemen and the Yemeni government then led by President Ali Abdullah Saleh. It began when the head of the Shia Zaidiyah sect, Hussein Badreddin al-Houthi, started an uprising against the Yemeni government in the Sa'dah Governorate in northwestern Yemen in spite of the fact that Saleh was also a Zaidi. The rebellion then spread into three other governorates near the Saudi border – Hajjah, 'Amran and al-Jawf – and into the Saudi province of Jizan.184

Saudi Arabia had long seen Yemen as a potential threat, and was actively involved in the Yemen civil war between 1962 and 1967, and in Yemeni politics in an effort to secure its border area. It backed the Saleh-led central government against the Houthi rebels, and accepted Saleh’s charges that the Houthi had Iranian support – although the US government did not see Iran as a major factor in the rebellion.

A series of limited clashes and negotiating efforts took place between 2004 and 2008, which gradually escalated and led the Yemeni government to launch a major offensive called Operation Scorched Earth in August 2008. The Houthi charged that Saudi Arabia was allowing Yemeni troops to operate from a base at a base in the Jabal al-Dukhan in Saudi Arabia and cross the border.
Tensions rose between the Houthi and Saudi Arabia and a major clash took place between the Houthi and Saudi border forces on November 4, 2009, prompting Saudi Arabia to become actively involved in the conflict – roughly two months after Yemeni forces had killed Hussein Badreddin al-Houthi, and he had been replaced by his brother, Abdul Malek al-Houthi, and the Houthi forces had killed two senior Yemeni officers returning from Saudi Arabia. The Saudi border forces were defeated and retreated, some 30,000-45,000 Saudi civilians in the border area were evacuated – in part because some had ties to the rebels – and the Houthi took control of an area in the Jabal al-Dukan and two Saudi villages near the border.

The fighting then led to serious border clashes involving a total of hundred or more casualties on each side, and the Saudi government made increasing use of the Saudi Air Force. These clashes continued through early 2010, and the Saudi Army is reported to have conducted counteroffensives in December with mixed success, and air strikes in support of both the Saudi Army and Yemeni government sides that were more effective.

The Houthi then turned to a Shi’ite cleric, the cleric Grand Ayatollah Ali al-Sistani to mediate with the Yemeni government. This led a Saudi cleric from Riyadh’s central mosque, Mohammad al-Arifi, to call al-Sistani “a infidel and debauched,” triggering Sunni-Shi’ite tension in Yemen, Iraq, Iran, and Lebanon. The Houthi offered a truce on January 25, 2010, though reports differ as to whether the Houthi forces then gave up their positions in Saudi Arabia and left the country. The Saudi government claimed the Houthi had been driven out, while the Houthi claimed to have withdrawn on their own.

In any case, the truce collapsed at the end of January, and new fighting began that involved both Yemeni government forces and pro-government tribal forces and continued through late January 2011, when popular uprisings against the Saleh government began in Sana, the capital of Yemen. The Houthi took advantage of the near civil war in the capital of Sana, and took control of the al-Jawaf governorate between August and September 2011.

The Houthi gained positions in the Hajjah and other governorates in late 2011 and in 2012, and gained influence in the Sana area in series of clashes and failed settlement efforts in 2012. They also led pro-Houthi and anti-US demonstrations in the Shi’ite areas in Sana. Both the Houthi and other Shi’ite elements, and the chief terrorist threat to Saudi Arabia – Sunni Al Qa’ida in the Arabian Peninsula – took advantage of the political turmoil that ousted Saleh, and led to a Presidential election and Abd Rabbuh Mansur al-Hadi becoming president of Yemen in February 25, 2012.

It is unclear how much cooperation took place between Saudi Arabia and the US in trying to deal with the Houthi, as well as with the rising influence of Al Qa’ida in the Arabian Peninsula as the Saleh government toppled. It is clear that the US experts increasingly felt Iran was playing a role in Yemen and that the Houthi had support from the Lebanese Hezbollah, and that the Saudi government, the US, and the new Yemeni government cooperated closely in helping the Yemeni forces attack the leaders and positions of Al Qa’ida in the Arabian Peninsula. It is also clear that new Houthi protests against the US took place in Sana in September and October 2012, and that the problems raised by the Houthi for Saudi Arabia, the Yemeni government and the US have not been solved.
Moreover, Al Qa‘ida in the Arabian Peninsula (AQAP) continues to be based in Yemen, threatens the stability of the region, and remains a threat to Saudi Arabia. The stream of attacks that began in 2003 continues. The Saudi deputy counsel in Aden was taken captive by armed individuals in March 2012, and in November 2012, a Saudi diplomat was assassinated in Sana’a along with his bodyguard. It is unclear from open source reporting whether AQAP was behind either of those attacks, but it seems likely. Another Saudi diplomat to Yemen was kidnapped in 2012, and has since been held hostage.

These AQAP attacks led Saudi Arabia to accept the presence of a CIA drone base in the southern desert of the country, which conducts all its operations in Yemen. Saudi authorities don’t publicly acknowledge the existence of the base because of popular Saudi resistance to any US military presence in the Kingdom, but the resulting drone attacks have been successful in many cases – including the killing of a top Al Qaeda operative and American citizen, Anwar Awlaki.

At the same time, events in August 2013 showed that American drone strikes in Yemen can lead to a potential backlash from Al Qaeda in Saudi Arabia. Four Al-Qaeda members were killed in a drone attack on August 6, 2013. Days later, the US government temporarily closed 19 of its embassies around the region, including all six GCC states, due to an Al Qaeda threat. It reacted to an intercepted message from Ayman Al Zawahiri, the leader of Al Qa‘ida “central” in Pakistan to Nasir al-Wuhayshi, the leader of AQAP in Yemen. It is not clear the events were directly related, but the possibility has raised the profile of US activity among the Saudi population.

Saudi Arabia faces another threat from Yemen and to some extent Iran, partly because of drug smuggling and human trafficking, partly because of its concern with Yemenis working in Saudi Arabia, and partly to help it reduce its dependence on foreign labor and create new jobs for young Saudis. The Saudi Labor Ministry announced changes to its foreign worker regulations in April 2013 that would restrict immigrant workers from transferring their "iqama," or the certificate that allows them to work in Saudi Arabia from one sponsor to another. Employers will no longer be able to hire foreign workers they did not sponsor under the country’s guest worker law.

If these rules are fully enforced, the Saudi government will step up its already strengthened efforts to expel illegal or unregistered workers as of July 3, 2013. It has already expelled a significant number of Yemeni workers and set new fees for hiring foreign workers for its private sector. This will have a special impact on Yemen, where overall unemployment or severe underemployment was estimated at 35-50% even before its current major civil unrest began, and where estimates of youth unemployment or severe underemployment went as high as 65-75%. Yemen is also critically dependent on some $2 billion a year in money from foreign workers.

Several hundred thousand illegal Yemeni workers live in poverty or near poverty in Saudi Arabia and present the special problem that some are marginalized within the labor forces, ineligible for government services, and are often abused by Saudi employers. This has tended to polarize some and shift them towards extremism. The Saudi Ministry of the Interior has been careful not to exaggerate this risk but Saudi officials report that the government sometimes sees more 700 illegal immigrants cross the Yemeni border in the Saudi Asir region in a single day, and average at least 2,500 a month or 30,000 a year.
The Saudi press has treated them as a growing threat and the Saudi press has increasingly come to refer to them as “infiltrators.”

This complex mix of threats, tensions, and clashes has led Saudi Arabia to reinforce its military and border security forces along and near its border with Yemen, and strengthen its barriers or “fence” along the border just as it had done with the barrier it created along its border with Iraq described earlier.

This effort has a long history. Yemen sided with Saddam Hussein in the first Gulf War in 1990-1991, leading Saudi Arabia to expel many of its 2 million Yemeni workers. A formal demarcation of the Saudi-Yemeni border and cooperation agreement in 2000 did not bring anything approaching stability to the border area, or reduce the problems of illegal immigration and infiltration – sometimes including cadres and supplies for AQAP.

Saudi Arabia created the first part of such a barrier fence in 2003, during a period of tension with the Yemeni government, but then halted after negotiations with the Yemeni government in early 2004. Construction was resumed and expanded in 2008 as a flood of illegal immigrants became a growing problem, and Saudi Arabia deported some 60,000 illegal Yemeni workers the previous year.

It is unclear how Saudi Arabia now deploys forces in the Yemeni border area, or how sophisticated its border defense have become, but it seems to be seeking to create the same kind of high technology border surveillance systems and defense posts that it is creating along its border with Iraq.

Prince Turki described the problems Saudi Arabia faced in Yemen as follows in his April 2013 speech:

…For the Kingdom, and, indeed, the rest of the world, an increasingly unstable Yemen represents a very real security threat due to the potential for terror cells to take root there.

This rough, rugged southwest corner of the Arabian peninsula, with a population of over 20 million, has been an arena for Al Qaeda operations since Al Qaeda established training camps there in the 1990’s, and according to our intelligence sources, Al Qaeda’s influence is strong in the country. This is largely due to the fact that the Yemeni central government has little authority in the mountainous areas outside the capital and other cities. Extremists have reportedly made deals with local tribal leaders for supplies and protection, creating a sanctuary not unlike Pakistan’s Tribal Areas.

While uprisings have rocked the country, Yemen remains a serious issue for the Kingdom. Refugees fleeing the conflict there have flooded across the border. Terrorists based in Yemen have crossed into the Kingdom. And should Yemen become unstable and the state disintegrates, this could become an even greater security threat.

What are our plans for the coming decade vis-a-vis this volatile situation? We have, in essence, a tri-partite approach. First, we spearheaded with our Gulf Cooperation Council (GCC) partners a peaceful transition for former Yemeni President Ali Abdullah Saleh to resign and to form the current national unity government that will carry forward the task of drawing up a new constitution and end the conflict.

The Kingdom has had a decades’ long program of economic and financial support for the Yemeni people. We are strengthening our borders to prevent Yemeni refugees and Al Qaeda terrorists from crossing into our country while also increasing our counter-intelligence efforts to attempt to pinpoint and destroy Al Qaeda operatives in Yemen. Our work with the US and main EU countries to eliminate the terrorist threat continues. Yemen remains a work in progress, and we will give all the support to ease it into stability.
Tensions Over the Arab-Israeli Peace Process

While the Arab-Israeli conflict and the search for an Israeli-Palestinian peace has been an enduring source of tension between Saudi Arabia and the US, Saudi Arabia sees Iran as exploiting the issue to cover up its ambitions – including military ones – and the true reason for pursuing nuclear weapons. It also sees Iran’s actions as leading to Israeli resistance and aiding Israeli hardliners in avoiding serious peace negotiations.

Once again, Prince Turki has provided a frank picture of Saudi views:

A full analysis of the Kingdom’s situation vis-a-vis the region cannot be considered complete without discussing the most important issue, and that is the Israeli/Palestinian conflict. As we have recently seen, Israel’s unwillingness to cease its unlawful colonization and continual refusal to grant the Palestinians their own homeland is the core reason that this conflict continues.

There is no lack of proposals for peace, many of them completely rational and fair. Indeed, the only viable one today, remains the Arab Peace Initiative, originally outlined by King Abdullah in 2002. It calls on Israel to withdraw to its 1967 borders and for the establishment of a viable and contiguous Palestine bordering Israel, Jordan, and Egypt.

The Kingdom continues to urge Israel to take the necessary steps toward peace and justice. It also continues to support the Palestinian Authority in its attempts to build lasting institutions for its people, and it remains, counter to recent accusations, the world’s largest contributor to the Palestinian over five years to fund the Palestinian Authority’s Reform and Development Program. More than $300 million of this funding has been handed out to projects and include the Islamic Development Bank’s Aqsa Fund, which supports Palestinian projects, and housing and assistance for Palestinian refugees.

More pledges, ranging into the billions of dollars, have been made to support the Palestinian Authority and the Kingdom has delivered several more billion dollars in the past few years for rebuilding and developing Palestine — money that is being spent on schools, roads and security. Funding, engagement, and a call for a two-state solution are the central pieces of the Saudi position in the coming decade.

And on the all-important issue of statehood, King Abdullah has called upon Saudi Arabia, as its ethical and religious obligation, to come up with a Marshall-like Plan for the Palestinians whose objective will be the establishment of a Palestinian state. As such Saudi Arabia stands behind those UN member nations who wish to make an official UN declaration recognizing the state of Palestine and calls on the US to support the declaration as well. In essence, Saudi Arabia believes that Palestinian statehood is not a matter of if, but now.

Saudi Arabia’s Security Relations with the US

Saudi and US relations have had many periods of tension, but Saudi Arabia is the largest, most militarily powerful, and most oil-abundant state on the Arabian Peninsula, and has remained a close military partner of the US. According to the USCENTCOM 2013 Posture Statement:

For decades, security cooperation has been a cornerstone of our relationship with the Kingdom of Saudi Arabia. As we face ever more sophisticated regional challenges in the Middle East, helping to enable the upgrade of Saudi Arabia’s defense capabilities sustains our strong military-to-military relations, improves operational interoperability, helps the Kingdom prepare to meet regional threats and safeguards the world's largest oil reserves. ... Working with Department of State, USCENTCOM helped establish the first interagency security assistance program to build the capabilities of the Ministry of Interior Security Forces that protect Saudi Arabia’s critical infrastructure. This is a long-term $1 billion FMS Interagency Technical Cooperation Agreement, which has shown remarkable progress.
Military Cooperation

The current size and role of Saudi forces in Gulf security has been analyzed in detail in the Burke Chair publication *US-Iranian Competition: The Gulf Military Balance – I: The Conventional and Asymmetric Dimensions*. Figure 20 summarizes the current size of Saudi regular military forces, which are the largest forces in the GCC, and which have a mix of air and surface-to-air missile strength more capable than that of Iran.

As has been shown in Figures 3 and 4, US military assistance to the Kingdom has been a significant part of Washington’s strategic relationship with Riyadh and joint efforts to contain Iranian power in the Gulf region. The US sees Saudi Arabia as its key military partner in the Gulf and as the leader of the GCC in spite of the various national tensions that divide it.

A US Congressional Research Service study provided the following description of US and Saudi Security Cooperation as of late 2012:

In late December 2011, the Obama Administration publicly announced that Saudi Arabia had agreed to terms to proceed with a $29 billion sale of advanced F-15 fighter aircraft to the kingdom after months of delay and speculation. On March 9, 2012, the Pentagon announced that Boeing had been selected for an $11.4 billion contract to supply 84 new F-15s along with related systems and weaponry as part of the sale. Congress was notified of the proposed sale in October 2010, and Saudi Arabia received the formal letter of offer and approval for consideration in April 2011. Informed observers attributed the delay in the announcement to a combination of Saudi domestic and foreign policy considerations. These include the illness and subsequent death of long-serving Defense Minister Crown Prince Sultan bin Abdelaziz Al Saud…and Saudi reevaluation of the proposal in light of the unrest in the region, the U.S. response, and political change in Egypt, Bahrain, and Yemen. The sale will perpetuate the reliance of the Royal Saudi Air Force (the elite military service in the country) on material and training support provided by the United States military and U.S. defense contractors.

Progress also continues toward completion of other large outstanding sales, including 24 Apache helicopters valued at $2.7 billion, and 12 MD-530 aircraft and 12 Apache and 24 Blackhawk helicopters at an approximate combined value of $5 billion. The sales will guide the immediate future of the United States Military Training Mission (USMTM) in Saudi Arabia and the Saudi Arabian National Guard Modernization Program (PM-SANG), which have been active in the kingdom under special bilateral agreements since the 1950s and 1970s, respectively. Saudi purchases fund these programs. The sales, particularly the long-term F-15 program, are seen by decision makers on both sides as a symbolic commitment to sustained cooperation during a period likely to include generational change in the kingdom’s aging leadership …

**Sale of 84 F-15SA fighter aircraft - Transmittal No. 10-43 (October 20, 2010)**

- Sale includes 84 new F-15SA aircraft with related systems and armaments for the Royal Saudi Air Force.
- Includes upgrade to 70 F-15S fighter aircraft already in RSAF inventory to F-15SA configuration.
- Includes provision of training facility in United States and upgrades to existing Saudi military facilities.
- The estimated potential cost, if all options are exercised, is $29.4 billion.

**Proposed sale of AH-64D APACHE, UH-60M BLACKHAWK, AH-6i Light Attack, and MD-530F Light**

**Turbine Helicopters - Transmittal No. 10-44 (October 20, 2010)**

- Sale would include 36 AH-64D Block III APACHE Helicopters, 72 UH-60M BLACKHAWK Helicopters, 36 AH-
6i Light Attack Helicopters, 12 MD-530F Light Turbine Helicopters, and related systems and armaments for the

Saudi Arabian National Guard.

- Includes training, support, and U.S. Government and contractor engineering, technical, and logistics support services. Implementation would require “the assignment of approximately 900 contractor representatives and 30 U.S. Government personnel on a full time basis in Saudi Arabia for a period of 15 years.”

- The estimated potential cost, if all options are exercised, is $25.6 billion.

Proposed sale of AH-64D Longbow Helicopters, Engines and Night Vision Sensors - Transmittal No.

10-45 (October 20, 2010)

- Sale would include 24 AH-64D Block III APACHE Longbow Helicopters, T700-GE-701D engines, night vision sensors and helmets, Hellfire missiles, and related systems for the Royal Saudi Land Forces. Also includes training and support services.

- The proposed sale “may require the assignment of an additional 35 U.S. Government and 130 contractor representatives to Saudi Arabia.”

- The estimated potential cost, if all options are exercised, is $3.3 billion.

Proposed sale of AH-64D Longbow Helicopters, Engines and Night Vision Sensors - Transmittal No.

10-46 (October 20, 2010)

- Sale would include 10 AH-64D Block III APACHE Longbow Helicopters, T700-GE-701D engines, night vision sensors and helmets, Hellfire missiles, and related systems for the Saudi Arabian Royal Guard. Also includes training and support services.

- The proposed sale “may require the assignment of an additional 35 U.S. Government and 150 contractor representatives to Saudi Arabia.”

- The estimated potential cost, if all options are exercised, is $2.2 billion.

Administration officials argue that the proposed improvement of Saudi Arabia’s conventional military capabilities, particularly its fighter aircraft capabilities, will strengthen the kingdom’s deterrent position vis-à-vis Iran, whose conventional air force is limited but whose unconventional warfare capabilities could threaten the kingdom. References to potential threats to Saudi security from Iran have persisted since the 1979 Iranian revolution, and have moved back into focus since the overthrow of Saddam Hussein’s regime in Iraq removed what Saudi and U.S. military officials considered—after the Iraqi invasion of Kuwait in 1990—the other primary conventional military threat to Saudi security. In April 2010, the U.S. Department of Defense reported to Congress that Iran maintains very sizeable military forces, but they would be relatively ineffective against a direct assault by well trained, sophisticated military such as that of the United States or its allies. At present, Iran’s forces are sufficient to deter or defend against conventional threats from Iran’s weaker neighbors, such as post-war Iraq, the GCC, Azerbaijan and Afghanistan, but lack the air power and logistical ability to project power much beyond Iran’s borders or to confront regional powers such as Turkey or Israel.

At present, U.S. and Saudi officials also cite the residual effects of continuing instability in Iraq, Yemen, the Horn of Africa, and Pakistan as serious external threats to Saudi national security, while the threat of terrorism and the security of key energy infrastructure remain the principal domestic security concerns.

U.S. efforts to support Saudi critical infrastructure protection continue under the auspices of a bilateral agreement signed in May 2008. A Joint Commission on Critical Infrastructure and Border Security Protection serves as the bilateral coordination mechanism for State Department, Energy Department, and Defense Department engagement with Saudi counterparts. Initial joint security assessments have been completed, and U.S. advisory support is being provided on a contract basis via the Office of the Program Manager-Facilities Security Force (OPM-FSF) to the Saudi Ministry
of Interior as it implements an initial five year development plan for the new Facilities Security Force.

...The Obama Administration requested $10,000 in International Military Education and Training assistance funding for Saudi Arabia for FY2013. This nominal amount makes Saudi Arabia eligible for a substantial but undisclosed discount on the millions of dollars of training it purchases through the Foreign Military Sales program. The Administration argues that the discount supports continued Saudi participation in U.S. training programs (via USMTM and PMSANG) and this participation supports the maintenance of important military-to-military relationships and improves Saudi defense capabilities. In previous years, Congress has enacted prohibitions on IMET and other foreign assistance to Saudi Arabia, and the Bush and Obama Administrations subsequently issued national security waivers enabling the assistance to continue.

Saudi officials have been privately critical of the congressional prohibitions and prefer to avoid contentious public debate over U.S. foreign assistance, arms sales, and security cooperation. Spending levels from FY2012 accounts for Saudi Arabia were set through consultation between the executive branch and Congress rather than specified in legislation. As such, established inter-branch consultation and notification mechanisms will remain the primary venue for determining the use of any FY2013 funding for Saudi Arabia under the continuing resolution, which expires March 27, 2013.

The US has long been a major supplier of arms to Saudi Arabia. It signed some $67.1 billion worth of foreign military sales agreements with Saudi Arabia between FY1950 and FY2004, and US FMS arms agreements with the Kingdom totaled $724.6 million in FY2005, $803 million in FY2006, $1.636 million in FY2007, $6,257.3 million in FY2008, $2,837.9 million in FY2009, $2,027.0 million in FY2010, $3,364.3 million in in FY2011, and $34,733.8 million in FY2012. Saudi Arabia has relied on FMS sales since FY2008 and the US has not reported commercial arms sales during FY2009-FY2012.

As Figure 21 illustrates, Saudi Arabia was the largest Gulf Arab recipient of US Foreign Military Sales (FMS) deliveries from FY2007-FY2011. US air assets in the Saudi arsenal include 152 F-15 fighter and ground attack aircraft, 5 E-3A surveillance aircraft, 3 RE-3 electronic intelligence (ELINT) aircraft, 7 KC-130H and 7 KE-3A refueling tankers, 36 C-130 transport aircraft, 12 AH-64 Apache attack helicopters, 12 S-70A-1 Desert Hawk and 46 UH-60 Black Hawk transport helicopters, and 50 Bell multi-role and transport helicopters.

Munitions include a variety of air-to-surface and air-to-air missiles, including the AGM-65 Maverick air-to-ground missile and the AIM-9 Sidewinder, AIM-7 Sparrow, and AIM-120 AMRAAM air-to-air missiles. Air defense assets in the Kingdom also include the PATRIOT PAC-2 and MIM-23B I-HAWK systems as well as man-portable air-defense systems (MANPADS).

Land force assets include 200 M1A2 Abrams and 400 M60A3 main battle tanks, 400 M2 Bradley armored infantry fighting vehicles and man-portable anti-tank systems (MANPATS). The Kingdom has also acquired a number of naval assets from the US, such as 4 corvettes, 9 patrol craft, 17 patrol boats, and 4 mine countermeasure vessels.

Between December 2010 and December 2011, details emerged of what would be the biggest military sale the US has executed as the Kingdom was set to procure as much as $60 billion worth of material from the US to develop Riyadh’s airpower capabilities. The agreement was set to involve 84 new F-15s and the refurbishment of 70 older F-15s, as well as 70 Apache and 36 AH-6M, and – possibly – 72 Black Hawk helicopters.
The US Department of Defense reported in November 2012 that as part of this agreement, Saudi Arabia purchased 84 F-15SA aircraft the previous March, and entered into a Letter of Agreement (LoA) in late 2011 for the refurbishment of 70 F-15S aircraft. Riyadh also agreed in June 2011 to buy a refurbished PATRIOT PAC-3 as well as 12 MD-530F helicopters. As of November 2012, it was unclear what the status of potential orders of 72 Black Hawk helicopters and 105-155mm artillery were.

In spring 2013, it emerged that the Department of Defense sought to arm Saudi Arabia’s F-15s with what was initially described in the New York Times as “an advanced class of precision ‘standoff munitions’…” A subsequent opinion piece in the Washington Post cited “U.S. sources” in stating that the missiles were likely AGM-88 HARMs – though Riyadh had pushed for the AGM-158 JASSM. The AGM-88 is a supersonic missile that could target enemy air defense units from over 30 miles away through radiation-tracking technology.

Problems in Force Development

In spite of its progress, several key problems remain in Saudi force development:

- Saudi purchases of equipment are not yet matched by effective training, exercises, and sustainability – a problem that affects virtually all forces in the region – including those of Iran. These problems are compounded by a lack of combined arms and joint warfare training and the development of truly effective battle management capabilities and related command, control, communications, computers, intelligence/battle management (C4I/BM) and intelligence, surveillance, and reconnaissance (IS&R) systems.

- Like most other GCC forces – and forces in the developing world – Saudi forces tend to focus on stovepiped elements of combat arms within a given service, and on equipment modernization, rather than joint warfare, combined arms, overall force capability, readiness and training for real world combat, and maintenance and sustainment capability.

- Saudi Arabia prioritizes force improvements and missions on a national level, rather than a GCC-wide level. It now gives its Air Force and internal security forces a higher priority than its naval and land forces, and approaches key missions within each service with very different standards of effectiveness. Interoperability not only affects equipment and training, it affects the need to create integrated mission capabilities and priorities for readiness and force improvements.

- The relatively small size of the Gulf, the reaction times in any sea-air-missile battle, and Iran’s ability to selectively attack given GCC countries and facilities requires more than effective national battle management and related C4I/BM and IS&R systems. It requires truly interoperable GCC-wide systems that are linked in peacetime to US systems that include far more advanced collection and IS&R assets so Saudi Arabia and all GCC forces can actually practice and test unified military action on a continuing basis, rather than in sporadic exercises.

- The Saudi Air Force still tends to emphasize combat operations at the pilot and squadron level, rather than overall capability for sustained combat as an air force, and in joint operations involving naval and ground forces. The focus on individual or small unit combat – the so-called “knights of the air” approach – needs to be broadened on both an air force wide and Interservice basis. Similarly, the RSAF needs to expand its ability to generate and effectively use large numbers of sorties over time and place less emphasis on the “glitter factor” of buying new fighters and equipment types. This means more emphasis on overall command exercises and the effective use of IS&R assets in both aid and joint warfare missions, as well as more emphasis on generating sustained high sortie rates through effective maintenance and sustainment service. It should be noted, however, that with possible except of the UAE air force, the RSAF sets higher standards than any other Gulf air force.
• The Saudi Army adapted well to maneuver warfare during the first Gulf War, but required extensive preparation and outside aid in training and the organization of repair and sustainment capability. It has since tended to revert to localized forces tied to the Kingdom’s military cities rather than sustain its capability for large scale maneuver warfare. Combined arms, joint warfare, effective use of all IS&R assets, sustainment, and more realistic large-scale maneuver efforts are all areas needing more emphasis, and again, having priority over major new buys of combat equipment.

• The Saudi Navy has not been given the same priority as the Saudi Air Force, and joint warfare planning, systems, tactics, and technical capabilities remain weak. The Saudi Gulf fleet lacks mission capability and readiness in many key areas like mine warfare; The Red Sea fleet is still very much a fleet in development.

• The top level leadership of the Saudi Ministry of Defense and Aviation, National Guard, and Ministry of Interior have gone from a long period of static top level command to a series of shake ups in top level leadership, including the creation of a Ministry for the National Guard, and rapid changes in the position of Deputy Defense Minister – a role that has long been critical because the Minister has other functions. There are some indications these changes have improved Saudi capabilities, but the stability of top level leadership and the need for merit-based leaders – rather than seniority – is an issue.

• While King Abdullah has called for more unity in the GCC, Saudi Arabia has not worked to create integrated BM, IS&R, air defense, missile defense, and naval surveillance and command systems. This is a major problem common to all the GCC states, but Saudi Arabia’s strategic position makes its failures particularly important.

• Like all the other GCC states, Saudi Arabia procures equipment and weaponry on an almost solely national basis with limited regard to standardization, Gulf-wide mission priorities, economies of scale and cost-effectiveness, and interoperability.

Missile Defense

The growing need for integrated GCC missile defense is a good case in point. Missile defense has been a key part of US efforts to reinforce Gulf security. Saudi Arabia, Kuwait, and the UAE have all taken steps in recent years to develop their abilities to defend against an Iranian missile attack. At the heart of these efforts has been the PATRIOT missile defense system, as all three states have made an effort to upgrade to the more advanced variants such as GEM-T and/or PAC-3. The UAE and Qatar are purchasing a Terminal High-Altitude Area Defense (THAAD) system and working with US contractors Raytheon and Lockheed Martin. The US is working with the GCC and all GCC states in an effort to develop a southern Gulf-wide missile defense system. According to the New York Times, such an effort “would include deploying radars to increase the range of early warning coverage across the Persian Gulf, as well as introducing command, control and communications systems that could exchange that information with missile interceptors whose triggers are being held by individual countries.”

While it is unclear where the Gulf states stand on missile defense cooperation, there has been some speculation about other means of formalized regional multilateralism. As has been touched upon earlier, it was reported in May 2012 that Saudi Arabia and Bahrain considered setting the stage for a broader effort towards GCC unification by entering a union. Speculation about the union prompted criticism from the Iranian parliament, and
demands from one of the top Shia political figures for a popular vote on the issue, rather than a government mandate.206

**Gulf Unity**

As has also been touched upon earlier, there is a lack of unity within the GCC as to whether or not to pursue some form of broader union. Kuwait, for example, has been reluctant to support the concept of a union, perhaps as a result of the gap between the relatively progressive and quasi-democratic Kuwaiti political system and the more authoritarian systems of states like Saudi Arabia, to say nothing of a lack of popular support for the idea within Kuwait.207

Security cooperation with NATO has been developed with the support of Washington. Bahrain, Qatar, Kuwait, and the UAE have become part of NATO’s Istanbul Cooperation Initiative. It is speculated that Saudi Arabia and Oman may follow suit. The initiative includes – among other activities – “military-to-military cooperation to contribute to interoperability through participation in selected military exercises and related education and training activities,” in addition to “cooperation in the Alliance’s work on the proliferation of weapons of mass destruction and their means of delivery.” 208 As part of the initiative, there is speculation that Kuwait could host a NATO facility.209

These activities could be useful in building a more unified Gulf approach to the Iranian threat that is in sync with NATO – particularly if the assistance of the alliance was needed in a large-scale conflict. However, without the participation of Saudi Arabia – the largest (by far) and most advanced military on the Arabian Peninsula – it is unlikely that these endeavors will yield a truly interoperable and effective Gulf fighting force.

While the states on the Arabian Peninsula share a common threat from Iran and have a common cause to work together, internal political issues in the Gulf will make interoperability and cooperation difficult, yielding less capable defenses in dealing with the asymmetrical and missile threats posed by the Islamic Republic. Saudi Arabia’s lack of participation in the Istanbul Cooperation Initiative, and a lack of broad support for a GCC union, will make the deterrence of Iran more difficult not only for the Gulf states, but also for the US.

**Cooperation in Counterterrorism**

Saudi Arabia has made counterterrorism and internal security a key priority since a series of Al Qa’ida attacks on its soil in 2003. It has greatly strengthened its security forces in the Ministry of Interior, created new security forces to protect its petroleum facilities and other critical infrastructure, reorganized and strengthened its National Guard while creating a separate Ministry for the Guard, and has set up a joint counterterrorism mission and advisory group with the US.

Saudi Arabia is one of the few Southern Gulf states to issue unclassified papers on its efforts in counterterrorism and the Saudi embassy in Washington issued a white paper in November 2012 which summarizes Saudi initiatives in counter terrorism. While such reporting obviously presents the government’s best case, US experts feel it is broadly valid and illustrates the extent to which Gulf security issues interact with the need to deal with education, ideology, governance, and economic reform:210

*The Men: Counterterrorism Training & Technology*
During the last decade, the Saudi government, the Ministry of Interior and relevant agencies have fundamentally restructured operations and coordination to better address national security threats and to prevent terrorist attacks. Much of this activity has been aimed at dismantling the physical presence of Al-Qaeda and the ability of militants to operate from or within the Kingdom.

To do so effectively, Saudi security forces maintain rigorous security standards and undertake continuous training on the latest best practices for combating terrorist threats. Security professionals regularly participate in joint programs throughout the world, including in Europe and the United States.

Saudi security agents also work with their international counterparts to conduct missions and exchange information. Saudi Arabia and the United States have established two joint task forces—one that pursues leads to terrorist activities and another that tracks terror financing. These efforts to enhance the sophistication of Saudi Arabia’s human resources have been complemented by the deployment of new technologies that assist in safeguarding the Kingdom.

In addition to adopting enhanced tactics to patrol the country’s desolate borderlands, the Saudi government has also implemented soft-counterterrorism measures designed to confront threats in the Kingdom’s dense urban areas. Neighborhood police units engage and work directly with community members, encouraging citizens to provide tips and leads about suspicious activity. This approach has led to arrests of most-wanted terrorists and to the discovery of safe houses where terrorists were meeting, plotting and staging attacks. Throughout the last decade, these activities—training, education, the inclusion of technology and community outreach—have allowed Saudi security forces to foil many terrorist plots within the Kingdom and to dismantle Al-Qaeda’s operations. They have also created an unwelcome environment to terrorists and extremists.

Despite their effectiveness, these activities have not come without sacrifice. In combating terrorist-related events, many Saudi security officers have died and hundreds have been wounded carrying out their duties. Casualty rates have decreased in recent years, as a result of improved training, experience and preventative activities—including increased efforts to combat the financing of terrorism and to eradicating the influence of extremist ideologies. In addition to training courses for combating terrorists, Saudi Arabia has led numerous international counterterrorism conferences on subjects ranging from combating extremists ideology to combating terror financing. In February 2010, Saudi Arabia hosted a three-day counterterrorism workshop entitled the “International Legal Framework for Combating Terrorism and its Financing Workshop.” The conference was attended by more than 76 national, regional and international experts on terrorism. In March 2010, the Islamic University of Madinah in cooperation with the Ministry of Interior organized “The Conference of Terrorism Between Intellectual Extremism and Extremist Ideology.”

International conferences such as these give nations and international organizations an opportunity to meet and discuss best practices for combating terrorism. These conferences are critical to ending the threat of terrorism on global community.

The Money: Combating Terror Financing

By 2003, the Saudi government had put in place the majority of its new financial controls and banking regulations aimed at stopping those who financially support terrorism and extremism within Saudi borders and beyond. The Saudi Arabian Monetary Agency (SAMA) had issued instructions to all Saudi financial institutions to implement the 40 recommendations of the Financial Action Task Force (FATF) of the G-8 countries regarding money laundering and the recommendations regarding terror financing. In 2003, the Saudi Arabian Financial Crimes Unit was also established, and in September 2005 it transitioned to become the Kingdom’s official Financial Intelligence Unit (FIU), specially tasked with handling money laundering and terror finance cases. Saudi Arabia was admitted into the Egmont Group in May 2009. In 2010, FATF’s report on efforts to combat money laundering and terror financing ranked Saudi Arabia first in the Arab world and among the top ten within the Group of 20 (G-20) countries to ensure the success of these controls and regulations, the Saudi government created special training programs for bankers, prosecutors, judges, customs officers and other officials from government departments and agencies. Programs are offered by the Naif Arab University for Security Sciences (formerly the Naif Arab Academy for Security Sciences) and the King Fahd Security Faculty, Public
Security Training City. The Saudi Arabian Monetary Agency (SAMA) also offers programs, and has implemented a technical program to train judges and investigators on legal matters involving terrorism financing and money laundering methods, international requirements for financial secrecy, and methods exercised by criminals to exchange information.

A central aspect of regulating financial controls has been ensuring oversight of charitable giving – a key tenet of the Islamic faith. There are thousands of Islamic charities in the Kingdom. To bring order to these organizations, the Saudi government instituted direct oversight of charitable organizations, and through SAMA instructed all banks and financial institutions in the Kingdom to stop all financial transfers by Saudi charities to any accounts outside the Kingdom. The government consolidated oversight in 2004, through the issuance of a Royal order approving the creation of the Saudi National Commission for Relief and Charity Work Abroad with the responsibility for regulating all charitable activities abroad.

Saudi Arabia took additional steps to seek out and stop ongoing illicit activities. The Saudi government and the United States jointly designated several organizations as financiers of terrorism under United Nations Security Council Resolution 1267, including: the Bosnian-based Vazir and the Liechtenstein-based Hochburg AG; four branch offices of the Al-Haramain Foundation (Kenya, Tanzania, Pakistan and Indonesia); and, five additional branch offices of Al-Haramain—an organization which is now dissolved. The Kingdom coordinates such efforts with multiple international partners, including Great Britain, which, together with Saudi Arabia, jointly froze the assets of Saad Al-Faqih’s London-based Movement for Islamic Reform in Arabia (MIRA) for allegedly providing support to Al-Qaeda. Al-Faqih is named on the UN Security Council Resolution 1267 list of individuals tied to Al-Qaeda.

Since terrorists and terror financiers do not operate solely within the borders of any particular nation, Saudi Arabia holds international cooperation as a central component to the success of its counterterrorism efforts. Saudi officials, security and counterterrorism experts work with their counterparts at every level of governments throughout the world to ensure programmatic effectiveness and to maintain cooperation. Specifically, to help further patrol the areas of charity, banking and money laundering, agents from the United States Internal Revenue Service (IRS) and the Federal Bureau of Investigation (FBI) work with Saudi financial experts to track leads and share intelligence. In February 2008, Saudi Arabia and France signed a new civil service agreement to enhance bilateral cooperation in the areas of counterterrorism, anti-narcotics and to combat money laundering.

More recently, in September 2012, a symposium patronized by the Saudi Minister of Interior was held in Riyadh on “The Role and Responsibility of Public Prosecution and Judiciary Bodies in Anti-Money Laundering and Financing of Terrorism.” The symposium was organized by the Bureau of Investigation and Public Prosecution (BIP) in collaboration with the Middle East & North Africa Financial Action Task Force (MENAFATF). Its participants included delegations from many countries, as well as a number of representatives of international financial institutions.

Since the formulation of these controls and the implementation of the training programs, the Saudi government has prosecuted numerous individuals suspected of financing terrorism, and has frozen bank accounts, filed charges against and convicted individuals.

**The Mindset: Overcoming Extremism:** As a part of Saudi Arabia’s long-term counterterrorism strategy, and to complement efforts to track and halt the activities of terrorists and terror financiers, the Kingdom pursues “soft” counterterrorism policies. These include everything from direct outreach to Saudi society at large to terrorist reeducation efforts. This approach constitutes a “war of ideas,” which aims to instill the concepts of moderation and tolerance, and to undermine any Justifications for extremism and terrorism on an intellectual level. In doing so, Saudi Arabia is protecting vulnerable groups, such as youth, and any potentially disenfranchised elements of society. Broadly, the Kingdom has undertaken several initiatives to counter the extremist mentality and to promote moderation and tolerance among its citizenry

**Public Awareness Campaign:** Initiated a public awareness campaign to reinforce the true values of the Islamic faith and to educate Saudi citizens about the dangers of extremism and terrorism. The campaign included advertisements on television, radio and billboards, as well as programs on television, in
schools and mosques, and at sporting events. The centerpiece of the campaign was a series of public service announcements that aired up to 25 times a day on a number of Arabic satellite networks, including Al-Arabiya, MBC and Future Television, as well as on Saudi Television channels. Six government ministries coordinated the development and execution of the programs. Six government ministries coordinated the development and execution of the programs.

**Public & Religious Education:** Conducting an ongoing program to modernize textbooks and curricula, to introduce enhanced teaching methods and provide better training for educators. Efforts such as these combat extremism and prepare Saudi citizens for life in a global economy. These developments also extend to Saudi religious schools. Imams have been prohibited from incitement and talk of intolerance, and the Ministry of Islamic Affairs is conducting a program to educate imams and monitor mosques and religious education to purge extremism and intolerance.

**Global Interfaith Dialogue Initiative:** Launched an international effort to promote interfaith dialogue. In early 2008, Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz launched the interfaith dialogue as a way to underscore the commonalities among the world’s religions. To initiate this endeavor, King Abdullah convened a meeting on June 4, 2008 of more than 500 Muslim scholars from around the world. The conference highlighted the importance of dialogue and emphasized the need for the faiths and cultures of the world to combat extremism and intolerance. This was followed by the World Conference on Dialogue in Spain on July 16, 2008. The conference, hosted by King Abdullah and King Juan Carlos I of Spain, brought together 300 delegates from around the world representing Islam, Buddhism, Christianity, Confucianism, Hinduism, Judaism and Shintoism. The culmination of this dialogue initiative was a special session of the UN General Assembly on November 12, 2008, attended by more than 25 world leaders. The fourth international interfaith conference was organized by the Muslim World League and held on September 30-October 1, 2009. The conference was held under the patronage of Swiss President Hans-Rudolf Merz.

On a more advanced, focused level, Saudi Arabia has also been conducting two different, yet complementary programs: “Counter-Radicalization” and “Rehabilitation.” Whereas the broader public programs are preventative in nature, each of these programs go directly to the active source of extremism propagation and serve to neutralize it. In creating these programs, Saudi Arabia’s Ministry of Interior drew on the expertise of a group of international social scientists, psychiatrists, psychologists, and other physicians and experts to create strategies tailored to radicalism. In addition, the Ministry has been working in conjunction with King Fahd Security College and Naif Arab University for Security Sciences to develop and refine the training activities for public security professionals. 

**Counter-Radicalization Program:** The purpose of the program is to combat the spread and appeal of extremist ideologies among the general populous. It strives to instill the true values of the Islamic faith, such as tolerance and moderation. Central to this effort is education about the dangers of radical Islam—consisting of school and religious programs and popular pronouncements, and the provision of positive, alternative outlets for at-risk groups—such as encouraging participation in sporting events and athletic programs, social outings, etc.

**Rehabilitation Program:** The rehabilitation program is intended to reintegrate deviants/extremists back into society, change their behavior (disengage them) and change their beliefs (de-radicalize them). It is designed to target deviants who have completed their prison sentences. The program reeducates violent extremists and extremist sympathizers through intensive religious debates and psychological counseling. The goal is for them to renounce ideologies that espouse terrorism. Any individual who has committed or participated in a violent crime, constituting murder, will not be released following completion of the course. Saudi Arabia’s rehabilitation program for detainees is the longest continually functioning rehabilitation program in the world, and several countries are establishing similar programs based on the Kingdom’s model, including Algeria, Egypt, Jordan, Yemen, Singapore, Indonesia, Malaysia, and the United States military through “Task Force 134” in Iraq. While the program has obtained positive results, the Saudi government views terrorism as a serious, ongoing threat and the Kingdom continues to refine its programs and enlist more detainees in hopes of disengaging and de-radicalizing them.

**Conclusion:** Although successful in the design and implementation of its counterterrorism
programs during the last decade, Saudi Arabia continues to enhance its initiatives, as terrorism remains a threat to the safety and security of its citizenry and those of the global community. In its commitment to combating terrorism, the Kingdom has forged partnerships with foreign governments and multilateral organizations to protect national security and reinforce counterterrorism strategies. Most recently, in September 2011, Saudi Arabia signed an agreement with the United Nations to create the United Nations Centre for Counter Terrorism (UNCCT) and donated $10 million to its establishment. The initiative for this center was conceived in 2005, when King Abdullah held the “Counter-Terrorism International Conference” in Riyadh, Saudi Arabia. The event featured ministerial-level delegates from 51 countries and nine international organizations who participated in various counterterrorism workshops and sessions. Saudi Arabia continues to seek ways to improve its ability to identify, penetrate and dismantle terrorist plots through structural reforms, the development of new intelligence and law enforcement tools, and an approach that values information sharing, communication and prevention. Greater international cooperation and coordination will only serve to further mitigate extremist incitement and terrorist activities throughout the world.

Both Saudi Arabia and the US have worked closely together in counterterrorism – as well as against the risk of sabotage and covert action by Iran, particularly since Al Qa'ida in the Arabian Peninsula (AQAP) began active attacks in Saudi Arabia in 2003. As is the case in many other GCC states, this cooperation has been relatively quiet but it has affected every aspect of US and Saudi military and intelligence cooperation, as well as led to far closer cooperation at the State Department-Foreign Ministry level and between US counterterrorism experts and Saudi Ministry of Interior and National Guard.

Saudi Arabia has not had active US military forces on its soil since 2003, but it has cooperated closely with the US in countering the terrorist threat posed by AQAP in Yemen, and Saudi Arabia has permitted the CIA to create an unarmed combat aerial vehicle (UCAV) and surveillance facility on its soil – subject to the restriction that every mission must be jointly reviewed and have Saudi permission before any strikes are made.211

Washington has credited Saudi Arabia for the steps it has taken toward a more firm policy against terrorism. According to the US State Department’s Country Reports on Terrorism 2011,212

The Government of Saudi Arabia continued to build and augment its capacity to counter terrorism and extremist ideologies. Saudi authorities launched a number of public trials of suspected terrorists, supporters, and financiers; arrested numerous other suspected terrorists, including those aligned with al-Qa'ida (AQ); disrupted alleged terrorist plots; and continued to implement improved border security measures. Senior Saudi leaders – including members of the royal family, government officials, and religious figures – made public comments condemning terrorist acts and criticizing extremist ideology.

Saudi security officials indicated that terrorist groups continued to plan attacks inside the Kingdom against targets of Western interest and residential compounds, as well as targets of oil, transport, aviation, and military importance. Al-Qa'ida in the Arabian Peninsula (AQAP) was the primary terrorist threat against the Kingdom. Many of AQAP's activities and efforts have been thwarted by aggressive Saudi government counterterrorism programs. Efforts to combat the terrorist threat have been complicated by ongoing instability in Yemen, which has provided AQAP an opportunity to recruit members, solicit funds, and plan attacks on Saudi Arabia. Saudi Arabia maintained a robust counterterrorism relationship with the United States.

The State Department also reports that in 2011, the Kingdom improved border security and introduced biometric security measures to ports-of-entry. The country made progress toward a more transparent and extensive approach to fighting terrorism by holding its
“first-ever public terrorism trials,” and making efforts in “outreach, counter-radicalization, and rehabilitation programs.” The State Department report issued on May 30, 2013 described equally close cooperation:

**Overview:** During 2012, the Government of Saudi Arabia continued its long-term counterterrorism strategy to track and halt the activities of terrorists and terrorist financiers, dismantle the physical presence of al-Qa’ida, and impede the ability of militants to operate from or within the Kingdom. As part of this strategy, Saudi authorities also continued public trials of individuals suspected of engaging in or supporting terrorism. In August, Saudi authorities announced they had discovered and partially rounded up two separate terrorist cells (one in Riyadh and the other in Jeddah) affiliated with al-Qa’ida in the Arabian Peninsula (AQAP). AQAP continued to be the Kingdom's primary terrorist threat, and efforts to counter this threat were hampered by the ongoing instability in Yemen. Throughout the year, AQAP noticeably stepped up its efforts to inspire sympathizers throughout Saudi Arabia in an effort to compensate for difficulties in carrying out cross-border attacks. Saudi Arabia continued to maintain a robust counterterrorism relationship with the United States and supported enhanced bilateral cooperation to ensure the safety of U.S. citizens within Saudi territories and beyond.

**2012 Terrorist Incidents:** Beyond the two disrupted terrorist cells in August, there were at least two incidents involving suspected terrorists along the Saudi-Yemeni border. On October 14, Saudi security forces in Jizan province killed two Yemeni nationals who attempted to pass a checkpoint with explosives and four suicide vests for use in "imminent attacks against vital targets," according to an official statement. On November 5, 11 former prisoners, who recently had been released after having served their sentences for terrorism-related offenses, attacked and killed two Saudi border guards who attempted to stop the former prisoners from crossing into Yemen near Sharurah in Najran province. The group, composed of 10 Saudis and one Yemeni, was subsequently arrested.

**Legislation, Law Enforcement, and Border Security:** Saudi Arabia continued its efforts to track, arrest, and prosecute terrorists within the Kingdom. The Ministry of Interior continued to improve border security measures, including the ongoing installation of biometric scanners at entry points throughout the Kingdom; aerial reconnaissance drones to patrol remote areas; thermal imaging systems; and motion detectors and electronic-sensor fencing along the borders with Iraq, Yemen, and Jordan.

Neighborhood police units engaged and worked directly with community members, encouraging citizens to provide tips and information about potential terrorist activity. The Saudi government offered rewards for information on suspected terrorists, and there were multiple announcements throughout the year of arrests of AQAP militants and supporters.

As part of the Saudi government's move to bring to trial groups and individuals suspected of terrorism, judicial actions included:

- On April 4, the Specialized Criminal Court began the public trial of a group dubbed the "Cell of 55" (composed of 54 Saudis and one Yemeni), which was allegedly responsible for the 2004 attack on the U.S. Consulate in Jeddah. The trial was ongoing at year’s end.
- The trial of 11 Saudis linked to the May 2004 attack on a refinery in Yanbu, in which two American citizens were killed, continued during the year.
- On June 26, the Specialized Criminal Court sentenced one member of the 11-person "Khafji cell" to 15 years in prison followed by a 15-year travel ban; the man was found guilty of supporting terrorism through money laundering and other crimes, such as possessing unlicensed fire arms.

**Countering Terrorist Finance:** Saudi Arabia is a member of the Middle East and North Africa Financial Action Task Force, a Financial Action Task Force (FATF)-style regional body. Bulk cash smuggling from individual donors and charities has reportedly provided financing to violent extremist and terrorist groups over the past 25 years. With the advent of tighter bank regulations, funds are reportedly collected and illicitly transferred in cash, often via pilgrims performing Hajj
or Umrah. The Saudi government has attempted to consolidate charitable campaigns under Ministry of Interior supervision. The Saudi Arabian Financial Intelligence Unit, or SAFIU, is a member of the Egmont Group. The Saudi government continued to provide special training programs for bankers, prosecutors, judges, customs officers, and other officials from government departments and agencies as part of its efforts to maintain financial controls designed to counter terrorist financing. Despite serious and effective efforts to counter the funding of terrorism originating from within its borders, entities in Saudi Arabia continue to serve as an important source of cash flowing to violent Sunni extremist groups. Saudi officials acknowledged difficulty in following the money trail with regard to illicit finance due to the preference for cash transactions in the country. For further information on money laundering and financial crimes, we refer you to the 2013 International Narcotics Control Strategy Report (INCSR), Volume 2, Money Laundering and Financial Crimes: http://www.state.gov/j/inl/rls/nrcrpt/index.htm.

Regional and International Cooperation: Saudi Arabia cooperated regionally and internationally on counterterrorism issues. It is a founding member of the Global Counterterrorism Forum, and has been a member of the Global Initiative to Combat Nuclear Terrorism and the Proliferation Security Initiative since 2008. Saudi Arabia is also a member of the Gulf Cooperation Council (GCC), which itself is a member of the FATF. Saudi government officials issued statements encouraging enhanced cooperation among GCC and Arab League states on counterterrorism issues, and the Saudi government hosted international counterterrorism conferences on subjects ranging from combating violent extremist ideology to countering terrorist financing.

Throughout the year, Saudi security professionals regularly participated in joint programs around the world, including in Europe and the United States. In addition to Saudi Arabia's bilateral cooperation with the United States, Saudi security officials also worked with other international counterparts to conduct missions and exchange information. Throughout the year, Saudi Arabia concluded security-related bilateral agreements (including counterterrorism and anti-money laundering cooperation) with a number of countries, including Albania, Belarus, Bermuda, Comoros, Indonesia, Malta, the Netherlands, Poland, San Marino, and Singapore. In November, Saudi Arabia, along with the other five GCC member states, concluded a GCC-wide security agreement including counterterrorism cooperation. In April, the Kingdom ratified the Arab Agreement on Anti-Money Laundering and Counterterrorism Financing. In June, Saudi Arabia extradited Indian national Abu Jundal (also known as Zabiuddin Sayed Zakiuddin Ansari) to India to stand trial for his alleged involvement in the 2008 terrorist attacks in Mumbai.

Countering Radicalization and Violent Extremism: The Saudi government focused on: increasing public awareness campaigns; and conducting outreach, counter-radicalization, and rehabilitation programs. Some of these efforts involved seminars that refuted violent Islamist extremist interpretation and ideology. Public awareness campaigns aimed to raise awareness among Saudi citizens about the dangers of violent extremism and terrorism. Methods used included advertisements and programs on television, in schools and mosques, and at sporting events. The government also issued statements condemning terrorists and denouncing terrorist attacks across the world, including the September attack against the U.S. consulate in Benghazi, Libya.

The Ministry of Interior continued to operate its flagship de-radicalization program (the Sakina Campaign for Dialogue), as well as its extensive prison rehabilitation program to reduce recidivism among former inmates. The Ministry of Islamic Affairs continued to re-educate imams, prohibiting them from incitement to violence, and monitored mosques and religious education. The Saudi government also continued its ongoing program to modernize the educational curriculum, including textbooks used in religious training. We refer you to the Department of State’s Annual Report to Congress on International Religious Freedom (http://www.state.gov/j/drl/rls/irf/) for further information.

As is discussed later in this analysis, however, Saudi Arabia does have problems in the structure and methods of its internal security forces that do more to alienate than protect. Like Bahrain, Saudi Arabia has problems with its Shia population that it needs to address
through better dialogue, and by granting more rights and privileges. The Ministry of the Interior and National Guard have steadily improved the quality of their operations, but there are still problems in these services, more serious problems in the regular police and operations of the justice system and the Commission to Promote Virtue and Prevent Vice (*Hai’a*, or “commission”) regularly abuses its authority.

**Policy Implications for the US**

Saudi Arabia has long been a military partner, and has become a major partner in the war on terrorism since 2003. It is a key partner in US efforts to contain, deter, and defend against Iran, and plays a critical role as the guardian of Islam’s holy places in limiting what it calls “deviation” from Islam, and what the US calls violent extremism.

The US does not need to make major changes in its security policies towards Saudi Arabia, but it does need to focus on the following challenges – many of which apply to all of the country case studies that follow:

- Like all the states in the region, Saudi Arabia is deeply concerned with the uncertainties affecting US national security spending, the US level of strategic commitment to the region, the US failed to support Mubarak and the Egyptian military, the uncertainties surrounding US policy in dealing with the Syrian civil war, and US willingness and political ability to use force to support its allies after the strains of the wars in Iraq and Afghanistan. The US may have it own doubts about each of it regional allies, but all have their own doubts about the US.

- Saudi Arabia differs from most countries in the world in that it’s ruling and economic elites seek modernization and reform but do so in the face of much of its clergy and an extremely conservative population. Reform comes slowly from above, and not from popular pressure.

- Saudi Arabia’s ruling elites are divided, however, and often act out of narrow self-interest and in ways that are corrupt and abuse power. King Abdullah has pressed for reform in all these areas, but it will come slow and outside pressure often does as much to mobilize opposition as aid the case for change. That reform will also come in a Saudi way, in a Saudi form, and largely at a Saudi pace. No amount of US pressure will make Saudi Arabia like the US.

- Saudi Arabia is a deeply religious Sunni puritan state whose political legitimacy depends as much on its religious legitimacy as popular support, and plays a critical role in offsetting the threat from violent religious extremism. No amount of pressure will suddenly make it liberalize in religious or social terms – particularly outside pressures under the guise of human rights that is a thinly disguised effort to open the country to Christian proselytizing.

- The US can work with the Saudi government to maintain and strengthen its peace proposals, but serious tension will exist between Saudi Arabia and Israel until a peace is reached and settlement occurs that Palestinians can largely accept. US policy must be based on balancing the interests of Israel and de facto allies like Saudi Arabia. It must also be based on realism about the differences in its security relationships. The US plays a critical role in helping Israel preserve its security, but Israel cannot play a meaningful role in helping achieve the security of the region and its oil exports. Saudi Arabia and the other GCC states can. This is no reason for the US to do anything that would undermine Israel’s security, but it is a strong reason for the US to consider Saudi Arabia’s priorities and security interests and to continue its efforts to create a successful peace process.

- As is the case with every nation in the region, direct personal relationships are the key to successful relations. The US needs to remember that Saudi Arabia and other GCC ruling elites and officers have often dealt with their US counterparts for decades. US country teams often have personnel that serve for only a year, rotate arbitrarily on an international cycle, and do not stay long enough in-country to either understand it or build up lasting relationships. These problems
are compounded by a tendency to stay in the embassy and diplomatic quarter, a lack of accompanied tours that build up family relationships, and excessive, safety first security rules. Visits and exchanges by senior officials help, but US relations stand or fall on the strength, activity, and experience of the country team.

- The US does not compete for successful trade, business links, energy deals, and arms sales in a vacuum. Every other government plays a strong, active – and sometimes less than legitimate – role in supporting economic ties. The US country team needs the funds and policy support necessary to strongly support US business.

- Saudi Arabia may be sending some 250,000 students to the US, but almost no US students come to Saudi Arabia, and US public diplomacy is critically underfunded. The cost of a large scholarship program and well-funded public affairs efforts would be minor compared to the political, security, and business benefits.

As the is the case with the UAE and Kuwait, the US needs to take careful account of the very real differences in US and Saudi interests in dealing with key issues like the political crisis in Egypt, civil war in Syria, and rising violence in Iraq. The US’s willingness to accept and encourage the removal of President Mubarak removal was seen as a sign of US unwillingness to support a loyal ally, and Saudi leaders then saw the rise of the Moslem Brotherhood and the election of President Morsi as a growing threat to the legitimacy of Arab monarchies, and to Saudi Arabia’s religious legitimacy as the custodian of Islam’s holy place in particular.

Along with the UAE and Kuwait, Saudi Arabia focused on Egypt’s impact on Saudi and regional security, not democracy or more abstract issues like human rights. This difference in goals also explains why the Saudis backed the Egyptian military in overthrowing Morsi, and joined the UAE and Kuwait in providing them with some $12 billion in aid. It also explains why they continued to back the military as the political crisis became more violent and why they tolerated repression rather than supported the US in seeking a brokered effort at compromise. They all saw the struggle in Egypt as posing as much of a potential threat as Egypt once did for very different reasons under Nasser. In practice, it was also far from clear than a sustainable compromise was possible.

In the case of Syria, the Saudis, UAE, and Qatar all felt the US was indecisive and failed to take the lead in backing Syrian rebels at a time when Assad might have been push out of power by Syrian factions that were still relatively moderate, and when Syria did not yet have hardline Sunni extremist factions as a large part of rebel forces. Saudi Arabia and the UAE were divided from Qatar in both Syria and Egypt because of Qatar’s willingness to support the Moslem Brotherhood and more hardline Islamist elements in the Syrian rebels, but felt the US failure to act was a further sign that the US could not be trusted to act in ways that would preserve their security.

Some senior Saudi and other Gulf leaders feel the US has failed to come up with a focused policy, and its constant indecision has given room for Bashar and Iran to make increasing gains against the rebels, while at the same time allowing radical groups to garner support and power, which is a risk to states like Saudi Arabia. US lack of action regarding Syria and Iran’s nuclear aspirations could affect relationships with one of its closest and strongest allies in the region.
Iran still does far more to unite the US and Arab Gulf states than Egypt and Syria do to divide them, but the US does need to be acutely sensitive to the fact that focus on “partnership” in the new strategy the US announced in early 2012 has to have practical meaning. The US has to be more sensitive to the security concerns of Saudi Arabia and other Gulf allies, and accept the fact that Gulf states will act in their own interest and on the basis on their own perceptions of their national security interests. If the US cannot find common ground, it must accept the difference between US policies and those of Saudi Arabia and the other Gulf states, and be careful to act as a partner rather than a leader its allies will always follow.

This does not mean that the US should not do more to encourage Saudi Arabia to improve ties with Iraq; it should. If the US finds it must accept the new realities in Egypt, Saudi Arabia, it must also accept the fact that the new reality in Iraq is a Shia-led Iraqi government and find the best way to accept and work with Baghdad. The quicker it is understood that the sectarian makeup of Iraq will not change any time soon, the faster a plausible and sophisticated solution can be reached. Moreover, a successful Saudi/GCC/Iraq relationship would do much to reduce Iranian influence in the region.215

The US needs to be equally careful in encouraging Saudi efforts to strengthen the GCC on a military, political, and economic level, as well as Saudi domestic reforms and efforts to improve Saudi and other Gulf state internal stability and security by better meeting the needs of its people. The US needs be patient and concentrate on the actual implementation of suitable reforms through quiet, in-country diplomatic efforts.
**Figure 20: Saudi Military Strength in 2013**

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military/Security Spending (2011 Expenditures) (US$ Millions)</td>
<td>$48,500</td>
</tr>
<tr>
<td>Total Active Military Manpower</td>
<td>233,500</td>
</tr>
<tr>
<td>Total Reserve Military Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Total Paramilitary Manpower</td>
<td>15,500</td>
</tr>
</tbody>
</table>

**Army and National Guard Forces**

| Active Manpower                             | 175,000                |
| Reserve Manpower                            | -                      |
| Main Battle Tanks                            | 600 (additional 260 in store) |
| Other Armored Vehicles                       | 5,168+ (includes 140 Marine vehicles, additional 850* in store) |
| Self-Propelled Artillery                     | 324                    |
| Towed Artillery                              | 158 (additional 68 in store) |
| Multiple Rocket Launchers                    | 60                     |

**Air and Major Surface-to-Air Missile Forces**

| Air Force Active Manpower                    | 20,000                 |
| Combat Aircraft                              | 296                    |
| Armed/Attack Helicopters                     | -                      |
| AEW&C, Intelligence, and AWACs Aircraft      | 18                     |
| Tankers                                      | 17                     |
| Maritime Patrol Aircraft                      | -                      |
| Air Defense Manpower                         | 16,000                 |
| Surface-to-Air Missile/launchers             | 1,805                  |
| Surface-to-Surface Missile Launchers         | -                      |

**Naval Forces and Coast Guard**

| Active Manpower                             | 18,000                 |
| Marines                                     | 3,000                  |
| Submersibles                                | -                      |
| Major Surface Ships                         | 7                      |
| Missile Patrol Boats/Craft and Corvettes with Missiles | 13                  |
| Other Patrol Boats/Craft                    | 70 (100+ additional small patrol boats) |
| Mine Warfare                                | 7                      |
| Amphibious                                  | 16                     |
| Helicopters                                 | 46                     |

Figure 21: US FMS Deliveries and Commercial Exports of Defense Articles – FY2007-FY2011

<table>
<thead>
<tr>
<th>Country</th>
<th>FMS Deliveries</th>
<th>Commercial Exports Under Arms Export Control Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>$6,648,284,000</td>
<td>$270,287,000</td>
</tr>
<tr>
<td>Kuwait</td>
<td>$1,681,764,000</td>
<td>$1,506,902,000</td>
</tr>
<tr>
<td>Bahrain</td>
<td>$392,889,000</td>
<td>$625,474,000</td>
</tr>
<tr>
<td>Oman</td>
<td>$272,911,000</td>
<td>$21,557,000</td>
</tr>
<tr>
<td>Qatar</td>
<td>$37,034,000</td>
<td>$886,742,000</td>
</tr>
<tr>
<td>UAE</td>
<td>$1,556,274,000</td>
<td>$1,485,141,000</td>
</tr>
<tr>
<td>Yemen</td>
<td>$28,495,000</td>
<td>$4,120,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$10,617,651,000</td>
<td>$4,800,223,000</td>
</tr>
</tbody>
</table>

Kuwait

Kuwait is, in many ways, the most vulnerable of all the southern Gulf states. It shares a common border with Iraq and – as became clear during the Iran-Iraq War – is within easy striking distance of Iran. It lacks strategic depth, and – like most Gulf states other than Saudi Arabia – is dependent on one major urban center for the security and economy of virtually all its population.

This helps explain why Kuwait has been the target of two Iraqi attempts at invasion – one of which took control of the country in 1990-1991 – and provided the US with basing facilities and extensive support during the US invasion and occupation of Iraq. It also explains why Kuwait turned to the US to reflag its tankers and reduce the threat from Iran during 1986-1988 – a critical period in the Iran-Iraq War.

The end result is that Kuwait has maintained close security relationships with the US for over two decades, while also maintaining a delicate relationship with Iran. While Kuwait maintained a hostile policy toward Iran in the first decade after the 1979 Islamic Revolution and was a key source of support for Iraq during the Iran-Iraq War, the Iraqi invasion of Kuwait did lead Kuwait to begin a policy of engaging Iran. This policy never led it to turn away from the US, however, and like other southern Gulf states, Kuwait has become increasingly concerned about both Iran’s actions and military buildup, and ties to the Maliki regime in Iraq.

A December 2012 CIA analysis summarizes recent developments in Kuwait as follows:

Britain oversaw foreign relations and defense for the ruling Kuwaiti Al-Sabah dynasty from 1899 until independence in 1961. Kuwait was attacked and overrun by Iraq on 2 August 1990. Following several weeks of aerial bombardment, a US-led, UN coalition began a ground assault on 23 February 1991 that liberated Kuwait in four days. Kuwait spent more than $5 billion to repair oil infrastructure damaged during 1990-91.
The Al-Sabah family has ruled since returning to power in 1991 and reestablished an elected legislature that in recent years has become increasingly assertive. The country witnessed the historic election in May 2009 of four women to its National Assembly. Amid the 2010-11 uprisings and protests across the Arab world, stateless Arabs, known as bidoon, staged small protests in February and March 2011 demanding citizenship, jobs, and other benefits available to Kuwaiti nationals.

Youth activist groups - supported by opposition legislators and the prime minister's rivals within the ruling family - rallied in March 2011 for an end to corruption and the ouster of the prime minister and his cabinet. Similar protests continued sporadically throughout April and May. In late September 2011 government inquiries of widespread corruption drew more public anger and renewed calls for the prime minister's removal.

...Kuwait has a geographically small, but wealthy, relatively open economy with crude oil reserves of about 104 billion barrels - about 7% of world reserves. Petroleum accounts for nearly half of GDP, 95% of export revenues, and 95% of government income. Kuwaiti officials have committed to increasing oil production to 4 million barrels per day by 2020. The rise in global oil prices throughout 2011 is reviving government consumption and economic growth.

Kuwait has experienced a 20% increase in government budget revenue, which has led to higher budget expenditures, particularly wage hikes for many public sector employees. Kuwait has done little to diversify its economy, in part, because of this positive fiscal situation, and, in part, due to the poor business climate and the acrimonious relationship between the National Assembly and the executive branch, which has stymied most movement on economic reforms.

In 2010, Kuwait passed an economic development plan that pledges to spend up to $130 billion over five years to diversify the economy away from oil, attract more investment, and boost private sector participation in the economy.

...Kuwait and Saudi Arabia continue negotiating a joint maritime boundary with Iran; no maritime boundary exists with Iraq in the Persian Gulf.

Figure 22 provides a statistical profile of Kuwait, and Figures 13-15 have shown its importance to world energy supplies. Kuwait’s large reserves of oil – the sixth largest in the world – make it a strategically significant ally. Kuwaiti relations with the US have also been enhanced by the fact it has a political system with progressive democratic structures that are absent in most Arabian Peninsula countries. While it has often failed to act wisely, Kuwait’s elected Parliament has been able to wield significant power in dealing with its ruling elite.
Figure 22: Kuwait: A Statistical Overview

Key Figures – Kuwait

Key Data and Indicators                     Figures
Total Population in Millions               2.6
Median Age in Years                        28.6
Percent 0-14 Years                         25.70%
Urban Population                          98%
Literacy Rate                              93.30%
GDP (in $ US billions) Official Exchange Rate $158.40
GDP PPP Per Capita World Ranking           18
Labor Force in Thousands                   2,227 (roughly 60% non-national)
Unemployment, ages 15-24                   NA
Annual entrants to the workforce (male)    17,653
Annual entrants to the workforce (female)  16,232


Kuwait’s Relations with Iran

Kuwait maintains relations with Iran that have been largely free of the open antagonism seen in Iran’s relations with states such as Saudi Arabia and Bahrain. Kuwait’s Shia population – reportedly between 15-30% of the total population and common interests in containing Iraq have led to correct, if not friendly, relations between the two states for much of the past two decades. 219

The Shia component of the relationship is particularly significant since Kuwait’s large Shia population seeks positive bilateral ties, and Kuwait’s government seeks to maintain the support of the Shia. 220 However, recent reporting suggests that the relationship may
be growing tenser as economic links have been jeopardized, at least in part due to the Iranian nuclear program and subsequent sanctions, and as the nature of the Iraqi threat to Kuwait and Iran has changed.221

Kuwait’s leaders do, however, see Iran as a serious potential threat. There is a long background of tension and covert action by Iran against Kuwait. The decade that followed the 1979 Islamic Revolution in Iran involved far more antagonistic relations between the two states than ties observed during the 1990s and 2000s.

During the Iran-Iraq War, Kuwait not only backed Baghdad, but also cracked down on the Shia and Iranian expatriate community in Kuwait by forcing thousands of Shia out of the country.222 Kuwait also allowed Iraq to have port access to Kuwait during the war.223 Kuwait’s stance during the war was met with hostility by the Iranian regime.

Iran launched assaults on Kuwait’s energy sector through a Silkworm missile attack on the Al Ahmadi terminal as well as another strike on the Sea Island terminal. In 1987, Silkworm missiles fired from Iran also hit the Kuwaiti vessel Sea Isle Sea and the US vessel Sungari – both of which were in close proximity to Kuwait. The Sea Isle Sea was flying an American flag in Kuwaiti waters.224

Other attacks on Kuwait during the 1980s are believed to have an Iranian origin. In 1983, the terrorist group Islamic Jihad bombed the annex of the US Embassy in Kuwait, along with the French Embassy, Kuwait International Airport, and the offices of the US defense contractor Raytheon.225

While it is unclear if Iran had a direct role in the attacks, the Islamic Republic was reported in 2007 to have harbored Jamal Jafaar Mohammed Ali Ebrahimi – whom Kuwait convicted for his role in the attack.226 The Iraqi Shia Da’wa Party is believed to be linked to the 1983 attack as well as to an effort in 1985 to assassinate the Emir of Kuwait – both with the alleged collusion of Iran.227 In 1984, a Kuwait Airways jet to Tehran was hijacked, where two USAID employees were murdered. It is believed that the hijackers were assisted by Iran.228 In 1988, another Kuwait Airways jet was hijacked by Iranian-linked Hezbollah, in which two passengers were murdered.229

The end of the Iran-Iraq War and the subsequent Iraqi invasion of Kuwait led to a significant shift in Kuwait-Iran relations – although “correct and friendly” relations never meant that Kuwait’s leaders ceased to see Iran as a potential threat. Kuwait’s government reportedly tolerated the presence in Kuwait of anti-Saddam Iraqi organizations that were in-line with Iranian interests – organizations that had carried out strikes in Kuwait during the Iran-Iraq War.230 Other steps toward rapprochement included a 2001 Kuwaiti apology for backing Iraq during the 1980s and the backing in 2009 of Iranian non-military nuclear endeavors by the Emir of Kuwait.231

Iran and Kuwait have pursued limited cooperation in the energy sector. Kuwait’s Independent Petroleum Group is believed to have exported gasoline to Iran; however, reporting suggests that these exports were terminated in 2010.232 Other potential plans for energy cooperation include the exploitation of the Dorra oil field and a natural gas pipeline linking Iran’s South Pars field to Kuwait. The likelihood of cooperation on these projects successfully coming to fruition remains low.233
At the political level, relations between Iran and Kuwait became “friendly and correct” in the post-1980s period, involving senior governmental and parliamentary visits, including the creation in 2008 of the Iran-Kuwait Higher Committee, which was tasked with developing bilateral ties.

The 2003 US invasion of Iraq and the subsequent change of power in Baghdad from Saddam Hussein to the current Shia leadership have since had a major impact on Kuwait-Iran relations. While the two states shared a common threat from the Ba’athist government in Baghdad, the new strategic environment in the Gulf has left Iran principally interested in influencing developments in Iraq and the broader Gulf region, while Kuwait is concerned with the national security ramifications of Iraqi instability in the post-Saddam era.

This drift towards rapprochement during the 1990s and early 2000s has largely ended. Kuwait decided not to welcome Iran to a December 2009 GCC conference in Kuwait, despite a Qatari invitation to Iran. The following spring, a plan was exposed for IRGC Quds Force-linked elements to carry out attacks against energy assets in Kuwait. Four individuals – one Kuwaiti and two Iranians – were apprehended in Kuwait that month on the belief that they were channeling intelligence on the US and Kuwaiti militaries to the IRGC. The Kuwaiti and Iranians are reported to have been employed by the Kuwait military, and were subsequently sentenced to life in prison in Kuwait – a ruling which was sustained by the Kuwaiti supreme court in May 2013.

In July 2011, the Iraqi terrorist group Kata’ib Hizballah (Hezbollah Brigades) is reported to have expressed interest in targeting the Kuwaiti Parliament as well as a port under construction on Kuwait’s Bubiyan Island. Multiple sources suggest that Kata’ib Hizballah enjoys Iranian backing.

As of 2010, the trade relationship between Iran and Kuwait was limited, with just under 336 million Euros in total bilateral trade – making the Islamic Republic the twenty-second largest trading partner for Kuwait. Kuwait has also adopted sanctions against Iran as a result of the Iranian nuclear program and the subsequent international efforts to coerce Tehran. In September of 2010, Kuwait’s Independent Petroleum Group suspended gasoline exports to Iran.

**Kuwait’s Relations with the US**

Relations between the US and Kuwait have been driven by common strategic interests and US efforts to ensure the protection of a major oil producing and exporting state and its assets. Close cooperation began during the Iran-Iraq War as the US sought to protect Kuwaiti oil tankers through a vessel reflagging program. The Iraqi invasion of Kuwait in 1990 tightened the relationship as the US and its allies liberated the country in 1991, ushering in over two decades of close military cooperation to address evolving threats emanating from Iraq and Iran.

The tanker reflagging program came after Iranian attacks on oil-bearing vessels began in 1984 as Iraq – struggling to fight a land war against an Iranian adversary that outnumbered it – targeted Iranian vessels in an attempt to change the course of the war. By the mid-1980s, Kuwaiti vessels came under attack as Iran sought to reciprocate vessel targeting, though Iraq by this point was shipping most of its oil via land. By 1983,
Iranian-linked entities had carried out major terrorist attacks in Kuwait, and in 1986 Tehran procured Chinese Silkworm missiles that could be used against vessels. Facing an Iranian threat, Kuwait sought international assistance in confronting this threat to its tankers.\textsuperscript{243}

Under pressure from Kuwait and Saudi Arabia, and in the face of Kuwaiti threats to turn to the Soviet Union, the US agreed to reflag and escort 11 Kuwaiti vessels. The US also acted to protect the export of oil through the Gulf and promote the security of a “moderate” Gulf state.\textsuperscript{244}

**Military Cooperation**

The US maintained its interest in Kuwaiti security following the end of the Iran-Iraq War, and after the 1990 Iraqi invasion of Kuwait, mobilized a force that successfully liberated the country in 1991. The US-led liberation of Kuwait from Iraqi occupation forged a strong bilateral relationship and security partnership between Kuwait and the US that exists through the present.

The two countries entered a ten year defense pact following the 1991 liberation, which is believed to facilitate “mutual discussions in the event of a crisis; joint military exercises; U.S. evaluation of, advice to, and training of Kuwaiti forces; U.S. arms sales; prepositioning of U.S. military equipment (armor for a U.S. brigade); and U.S. access to a range of Kuwaiti facilities…”\textsuperscript{245} This agreement was reportedly renewed in 2001, and the US is currently negotiating to define the post-Iraq War terms of its relations with Kuwait.\textsuperscript{246}

Kuwait played a pivotal role in preventing Iraqi aggression as a host country for 1,000 US personnel supporting the southern Iraqi no-fly zone in Operation Southern Watch. Kuwait hosted some 4,000 US personnel in the decade following the Gulf War, and later 5,000 more troops in support of Operation Enduring Freedom (OEF).\textsuperscript{247} Kuwait has since provided key support to the US missions in Afghanistan and Iraq. Kenneth Katzman of the Congressional Research Service (CRS) sheds light on some of the specific support provided by Kuwait during Operation Iraqi Freedom (OIF):\textsuperscript{248}

It [Kuwait] hosted the vast bulk of the U.S. invasion force of about 250,000 forces, as well as the other coalition troops that entered Iraq. To secure that force, Kuwait closed off its entire northern half for weeks before the invasion. It also allowed U.S. use of two air bases, its international airport, and sea ports; and provided $266 million in burden sharing support to the combat, including base support, personnel support, and supplies such as food and fuel.

Katzman also reports that Kuwait provides some $210 million annually to assist US forces transiting Kuwait in the Iraq conflict.\textsuperscript{249} Kuwait also hosted US military forces through the US withdrawal from Iraq at several facilities: Camps Arifjan and Buehring, which served as logistics points for material leaving Iraq, as well as Ali al-Salem Air Base.\textsuperscript{250}

Following the Gulf war, Kuwait agreed to preposition a U.S. army brigade and provided access to Kuwaiti military bases Ali al-Salem Air Base, Camp Arifjan, and Camp Buehring. The US and Kuwait also signed a Status of Forces Agreement (SOFA). The pact was renewed in September 2001, and may have been renewed again in September 2011. Kuwait provided air base, land base, and port facilities since the US build-up for
the invasion of Iraq in 2002. The US currently has some 13,500 troops in Kuwait, and Kuwait agreed to purchase some $1.6 billion worth of US arms in 2010.

The possibility of a longer-term US troop presence in Kuwait was mentioned in a June 2012 Senate Foreign Relations Committee report claiming “the United States will keep about 13,500 troops in Kuwait as of mid-late 2012 — somewhat less than the 25,000 there at the end of the U.S. presence in Iraq.” Such a new US presence is likely to differ from the wartime US presence in that it will have more combat elements than the Iraq War force which principally involved support personnel.

US Secretary of Defense Leon E. Panetta visited Kuwait in December 2012. The secretary stated that “[o]ur presence in Kuwait and throughout the gulf helps advance the capabilities of partnering nations, deters aggression and helps ensure we’re better able to respond to crisis in the region.” He also affirmed that the US has 13,500 troops in Kuwait, consistent with the figures mentioned in the June 2012 Senate report.

The size of Kuwait’s armed forces is summarized in Figure 23. Figures 3 and 4 have already shown that the US has played a key role in building up Kuwait’s forces as well as equipment and munitions stocks.

US arms transfers to Kuwait have included 39 F/A-18C and D fighter ground attack aircraft, 16 AH-64D Apache attack helicopters and 3 L-100-30 transport aircraft. Air defense assets include PATRIOT PAC-2, MIM-23B I-HAWK, and Stinger MANPADS. Kuwait has also purchased the AIM-9 Sidewinder, AIM-7 Sparrow, and AIM-120 AMRAAM. Other assets include 218 M1A2 Abrams main battle tanks, MANPATS and 7 Mk V patrol boats, with 3 more on order.

It was announced in July 2012 that Kuwait requested 60 PATRIOT PAC-3 missiles in addition to the 80 pushed for in 2007. PATRIOT systems deployed in Kuwait proved effective in 2003 during the allied invasion of Iraq. PATRIOT batteries in Kuwait destroyed 4 Iraqi Ababil-100 missiles out of 6 launched toward allied military facilities in Kuwait. At least one of the missiles was destroyed by a Kuwaiti GEM battery, while the other shoot-downs were presumably from US batteries in Kuwait.


A CRS study lists the following major US Foreign military sales to Kuwait after the Gulf War in 1991:

- 218 M1A2 tanks at a value of $1.9 billion in 1993. Delivery was completed in 1998.

- A 1992 sale of 5 Patriot anti-missile fire units, including 25 launchers and 210 Patriot missiles, valued at about $800 million. Delivery was completed by 1998. Some of them were used to intercept Iraqi short-range missiles launched at Kuwait in the 2003 war.
A 1992 sale of 40 FA-18 combat aircraft (purchase of an additional 10 is under consideration). A September 2002 sale of 16 AH-64 (Apache) helicopters equipped with the Longbow fire-control system, valued at about $940 million.

A December 4, 2007, Defense Security Cooperation Agency (DSCA) notification to Congress reported a sale to Kuwait of 80 PAC-3 (Patriot) missiles and 60 PAC-2 missiles and upgrades, valued at about $1.3 billion.

On September 9, 2008, DSCA notified a sale of 120 AIM-120C-7 Advanced Medium Range Air-to-Air Missiles (AMRAAM), along with equipment and services, with a total value of $178 million.

On August 11, 2010, the Administration notified Congress of another potential Patriot-related sale—of 209 Patriot “Guidance Enhanced Missile-T” (GEM-T) missiles valued at $900 million. The prime contractor for that system is Raytheon.

On February 27, 2012, the Administration notified Congress of a potential sale of 80 AIM-9X-2 SIDEWINDER missiles, and associated parts and support, with an estimated value of $105 million. The sale, if completed, would help Kuwait modernize its fighter aircraft and enhance interoperability with U.S. aircraft.

On July 20, 2012, the Administration notified a potential sale of 60 Patriot missiles and 20 Patriot launching stations, plus associated equipment. The total value of the sale could reach $4.2 billion.

On April 17, 2013, the Administration released information regarding a potential sale to Kuwait of one C-17 cargo aircraft and associated equipment, with an estimated total cost of $371 million. In addition to material support, Kuwait’s armed forces have benefited from educational programs in the US. According to the CRS, “Kuwait sends military students to U.S. military institutions to study intelligence, pilot training, and other disciplines. In FY2010, Kuwait spent $9.7 million to provide such education for 216 Kuwaiti military students.”263

The US is a significant trading partner with Kuwait, and the US is the largest source of Kuwait’s imports. The US is also the fifth-largest export market for Kuwait.264

There is little doubt that Kuwait will continue to play an important role in the US strategic competition with Iran. Since 2008, Kuwait has worked with US CENTCOM to enhance operational capabilities in the region.265 The depth of that relationship was made clear in CENTCOM’s 2013 Posture Statement:266

A long term and strong ally in the region, Kuwait continues to build upon a long bi-lateral military relationship with its critical support for U.S. troops and equipment. Kuwait remains a valued partner and is steadily reconciling its long-standing issues with Iraq and supporting the region’s stability. We enjoy excellent relations with the Kuwaiti military built on many years of trust between us since the liberation in 1991.

The ongoing development of Kuwait’s air, sea, and missile defense capabilities will help counter Iran’s conventional strike capabilities in the Gulf. They also will help it meet Iran’s asymmetric threats.

Perhaps the greatest threat to Kuwait, however, comes from Iran’s unconventional capabilities – such as an act of terrorism within the country, an assault by small naval craft on Iranian tankers or coastal oil infrastructure, or a cyberattack. The supply of small naval patrol boats to Kuwait can address this threat if the vessels are used properly as part of an effective maritime security framework. The deployment of the Kuwait navy to patrol the Bahraini coast as part of the GCC Peninsula Shield Force for three months in 2011 may have been valuable experience toward these ends.267
Problems in Force Development

The key problems that Kuwait faces in force development are largely identical to those of the other smaller southern Gulf states, although some are more the result of the failure of the GCC states to move towards truly effective cooperation rather than any failure on the part of Kuwait:

- Purchases of equipment are not yet matched by effective training, exercises, and sustainability – a problem that affects virtually all of the forces in the region – including those of Iran. These problems are compounded by a lack of combined arms and joint warfare training and the development of truly effective BM capabilities and related C4I/BM and IS&R systems.
- Force improvements and missions are prioritized on a national, rather than a GCC-wide level. Interoperability not only affects equipment and training, it affects the need to create integrated mission capabilities and priorities for readiness and force improvements.
- A small state like Kuwait faces major problems when other states do not provide the data links and battle management and related C4I/BM and IS&R systems that could give it broad sensor and intelligence coverage and the ability to use its forces with the highest levels of effectiveness. It requires truly interoperable GCC-wide systems that are linked in peacetime to US systems that include far more advanced collection and IS&R assets so Kuwaiti and all GCC forces can actually practice and test unified military action on a continuing basis, rather than in sporadic exercises. These problems are reinforced by a lack of central training, maintenance, and other common facilities that would help smaller countries achieve economies of scale.
- The GCC has not moved forward to provide a force posture and security guarantees to cover the strategic hinge that Kuwait provides between Iraq and Iran and to cover the Saudi coast and border.
- The lack of a meaningful conscription system ensures that Kuwait’s lands forces are too small to provide more than limited contingency capability.
- Kuwait’s exposed position means it needs enhanced missile and rocket defenses to deal with the Iranian threat.

Counterterrorism

As is discussed later, Kuwait needs to make further improvements in its approach to counterterrorism. There are reports that the Kuwaiti government does not have “a clear legal framework for prosecuting terrorism-related crimes,” which sheds light on a challenge Kuwait may face in dealing with the unconventional threat. According to the State Department’s Country Reports on Terrorism 2011, “Kuwait lacked legal provisions that dealt specifically with terrorism and terrorist financing, although the government sought to counter terrorism and violent extremism, notably through other legal statutes and official statements.” While Kuwait’s government was successful in adopting biometric security measures at points-of-entry, the country has faced legislative difficulties in adopting laws against the funding of terrorists.

The State Department report for 2012 described Kuwait’s situation relating to terrorism and counterterrorism as follows:

**Overview:** Kuwait lacked legal provisions that deal specifically with terrorism and terrorist financing, although the government maintained its efforts to counter terrorism and violent extremism, notably through other legal statutes and official statements. There were no significant attacks attributed to terrorists or terrorist organizations in 2012.
The risk of terrorist attacks in Kuwait remained high. As in previous years, the Kuwaiti Armed Forces, National Guard, and Ministry of Interior conducted a number of exercises aimed at responding to terrorist attacks, including joint exercises with regional and international partners.

**Legislation, Law Enforcement, and Border Security:** The Government of Kuwait lacks a clear legal framework for prosecuting terrorism-related crimes, often having to resort to other legal statutes to try suspected terrorists, which hampered enforcement efforts.

The government extended the application of the biometric fingerprinting system to include all land and sea entry points. The Interior Ministry announced plans to start operation of the advanced computer tomography x-ray monitor system at Kuwait International Airport to boost airport security authorities’ ability to detect contraband items, including explosives and metals, without the need for human inspection, thus reducing the chance for human error. However, the project announced by the government to install retina scanning capabilities at ports of entry had not been implemented by year’s end.

After the full implementation and distribution of smart civil ID cards to Kuwaiti citizens, the Public Authority for Civil Information started issuing the new smart ID cards to expatriates. With electronic chips that save large volumes of data, including photographs and fingerprints, the new ID cards are meant to enable holders to travel freely within the Gulf Cooperation Council (GCC) countries. Holders of the cards can also use them for electronic signature.

On May 28, Kuwait’s Court of Appeals commuted the death sentences of three defendants (two Iranians and a Kuwaiti), convicted of belonging to an Iranian espionage cell, to life in prison. The court also upheld the life imprisonment sentence for the fourth defendant (a stateless man) and the acquittal of two other Iranians, but overturned the life sentence imposed by a lower court against a Syrian defendant and acquitted him. The cell’s seven members (four Iranians, a Kuwaiti, a Syrian, and a stateless man) were apprehended in May 2010 on charges of espionage, terrorist plotting, and vandalism. The Court of Appeal’s verdicts are not final, and are expected to be challenged at the Court of Cassation (Supreme Court equivalent), whose rulings are final.

**Countering Terrorist Finance:** Kuwait is a member of the Middle East North Africa Financial Action Task Force, a Financial Action Task Force-style regional body. Of particular note, Kuwait lacked comprehensive legislation that criminalizes terrorist financing. In June 2012, Kuwait was publicly identified by the FATF as a jurisdiction with strategic anti-money laundering/combating the financing of terrorism deficiencies, for which it has developed an action plan with the FATF to address these weaknesses.

Kuwait had a comprehensive confiscation, freezing, and seizing framework that applies to all offenses under Kuwaiti criminal legislation. The lack of specific legislation related to terrorist finance precluded immediate freezes, although cases prosecuted under other elements of the criminal code were able to initiate freezing and confiscation of assets. Kuwait lacked an effective monitoring framework for transfers outside of the formal sector, and lacked explicit laws and regulations requiring due diligence on customer data.

The Ministry of Social Affairs and Labor and Ministry of Foreign Affairs continued monitoring and supervising charities, including enforcing the ban on cash donations, except during Ramadan; implementing an enhanced receipt system for Ramadan cash donations; and coordinating closely with the Ministry of Islamic Affairs to monitor and prosecute fraudulent charities. The monitoring of foundations was not as comprehensive as it was for charities.

Despite these obstacles, competent authorities continued efforts to combat financial crimes. The Central Bank of Kuwait engaged the International Monetary Fund in a 12-month technical assistance program aimed at addressing weaknesses in Kuwait’s anti-money laundering/terrorist finance regime, and reached out to other partners as well.

For further information on money laundering and financial crimes, we refer you to the 2013 International Narcotics Control Strategy Report (INCSR), Volume 2, Money Laundering and Financial Crimes: [http://www.state.gov/j/inl/rls/nrcrpt/index.htm](http://www.state.gov/j/inl/rls/nrcrpt/index.htm).
**Regional and International Cooperation:** On December 25, GCC heads of state signed a collective security agreement to enable member states to respond quickly to, and take appropriate preventive measures to confront potential security threats. The pact stipulates full cooperation between the six member states and delineates mutual responsibilities to preserve collective security and stability. It also promotes security coordination and information exchanges to help combat transnational and organized crime and terrorism. To be implemented, the 45-article treaty must be approved by the GCC countries’ parliaments and Shura councils.

While Kuwait has financed counterterrorism initiatives, the fact that the US cut Non-Proliferation, Anti-Terrorism, De-Mining and Related (NADR) assistance after FY2007 could hinder improvements in fighting terrorism and maintaining internal security—particularly as the country continues to struggle with internal demonstrations and unrest. 272

The issue of coping with possible Iranian mining of sea lanes used in Kuwaiti oil trade is a serious problem in the absence of US support for training in demining and the limitation in US and GCC mine warfare capability in the entire Gulf and Gulf on Oman region. Kuwait is located at the top of the Persian Gulf—situated close to Iran and reliant on trade lanes that run past Iran and through the Strait of Hormuz; Maritime security and the threat of mining and naval assault are major security threats to Kuwait posed by Iran.

Any escalation in US-Iran tensions, or preventive strikes on Iran by Israel or the US, might bring about a conventional or unconventional retaliation against Kuwait. Regardless of whether Kuwait was directly involved, the considerable US military presence in Kuwait and the government’s strong security links with Washington could make it a target for Iran as it seeks retaliation. As a result, the US needs to consult very carefully with Kuwait in the event of a US attack on Iran. 273
### Figure 23: Kuwaiti Military Strength in 2013

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military Spending (2012 Defense Budget) ($US Millions)</td>
<td>$4,620</td>
</tr>
<tr>
<td>Total Active Military Manpower</td>
<td>15,500</td>
</tr>
<tr>
<td>Total Reserve Military Manpower</td>
<td>23,700</td>
</tr>
<tr>
<td>Total Paramilitary Manpower</td>
<td>7,100</td>
</tr>
</tbody>
</table>

#### Army and National Guard Forces

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Manpower</td>
<td>17,600*</td>
</tr>
<tr>
<td>Reserve Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Main Battle Tanks</td>
<td>293 (additional 75 in store)</td>
</tr>
<tr>
<td>Other Armored Vehicles</td>
<td>813+ (additional 40 in store)</td>
</tr>
<tr>
<td>Self-Propelled Artillery</td>
<td>106 (additional 18 in store)</td>
</tr>
<tr>
<td>Towed Artillery</td>
<td>-</td>
</tr>
<tr>
<td>Multiple Rocket Launchers</td>
<td>27</td>
</tr>
</tbody>
</table>

#### Air and Major Surface-to-Air Missile Forces

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Force Active Manpower</td>
<td>2,500</td>
</tr>
<tr>
<td>Combat Aircraft</td>
<td>66</td>
</tr>
<tr>
<td>Armed/Attack Helicopters</td>
<td>16</td>
</tr>
<tr>
<td>AEW&amp;C, Intelligence, and AWACs Aircraft</td>
<td>-</td>
</tr>
<tr>
<td>Tankers</td>
<td>-</td>
</tr>
<tr>
<td>Maritime Patrol Aircraft</td>
<td>-</td>
</tr>
<tr>
<td>Air Defense Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Surface-to-Air Missile/Launchers</td>
<td>76</td>
</tr>
<tr>
<td>Surface-to-Surface Missile Launchers</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Naval Forces and Coast Guard

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Manpower</td>
<td>2,000*</td>
</tr>
<tr>
<td>Marines</td>
<td>-</td>
</tr>
<tr>
<td>Submersibles</td>
<td>-</td>
</tr>
<tr>
<td>Major Surface Ships</td>
<td>-</td>
</tr>
<tr>
<td>Missile Patrol Boats/Craft and Corvettes with Missiles</td>
<td>10</td>
</tr>
<tr>
<td>Other Patrol Boats/Craft</td>
<td>39</td>
</tr>
<tr>
<td>Mine Warfare</td>
<td>-</td>
</tr>
<tr>
<td>Amphibious</td>
<td>4</td>
</tr>
<tr>
<td>Helicopters</td>
<td>-</td>
</tr>
</tbody>
</table>

**Political Divisions Within Kuwait**

The comparatively democratic nature of the Kuwaiti government has led to several years of tension between the elected government, the hereditary monarchy, and an anti-government opposition. The political atmosphere in Kuwait has been chaotic since the current emir, Sheikh Sabah Al Ahmed Sabah, came to power in 2006. Since 2006 the elected parliament has repeatedly clashed with the appointed cabinet, which at that time was led by the Emir’s nephew. Added to the problems at the time were the populist nature of MPs, the constant in-fighting between the different factions that make up the royal family, and allegations of corruption in the government. These issues helped lead to the increased tensions that resulted in the large scale demonstrations in 2011 that eventually led to the resignation of the prime minister.

These internal tensions are of a different nature than those observed in countries such as Bahrain and Saudi Arabia. More often than not, they have not focused on the Sunni/Shia fault line. The factions in the Parliament have instead focused on issues like the line of succession for the Emir in 2006, the changing of the country’s electoral system through a 2006 popular effort called the Orange Movement, and the granting of suffrage and the ability to hold parliamentary and cabinet seats to women. Many – if not most – Kuwaitis admit disappointment in the current system and its failure to deliver economic diversification and a strategic vision which is comparable to neighboring cities/states such as Qatar and UAE.

The largest element of opposition in Kuwait now consists of Salafists, individuals affiliated with the Muslim Brotherhood, some tribal members, and more recently the country’s young population. This opposition was a powerful driving force in the 2006 “Orange Movement,” which pushed for a reduction in the number of electoral districts to mitigate the impact of corruption. This movement predated the broader Arab Spring by several years, was mainly peaceful, and was an unprecedented example of the power of opposition politics and civil society in the Arabian Peninsula.

Unfortunately, Kuwait’s democratic institutions have not yielded political stability for the country. The Emir has dissolved parliament numerous times in recent years, including in 2008, 2009, 2011, and 2012. The political situation in Kuwait has also been deteriorating since 2011, when torture allegations were levied against the Interior Minister, prompting popular demonstrations. This was followed by protests by Kuwait’s bidoon (Bedouin), who were seeking citizen rights, and corruption concerns that led to strikes that autumn by the oil, finance, and health sectors – and by Kuwaiti customs.

A subsequent election in February 2012 yielded an opposition majority in the parliament, with a greater Islamist presence than before. This new government was subsequently dissolved by the Emir in October 2012. A demonstration that same month mobilized thousands of people as the government – in a reported effort to limit the opposition’s potential in the upcoming elections – proposed that voters can only select one candidate as opposed to the four usually allowed. In the wake of these protests, the Interior Ministry mandated that all demonstrations involving at least 20 people in Kuwait must be licensed – an act that places considerable limitations on a civil society that has been key to Kuwait’s gradual political liberalization.
The 25-district system that the government prefers places the odds towards the government for a variety of reasons. This system meant that voters could no longer cast four votes, but one, in a state where the electoral districts are not properly set apart. The ruling family has been accused by the opposition of gerrymandering and manipulating the electoral balance by vote-buying. The 25 district split in essence makes it more difficult for MPs to work together, which increases the difficulty of ideological opposition candidates to win seats, and increases the number of tribal MPs, of which many are loyal to the government.

The 5-district system that was implemented in 2006 created larger districts, with ten MPs representing each one. The spread is believed to allow the more organized opposition groups to win more seats. Though, in the 2008 elections, it was the tribal candidates that actually fared quite well, especially compared to the ideological opposition that were believed would do well; in reality, some lost half of their seats. Interestingly, by that time, many amongst the tribal population had begun to lean towards the opposition, particularly the larger and more organized tribes.

New elections were held in December 2012, though opposition candidates were reported to have boycotted the poll due to a law that reportedly allowed “the government to manipulate the outcome of the polls.” It is reported that Shia received an unprecedented number of seats, with accounts varying from 15-17 of 50 seats – representing every electoral district. Women also received three seats.

Protests involving several hundred people were reported in the aftermath of the vote, calling for both the election and the new law to be overturned. It was anticipated that the new parliament would not last for long as the country’s major tribes are only represented by a single member. The new parliament entered session amidst continuing protests later that month.

As a result of the amendments to the electoral law that reduced the number of candidates that each voter could vote for, and due to the total boycott of the opposition, the constitutional court in June of 2013 scrapped the 50 seat parliament that was elected in December 2012. The reasons cited for dissolving the parliament were that it was unconstitutional with technical irregularities in the emir’s decree. Despite the political turmoil and the boycott of elections, the loose cooperation between opposition groups have failed to agree on a common political agenda and has further increased divisions amongst the diverse opposition groups.

The latest elections – which were held July 25, 2013 – ended with the Shia minority losing the most. From winning a record 17 seats in the previous parliament, the subsequent election resulted in Shia MPs winning only 8 seats. The main winners of the election were some of the tribes that had allegedly been marginalized in the past, while liberals and Sunni Islamists performed quite well. A few opposition members also took part in the elections despite calls to boycott by the opposition. The main increase in voting came from the tribal areas. The return to parliament by liberal nationalists and the larger tribes has, to an extent, lessened the government’s narrow reliance on the Shia community, which can be seen as a problem due to the sectarian tensions boiling over all around the region.
As has already been discussed, the results of the latest elections ended with a dramatic decline in Kuwait’s once strong opposition. The government has been increasingly adept at adapting to situations and reaching out to old and new groups, especially groups who were once loyal, but had since joined the opposition. The hard line opposition’s reliance on the Kuwaiti branch of the Muslim Brotherhood, who chose to boycott the latest elections, further challenges them.292

Kuwait’s Shia are not typically in the anti-government coalition, and are usually supportive of the government. The government has taken steps to prevent Sunni/Shia tensions by imprisoning a Sunni Twitter user in April 2012 for posting anti-Shia rhetoric and by sending a Shia ambassador to neighboring Baghdad.293 However, the Sunni-Shia rifts have emerged periodically, as in 2008, when the cabinet stepped down due to Sunni requests from within the parliament to question the prime minister over an Iranian Shia cleric’s visit to Kuwait, and Shia requests from parliament to question the foreign minister over the deployment of the Kuwaiti Navy to Bahrain during that country’s popular Shia uprising.294

While the Shia have traditionally been supportive of the Kuwaiti government, Iran could benefit from a divided Kuwait. Progress toward greater political and security collaboration within the GCC could deepen the rift as Kuwait would be expected to play a greater role in protecting the Bahraini monarchy against a popular Shia uprising.

What is interesting about the latest parliamentary elections is that, this time, radical and controversial figures belonging to both the Sunni and Shia sects lost out. While tensions between the two sects have been limited, there are fears of an increase in the level of sectarianism, especially due to events playing out in Syria and neighboring Bahrain.

Sunni Islamists in Kuwait are one of the staunchest supporters of the Syrian rebels fighting the Assad regime, and recently an Islamist led organization called the Great Kuwait Campaign claims to have received enough funds to arm at least 12,000 Syrian rebels.295 At the same time, there are many from the Shia sect in Kuwait who side with the Syrian regime. It remains to be seen how much the conflict in Syria can increase polarization among the different sects in Kuwait; while it has in minor ways so far, the government is doing its best to help calm the situation, and the Kuwaiti Emir has personally warned against increasing sectarianism.

Another often overlooked consequence of the constant political turmoil is the halt in infrastructure and investment projects, which has already been hampered by government red tape. These are projects Kuwait urgently needs to get started revamping its economy and shifting away from its dependence on oil. However, the stock market has been improving recently, and the outcome does look positive if the political turmoil subsides and events in Syria don’t boil over. There is a renewed hope with the latest elections, especially with the electoral successes of new and younger candidates, and with the higher than usual turnout at the elections, that the new parliament can succeed and find a way to cooperate with the ruling family on major issues. If Kuwait is forced to take sides in Sunni-Shia conflicts in Bahrain, Saudi Arabia, or Iraq, the result could be a greater level of Sunni-Shia polarization in Kuwait that could tempt radical Shia to exploit the current political unrest to break with the government. The reports of a Quds Force-related attack plan in Kuwait suggest that Iran already has the assets in place to mobilize
supporters in Kuwait. An erosion in Sunni-Shia relations could yield a Shia population that could be more open to collusion with Iran, or Iraqi Shia that are critical of Kuwait.  

**Policy Implications**

The US can do little to influence Kuwait’s internal divisions, but it must quietly do what it can to encourage negotiation and compromise where this can bring stability. As is the case with every other Southern Gulf state, the US also needs to carefully do what it can to build Kuwaiti trust in the US strategic partnership and commitment to Kuwait, make it clear it is not acting in ways that increase the risks to Kuwait, and is not taking sides in Kuwait affairs that could increase political instability.

While the US must focus on the broad threat Iran poses to the Gulf and the region, Kuwait illustrates the dangers of focusing on the Strait of Hormuz. Kuwait is exposed at a critical point in the upper Gulf. Iraq no longer has the forces to invade, but Iraq also cannot defend against Iran without a major US intervention and Iraqi instability is as much a problem for Kuwait as the Iranian threat. Kuwait is too small to defend itself against Iran, and is – as the Iran-Iraq War showed – particularly vulnerable to an Iranian strategy that singles out a given Gulf state in a divide and pressure approach to asymmetric warfare.

Like the other smaller Gulf states, Kuwait also illustrates a different kind of need for improved military integration and interoperability than Saudi Arabia. Its forces are now relatively well-equipped, much better trained than in 1990, and exercise regularly with US forces. They are, however, very small relative to Iran, and depend on links to outside forces for any meaningful capability. They can only really be effective as part of a larger whole, and this requires both US power projection capability and the GCC to play a much stronger unifying role in Gulf security.

At the same time, the US needs to show the same sensitivity to Kuwaiti security perceptions as it does to those of Saudi Arabia. It needs to understand that Kuwait sees issues like Egypt and Syria differently from the US, and must focus on finding the best practical compromise rather than simply asserting its own values.
Bahrain

Bahrain is a relatively small state whose basic statistics are summarized in Figure 24. It possesses few remaining oil and gas resources, but it occupies a key strategic position in the Gulf, and offers the US important naval and air facilities. Bahrain is the location of the US Fifth Fleet, which has grown from a small US naval presence that theoretically operated offshore to a major headquarters that now coordinates a major US naval presence in the region as well as US and allied naval operations and exercises.

Until the first Gulf War in 1990-1991, US naval operations were limited to a command ship and a few escorts directed by the Commander, Middle Eastern Force (COMMIDEASTFOR). It became apparent after the Gulf War that the growing US naval presence in the Gulf could not be effectively directed by the US Seventh Fleet – whose mission’s concentrate on the Pacific and Indian Oceans. Accordingly, the US Fifth Fleet was reactivated in July 1995, and now is headquartered in Manama, Bahrain. It has responsibility for the Gulf, Red Sea, and Arabian Sea.

Bahrain faces serious internal stability problems because of the divisions between its Sunni ruling elite, led by the Al Khalifa family, and Shia majority that has faced a long history of discrimination. Bahrain also faces pressure from Iran. The Shah of Iran made tentative claims to the island during the period of UK withdrawal from the Gulf, and Khomeini sent messengers to Bahrain soon after he consolidated power. Iran actively encouraged violent demonstrations by Bahraini Shi’ites during the Iran-Iraq war, and helped lead to demonstrations and acts of sabotage in the early 1980s.

The island’s Sunni elite claims that Iran has encouraged the far more serious Shia protests and violent demonstrations that have emerged over the past two years. This violence reached the point where it led to the deployment of Saudi and Emirati security forces to Bahrain as part of a major security crackdown within the country, leading to growing tension between the government in Manama and Iran. It has affected US strategic
interests in the Gulf because of the presence of the US Navy’s Fifth Fleet, which is headquartered in Bahrain.

The CIA summarized the situation in Bahrain as follows in late 2012:

In 1783, the Sunni Al-Khalifa family captured Bahrain from the Persians. In order to secure these holdings, it entered into a series of treaties with the UK during the 19th century that made Bahrain a British protectorate. The archipelago attained its independence in 1971.

Bahrain's small size and central location among Gulf countries require it to play a delicate balancing act in foreign affairs among its larger neighbors. In addition, the Sunni-led government has struggled to manage relations with its large Shia-majority population.

During the mid-to-late 1990s, Shia activists mounted a low-intensity uprising to demand that the Sunni-led government stop systemic economic, social, and political discrimination against Shia Bahrainis.

King Hamad bin Isa Al-Khalifa, after succeeding his late father in 1999, pushed economic and political reforms in part to improve relations with the Shia community. After boycotting the country's first round of democratic elections under the newly-promulgated constitution in 2002, Shia political societies participated in 2006 and 2010 in legislative and municipal elections and Wifaq, the largest Shia political society, won the largest bloc of seats in the elected lower-house of the legislature both times. In early 2011, Bahrain's fractious opposition sought to ride a rising tide of popular Arab protests to petition for the redress of popular grievances.

In mid-March 2011, with the backing of Gulf Cooperation Council (GCC) capitals, King Hamad put an end to the mass public gatherings and increasingly disruptive civil disobedience by declaring a state of emergency. Manama also welcomed a contingent of mostly Saudi and Emirati forces as part of a GCC deployment intended to help Bahraini security forces maintain order.

Since that time, intermittent efforts at political dialogue between the government and opposition have remained at a stalemate. The Bahrain Independent Commission of Inquiry (BICI), formed in June 2011 to investigate abuses during the unrest and state of emergency, released its final report in November 2011. The King fully endorsed the report, and since then Manama has begun to implement many of the BICI's recommendations, including improving policing procedures, reinstating fired workers, rebuilding some mosques, and establishing a compensation fund for those affected by the unrest and crackdown. Despite this progress, street protests have grown increasingly violent since the beginning of 2012.

Facing declining oil reserves, Bahrain has turned to petroleum processing and refining and has transformed itself into an international banking center. Bahrain is one of the most diversified economies in the Persian Gulf. Highly developed communication and transport facilities make Bahrain home to numerous multinational firms with business in the Gulf. As part of its diversification plans, Bahrain implemented a Free Trade Agreement (FTA) with the US in August 2006, the first FTA between the US and a Gulf state.

Bahrain's economy, however, continues to depend heavily on oil. Petroleum production and refining account for more than 60% of Bahrain's export receipts, 70% of government revenues, and 11% of GDP (exclusive of allied industries). Other major economic activities are production of aluminum - Bahrain's second biggest export after oil - finance, and construction.

In 2011, Bahrain experienced economic setbacks as a result of domestic unrest. Bahrain's reputation as a financial hub of the Gulf has been damaged, and the country now risks losing financial institutions to other regional centers such as Dubai or Doha. Economic policies aimed at restoring confidence in Bahrain's economy, such as the suspension of an expatriate labor tax, will make Bahrain's foremost long-term economic challenges - youth unemployment and the growth of government debt - more difficult to address.
### Key Figures – Bahrain

![Graph showing annual population growth rate and other data](image)

<table>
<thead>
<tr>
<th>Key Data and Indicators</th>
<th>Figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population in Millions</td>
<td>1.2</td>
</tr>
<tr>
<td>Median Age in Years</td>
<td>31.1</td>
</tr>
<tr>
<td>Percent 0-14 Years</td>
<td>20.20%</td>
</tr>
<tr>
<td>Urban Population</td>
<td>89%</td>
</tr>
<tr>
<td>Literacy Rate</td>
<td>94.60%</td>
</tr>
<tr>
<td>GDP (in $ US billions) Official Exchange Rate</td>
<td>$25.45</td>
</tr>
<tr>
<td>GDP PPP Per Capita World Ranking</td>
<td>48</td>
</tr>
<tr>
<td>Labor Force in Thousands</td>
<td>666 (44% of workers 15-64 non-national)</td>
</tr>
<tr>
<td>Unemployment, ages 15-24</td>
<td>10-20%?</td>
</tr>
<tr>
<td>Annual entrants to the workforce (male)</td>
<td>8,988</td>
</tr>
<tr>
<td>Annual entrants to the workforce (female)</td>
<td>8,117</td>
</tr>
</tbody>
</table>

**Figure 24: Bahrain - A Statistical Overview**
Bahrain's Relations with Iran

Bahrain and Iranian relations have long been tense and affected by a history of Iranian claims to sovereignty over the island. Iranian claims to the island date back to the sixth century BC. Bahrain fell under the Persian Safavid Empire in the 1700s, but the current Bahraini ruling family took control of the island in 1820. In 1957, the Shah led the Iranian parliament to consider taking measures to annex Bahrain, and the Shah indicated that Iran might renew its claims when the UK withdrew from “East of Suez,” but a 1971 referendum in Bahrain led to the establishment of a sovereign Bahrain without the opposition of the Shah or the Iranian parliament.

The Islamic Republic has supported Bahrain’s Shi’ites ever since it came to power, and actively supported the Shi’ite opposition in Bahrain during the Iran-Iraq War. Bahraini government and a number of outside experts believe that Iran was linked to coup plots in 1981 and 1996, and Iran has since made a series of strong Iranian statements about the situation in Bahrain. The most provocative of such statements was made by an adviser to Ayatollah Khamenei, Hossein Shariatmadari, who implied in 2007 that Bahrain belonged to Iran and should be brought back under the umbrella of Iranian leadership.

Numerous officials – including Ayatollah Khamenei, President Ahmadinejad, Foreign Minister Ali Akbar Salehi, Defense Minister Ahmad Vahidi, and Speaker of Parliament Ali Larijani – have since made statements that are either critical of the Bahraini and Gulf Arab response to the Bahrain uprising, or in defense of Bahrain’s opposition.

One statement by the chairman of the Iranian Guardian Council said, “Brothers and sisters [in Bahrain] resist against the enemy until you die or win.” These statements have led senior Bahraini officials like the Information Minister to claim that “pro-Iranian” satellite television stations were encouraging opposition actions against Bahrain’s government. Tehran has insisted that neither the Iranian government nor Hezbollah has had any involvement in the Bahrain uprising.

US and outside experts differ over the extent to which they feel Iran, the Iranian al Quds Force, and Hezbollah are linked to acts of violence like terrorist plots to attack the King Fahd Causeway – a vital lifeline linking Bahrain with Saudi Arabia – as well as Bahrain’s Interior Ministry and the Saudi Arabian Embassy in Bahrain, all of which were exposed in November 2011. Bahrain’s Public Prosecutor claimed the suspects “…had been trained and financed by Iranian groups…”

The same differences exist over the November 2012 bombings in Manama. Some US official experts feel that Iran has been involved and supported cells that create such explosives, but other outside experts feel there has been no conclusive, open-source evidence proving direct Iranian or Iranian-proxy involvement. Moreover, some outside
experts feel the crude nature of the explosive devices and the low-profile nature of the targets suggest that the incidents either were not part of a broader strategy, or were failures in achieving strategic results. They note that in contrast to the relatively successful high-profile assassinations that have been blamed on Iranian proxies such as Hezbollah in Lebanon, Iran’s Al-Quds force is most likely responsible for its subversive activities in the Kingdom and around the GCC. An Iranian supported bomb-making facility was discovered during the course of this year that had support from Al-Quds operatives.

What is clear is that Bahraini government officials, intelligence experts, and senior military officers feel that Iran has deliberately encourage Shi’ite violence and extremism, that Iran is seeking to destabilize Bahrain and create conditions that could overthrow the monarchy and ruling Sunni elite, and would like to create a Shi’ite dominated, pro-Iranian government by covert means.

Commercial relations between Bahrain and Iran are limited and amounted to only 41 million Euros in 2010, or roughly 1% of Bahrain’s total worldwide trade. The two countries did explore cooperation on energy trade where Iran would export natural gas to Bahrain, but diplomatic issues hindered progress in 2009, and such efforts have not resumed. Reporting does suggest that Bahrain continues to export gasoline to the Islamic Republic. Bahrain-Iran links also exist in the financial sector. The Bahraini based Future Bank is owned in part by Bank Melli in Iran. Future Bank has been targeted by US Justice Department sanctions.

**Bahrain’s Relations with the US**

Bilateral relations between Bahrain and the US are based on common security interests and a trade relationship that provides Manama with a key export market. While the US has expressed concern over Manama’s response to the uprising that started in 2011, the US sees Bahrain as a key ally, and continues to base its naval operations in the Gulf in Bahrain.

This US role provides an important deterrent to Iran. Bahrain’s military forces are shown in Figure 25, and while some elements are quite capable, they are far too small for Bahrain to defend itself against a determined Iranian attack, or to confront Iran directly over Iranian aid and arms transfers to Bahrain’s opposition.

As for economic links, Bahrain gets just over 10% of its imports from the US, making the US its second-largest import partner. The US was the eighth-largest export market for Bahrain in 2010, and the US was Bahrain’s third-largest trading partner (when the EU states are grouped,) with just over 1.3 billion Euros in trade. The US and Bahrain have a free trade agreement (FTA) that went into effect in 2006. The US does, however, face a difficult balancing act in seeking both a just settlement between the government and a now largely Shia opposition and preserving its security ties. It cannot abandon Bahrain, however, given Bahrain’s friendly relations with the US government and geostrategically important location on the Gulf. Bahrain was given Major Non-NATO Ally status by Washington in 2002, building upon a decade-long security agreement agreed upon in 1991 and again in 2001.
Military Cooperation

Bahrain has long been a key ally and partner. It has hosted the United States Naval Forces Central Command (NAVCENT) since the creation of the US Central Command in 1983, and was the port for the earlier US Task Force 126 that first deployed to the Gulf in 1948. Bahrain was the headquarters of US Naval operations during the US “War of the Tankers” with Iran in 1987-1988, during the first Gulf War in 1990-1991, and during the US-led invasion of Iraq in 2003. It has been the headquarters and home port of the US 5th Fleet since it was reactivated in 1995, and the new Combined Fleet of US and allied forces established in February 2002, which coordinates counterterrorism and counterpiracy missions in the Gulf, the Red Sea, Gulf of Oman and Arabian sea, Gulf of Aden and the Indian Ocean. Bahrain provides air basing facilities as well as port facilities. Bahrain has since been a key strategic asset to the US in addressing the situations in Iran, Iraq, Afghanistan, and in fighting international terrorism.

Bahrain has small but capable and well-led military forces. Figure 26 shows that the US has provided more Foreign Military Financing (FMF) assistance to Manama than any country on the Arabian Peninsula, except Yemen. While there are tensions between the US and Bahrain’s government over US efforts to press for compromise and reforms – and some Bahrainis go so far as to accuse the US of secretly seeking to abandon Bahrain and the Arab Gulf states and forge an alliance with Iran – security ties remain strong.

Other US foreign assistance to Bahrain has taken the form of NADR, IMET, and FMF support. NADR aid is geared toward Antiterrorism Assistance, and NADR and FMF aid has declined since FY2011, as reflected in Figure 26. From FY2007-FY2011, the US made just over $392,800,000 worth of FMS deliveries to Bahrain, as well as $625,474,000 worth of commercial exports licensed under the Arms Export Control Act.


US military sales and security support to Bahrain have been affected by US Congressional concerns over the tensions between Bahrain’s Sunni leaders and its Shi’ite majority, but remain a key element in US and Bahraini relations. A study by Ken Katzman of the Congressional Research Service provides the following summary of the role Bahrain plays in permitting the US to use its naval and air facilities, and locate its 5th fleet headquarters in Manama:

The cornerstone of U.S.-Bahrain defense relations is U.S. access to Bahrain’s naval facilities. February 2008 marked the 60th anniversary of a U.S. naval command presence in Bahrain; MID EAST FOR (U.S. Middle East Force), its successor, NAVCENT (naval component of U.S. Central Command), as well as the Fifth Fleet (reconstituted in June 1995) are headquartered there, at a sprawling facility called “Naval Support Activity-Bahrain.” The facility now covers 60-100 acres, and about 5,000 U.S. personnel, mostly Navy, are deployed in Bahrain. It is also home to U.S. Marine Forces Central Command, Destroyer Squadron Fifty, and three Combined Maritime
Forces... The “on-shore” U.S. command presence in Bahrain was established after the 1991 Gulf war against Iraq; prior to that, the U.S. naval headquarters in Bahrain was on a command ship mostly docked in Bahrain and technically “off-shore.”

Some smaller U.S. ships (e.g., minesweepers) are homeported there, but the Fifth Fleet consists mostly of U.S.-homeported ships that are sent to the region on six- to seven-month deployments. Ships operating in the Fifth Fleet at any given time typically include a carrier strike group, an amphibious ready group, and some additional surface combatants, and operate in both the Persian Gulf and Indian Ocean/Northern Arabian Sea. In mid-March 2012, the U.S. Navy announced it was doubling its minesweepers in the Gulf to eight, and sending additional mine-hunting helicopters, as tensions escalated over Iran’s nuclear program and its threatened reaction to new sanctions. In May 2013, the U.S. Navy announced it is moving an additional five coastal patrol ships to Bahrain, to join five already there. The naval headquarters serves as the command headquarters for periodic exercises intended to signal resolve to Iran; a mine-sweeping exercise involving 41 countries was held in the Gulf during May 5-30, 2013.

The naval headquarters also coordinates the operations of over 20 U.S. and allied warships in Combined Task Force (CTF) 151 and 152 that seek to interdict the movement of terrorists, pirates, arms, or weapons of mass destruction (WMD)-related technology and narcotics across the Arabian Sea. In March 2008, Bahrain took a turn in a rotation to command CTF-152, and it commanded again in December 2010. Bahrain commanded an anti-piracy task force in Gulf/Arabian Sea waters in October 2010. These operations are offshoots of Operation Enduring Freedom (OEF) in Afghanistan, which ousted the Taliban after the September 11 attacks.

To further develop the naval facility (sometimes referred to as “Bahrain Island”), and other military facilities, the U.S. military is implementing a planned $580 million military construction program in Bahrain. Construction began in May 2010 to allow larger ships to dock at the naval facility; the project is expected to be completed, in several phases, by 2015. A January 2008 lease agreement between the United States and Bahrain allowed for the expansion by making available the decommissioned Mina (port) Al Salman Pier. U.S. officials say they continue to request further expansions of the facility. Another deep water port in Bahrain, Khalifa bin Salman, is one of the few facilities in the Gulf that can accommodate U.S. aircraft carriers and amphibious ships.27

The bulk of the ongoing military construction program has been to expand the naval facility, but $45 million of the funds is to be used to expand an apron at Shaykh Isa Air Base, where a variety of U.S. aircraft are stationed, including F-16s, F-18s, and P-3 surveillance aircraft. About $19 million is to be used for a Special Operations Forces facility. Recent appropriations and requests to fund the construction include $54 million for FY2008 (Division 1 of P.L. 110-161); no funds for FY2009; $41.5 million for FY2010 (P.L. 111-117); $258 million for FY2011 (P.L. 112-10). $100 million was requested for FY2012 for two projects of nearly equal size, but was not funded (accepting a Senate provision of H.R. 2055) in the FY2012 Consolidated Appropriation (P.L. 112-74).

Bahrain allowed the United States to fly combat missions from its bases (Shaykh Isa Air Base) in both Operation Enduring Freedom (OEF) in Afghanistan and the war to oust Saddam Hussein in March-April 2003 (Operation Iraqi Freedom, OIF). During both OEF and OIF, Bahrain publicly deployed its U.S.-supplied frigate warship (the *Subha*) to help protect U.S. ships, and it sent ground and air assets to Kuwait in support of OIF. Bahrain hosted about 4,000 U.S. military personnel during major combat of OEF (October 2001-May 2003).

Bahrain and UAE have been the only Gulf states to deploy their own forces to provide aid to Afghanistan. In January 2009, Bahrain sent 100 police officers to Afghanistan on a two-year tour to help U.S./NATO-led stabilization operations there. Their tour was extended until the end of the NATO mission at the end of 2014

The report summarizes the current trends in US and Bahraini security cooperation as follows:

---

27

...
Foreign Military Financing (FMF)

Foreign Military Financing (FMF) was suspended for Bahrain in FY1994 but restarted in appreciation of Bahrain’s support in OEF and OIF. According to the Administration, FMF (and funds provided under “Section 1206” of the National Defense Authorization Act of 2006, P.L. 109-163) is provided to Bahrain to help it maintain U.S.-origin weapons, to enhance interoperability with U.S. forces, to augment Bahrain’s air defenses, to support and upgrade the avionics of its F-16 combat aircraft (see below), and to improve counter-terrorism capabilities. As an example, the United States has supplied Bahrain with a coastal radar system that reportedly provides Bahrain and the U.S. Navy a 360-degree field of vision around Bahrain… Some FMF funds have been used to build up Bahrain’s Special Operations forces and, in April 2012, U.S. military teams reportedly provided additional training to the BDF on the use of its Blackhawk helicopters…The Defense Department estimates that, in part due to U.S. assistance, about 50% of Bahrain’s forces are fully capable of integrating into a U.S.-led coalition.

The Administration’s FY2012 aid request, made at the start of the unrest, asked for $25 million in FMF for Bahrain… only $10 million was provided for FY2012, due in large part to the Administration’s intent to retain leverage against Bahrain to compel it to make reforms. The same lower amount, $10 million, was requested for FY2013 and for FY2014.

Excess Defense Articles (EDA)

Bahrain is eligible to receive grant “excess defense articles” (EDA), and it has received over $400 million worth of EDA since the program began for Bahrain in 1993. In June 1995, the United States provided 50 M-60A3 tanks to Bahrain as a “no cost” five-year lease. Bahrain later received title to the equipment. In July 1997, the United States transferred the FFG-7 “Perry class” frigate Subha (see above) as EDA. In the State Department’s FY2012 budget request, the Administration supported providing another frigate (an “extended deck frigate”) to Bahrain as EDA because the Subha is approaching the end of its service life. The Administration said on May 11, 2012, that it continued to support that transfer, which is planned for 2014, subject to passage of authorizing legislation… However, the FY2014 foreign aid budget justification says that the BDF has put acquisition of a new frigate on hold, and would put U.S. military aid toward maintaining the Subha instead.

International Military Education and Training Funds (IMET)

…small amounts of International Military Education and Training funds (IMET) are provided to Bahrain to inculcate principles of civilian control of the military, democracy, and interoperability with U.S. forces. Approximately 250 Bahraini military students attend U.S. military schools each year, either through the IMET program (57% of them), or using FMF funds, in connection with the U.S. Foreign Military Sales program.

Major Foreign Military Sales (FMS) From Bahrain National Funds

Bahrain’s total government budget is about $6 billion per year, allowing modest amounts of national funds to be used for purchases of major combat systems. In 1998, Bahrain purchased 10 U.S.-made F-16Cs from new production, worth about $390 million. It later purchased 12 more of the system, bringing its F-16 fleet to 22. In 1999, the United States sold Bahrain 26 Advanced Medium-Range Air-to-Air Missiles (AMRAAM) to arm the F-16s.

An August 2000 sale of 30 Army Tactical Missile Systems (ATACMs, a system of short-range ballistic missiles fired from a multiple rocket launcher), valued at about $70 million, included an agreement for joint U.S.-Bahraini control of the weapon. That arrangement was reached in part to allay U.S. congressional concerns about possible U.S. promotion of missile proliferation in the region. Sales of up to 180 “Javelin” anti-armor missiles and 60 launch units, worth up to $42 million; 9 UH-60M Blackhawk helicopters worth up to $252 million; and 6 Bell search and recovery helicopters, valued at about $160 million, were notified August 3, 2007. An additional 25 AMRAAMS (Raytheon Missile Systems Corp.) and associated equipment, valued at about $74 million, was notified for sale to Bahrain on July 28, 2009.
Section 581 of the FY1990 foreign operations appropriation act (P.L. 101-167) made Bahrain the only Gulf state eligible to receive the Stinger shoulder-fired anti-aircraft missile, and the United States has sold Bahrain about 70 Stingers since 1990. (This authorization has been repeated in subsequent legislation.)

Some of the recent sales to Bahrain are in accordance with the State Department’s “Gulf Security Dialogue,” begun in 2006 to counter Iran. Much of the initiative involves missile defense integration, and it is primarily Bahrain’s wealthier neighbors, such as UAE, that are buying advanced U.S. missile defense equipment. That prevents Bahrain from becoming a major factor in the U.S. effort to assemble a Gulf-wide, integrated missile defense network. That effort has been discussed extensively with the Gulf states; on March 31, 2012, then Secretary of State Clinton attended the first ministerial meeting of the U.S.-GCC Strategic Cooperation Forum in Riyadh, Saudi Arabia, which focused on the integrated Gulf missile defense plan. Subsequently,

Deputy Assistant Secretary of State Frank Rose spoke in Abu Dhabi on April 12, 2012, on that issue. The concept was also discussed between the United States and the GCC countries at a meeting on the sidelines of the U.N. General Assembly meetings in September 2012.

…One sale, notified on September 14, 2011, was announced seven months after the unrest began, and has been agreed to despite U.S. criticism of Bahrain’s crackdown. It is for a proposed sale of 44 “Humvee” (M115A1B2) armored vehicles and several hundred TOW missiles of various models, of which 50 are to be “bunker busters.” Along with associated equipment and support, the proposed sale is worth an estimated $53 million.

…Although not considered large in dollar terms, or of particularly sophisticated equipment, the sale incurred opposition from several human rights groups and from the Bahraini opposition who assert that the sale represents U.S. downplaying of the abuses committed by the Bahraini government in the course of the unrest. Human rights groups and Bahraini opposition figures say the regime could use the Humvees, in particular, in their efforts to crack down on protests. When the sale was announced, State Department officials said the sale would not violate the intent of the “Leahy amendment”—a provision of foreign aid and defense appropriations laws that forbids U.S. sales of equipment to security units that have committed human rights abuses…

Two joint resolutions were introduced in the 112th Congress to block the sale: S.J.Res. 28, introduced by Senator Ron Wyden, and H.J.Res. 80, introduced by Representative James McGovern. Both joint resolutions would have prohibited the sale unless the Administration certifies that Bahrain is rectifying the alleged abuses connected to its suppression of the uprising in 2011. To block a proposed arms sale would require passage of a joint resolution to do so, and with a veto-proof majority, because President Obama could veto a joint resolution of disapproval in order to complete the sale. The House bill attracted 14 co-sponsors, the Senate bill two cosponsors.

On October 19, 2011, even though the sale had passed the period of congressional review, and apparently addressing the criticism and legislative initiatives, the Administration told Congress it would delay the sale until it could review the BICI report that was released November 23, 2011. Still, the State Department spokesperson stated on January 27, 2012, that “we are maintaining a pause on most security assistance to Bahrain pending further progress on reform.” At the same briefing, the department said it was releasing to Bahrain previously notified and cleared spare parts and maintenance—worth a reported $1 million—needed for Bahrain’s external defense and support of Fifth Fleet operations. None of the items can be used against protesters, according to the State Department statement….

…on May 11, 2012, in conjunction with a visit to Washington, DC, by

Bahrain’s Crown Prince Salman, the Administration announced that, despite continuing concerns about Bahrain’s handling of the unrest, it would open up Bahrain to the purchase of additional U.S. arms for the BDF, Bahrain’s Coast Guard, and Bahrain’s National Guard. The Administration stated that weaponry that could be sold is not typically used in crowd control or riot control, and that the TOW and Humvee sale discussed, as well as any sales of equipment that could be used against protesters (tear gas and rifles, for example), would remain on hold. The
Administration did not release a complete list of weapons categories that might be sold, but it gave a few examples as follows:

- The Perry-class frigate, as EDA, discussed above; but later mooted;
- Harbor security boats for the Bahrain Coast Guard, as EDA;

An upgrade to the engines on Bahrain’s U.S.-made F-16s; and Additional AMRAAMs (see above), according to press reports quoting U.S. officials knowledgeable about the decision US military assets employed by Bahrain’s military include 21 F-16 fighter ground attack and 12 F-5 fighter aircraft, 28 AH-1 Cobra attack helicopters, 12 S-70/UH-60 Black Hawk transport helicopters and 13 Bell multi-role and transport helicopters, 2 Hughes, 500 ISR helicopters, and 180 M60A3 main battle tanks. Bahrain has also acquired a number of naval vessels from the US, including a frigate, 2 patrol boats, and 1 Mk V special operations capable vessel. Weapons systems transferred include the AGM-65 Maverick air-to-ground missile and numerous air-to-air missiles, including the AIM-9 Sidewinder, AIM-7 Sparrow, and AIM-120 AMRAAM. Air defense assets include the MIM-23B I-HAWK, Stinger MANPADS and PATRIOT PAC-2 air defense systems.

The US Presence in Bahrain

Bahrain based over 17,000 US troops during Operation Desert Storm, as well as 1,300 troops during the years that followed. Bahrain has hosted Combined Task Force (CTF) 152 and permitted US combat flights from the island in support of the military campaigns in Iraq and Afghanistan. Bahrain has also been home to several key offices of the Middle East and North Africa Financial Action Task Force (MENA-FATF), which works with the US in support of financial counterterrorism initiatives.

Ken Katzman provides the following summary of the role Bahrain plays in permitting the US to use its naval and air facilities, and locate its 5th fleet headquarters in Manama:

The cornerstone of U.S.-Bahrain defense relations is U.S. access to Bahrain’s naval facilities. The “on-shore” U.S. command presence in Bahrain was established after the 1991 Gulf war against Iraq; prior to that, the U.S. naval headquarters in Bahrain was on a command ship mostly docked in Bahrain and technically “off shore.”

Some smaller U.S. ships (e.g., minesweepers) are homeported there, but the Fifth Fleet consists mostly of U.S.-homeported ships that are sent to the region on six- to seven-month deployments. Ships operating in the Fifth Fleet at any given time typically include a carrier strike group, an amphibious ready group, and some additional surface combatants, and operate in both the Persian Gulf and Indian Ocean/Northern Arabian Sea. In mid-March 2012, the U.S. Navy announced it was doubling its minesweepers in the Gulf to eight, and sending additional mine-hunting helicopters, as tensions escalated over Iran’s nuclear program and its threatened reaction to new sanctions. In May 2013, the U.S. Navy announced it is moving an additional five coastal patrol ships to Bahrain, to join five already there. The naval headquarters serves as the command headquarters for periodic exercises intended to signal resolve to Iran; a mine-sweeping exercise involving 41 countries was held in the Gulf during May 5-30, 2013.

The naval headquarters also coordinates the operations of over 20 U.S. and allied warships in Combined Task Force (CTF) 151 and 152 that seek to interdict the movement of terrorists, pirates,
arms, or weapons of mass destruction (WMD)-related technology and narcotics across the Arabian Sea. In March 2008, Bahrain took a turn in a rotation to command CTF-152, and it commanded again in December 2010. Bahrain commanded an anti-piracy task force in Gulf/Arabian Sea waters in October 2010. These operations are offshoots of Operation Enduring Freedom (OEF) in Afghanistan, which ousted the Taliban after the September 11 attacks.

To further develop the naval facility (sometimes referred to as “Bahrain Island”), and other military facilities, the U.S. military is implementing a planned $580 million military construction program in Bahrain. Construction began in May 2010 to allow larger ships to dock at the naval facility; the project is expected to be completed, in several phases, by 2015. A January 2008 lease agreement between the United States and Bahrain allowed for the expansion by making available the decommissioned Mina (port) Al Salman Pier. U.S. officials say they continue to request further expansions of the facility. Another deep water port in Bahrain, Khalifa bin Salman, is one of the few facilities in the Gulf that can accommodate U.S. aircraft carriers and amphibious ships.

The bulk of the ongoing military construction program has been to expand the naval facility, but $45 million of the funds is to be used to expand an apron at Shaykh Isa Air Base, where a variety of U.S. aircraft are stationed, including F-16s, F-18s, and P-3 surveillance aircraft. About $19 million is to be used for a Special Operations Forces facility. Recent appropriations and requests to fund the construction include $54 million for FY2008 (Division 1 of P.L. 110-161); no funds for FY2009; $41.5 million for FY2010 (P.L. 111-117); $258 million for FY2011 (P.L. 112-10). $100 million was requested for FY2012 for two projects of nearly equal size, but was not funded (accepting a Senate provision of H.R. 2055) in the FY2012 Consolidated Appropriation (P.L. 112-74).

… Bahrain allowed the United States to fly combat missions from its bases (Shaykh Isa Air Base) in both Operation Enduring Freedom (OEF) in Afghanistan and the war to oust Saddam Hussein in March-April 2003 (Operation Iraqi Freedom, OIF). During both OEF and OIF, Bahrain publicly deployed its U.S.-supplied frigate warship (the Subha) to help protect U.S. ships, and it sent ground and air assets to Kuwait in support of OIF. Bahrain hosted about 4,000 U.S. military personnel during major combat of OEF (October 2001-May 2003).

Bahrain and UAE have been the only Gulf states to deploy their own forces to provide aid to Afghanistan. In January 2009, Bahrain sent 100 police officers to Afghanistan on a two-year tour to help U.S./NATO-led stabilization operations there. Their tour was extended until the end of the NATO mission at the end of 2014.

USCENTCOM underscored the importance of Bahrain to the US and the close strategic relationship between the two states in the 2013 Posture Statement:

Home to our sole main naval operating base in the Middle East, Bahrain has been an important friend and partner for many decades, and provides key support for U.S. interests by hosting U.S. Navy's Fifth Fleet and providing facilities for other U.S. Forces engaged in regional security. The strong U.S.-Bahrain relationship is particularly critical in the face of the threat Iran poses to regional stability. Over the past several years, Bahrain has faced internal challenges. USCENTCOM works closely with others in the U.S. government to advance a message of support for dialogue and reform in Bahrain, which will be key to ensuring the country's stability and security. The United States supports Bahrain's National Dialogue and the government's ongoing efforts to implement recommendations from the Bahrain Independent Commission of Inquiry (BICI) report. We will continue to be a strong partner of Bahrain and the Bahraini people in the years ahead.

The statement makes clear Washington’s desire to continue engaging Manama through the current political instability in Bahrain, and to help Bahraini leaders work toward stabilizing and securing their country.

The US Navy’s Fifth Fleet is headquartered in Bahrain, and its forces include a carrier strike group, an amphibious ready group, and numerous surface vessels. Other US naval
assets deployed to Bahrain include minesweepers – the number of which will soon be increasing to eight – and an increasing number of anti-mine helicopters. $580 million worth of upgrades to the base are also underway for completion in 2015. These upgrades would enhance docking capabilities, as well as capabilities at Shaykh Isa Air Base, which hosts F-16 and F/A-18 fighter aircraft as well as P-3 surveillance aircraft.323

The 5th Fleet Headquarters in Bahrain normally coordinates at least one US carrier task force in the Gulf and coordinates three international naval task forces in the region: CTF-150, Maritime Security, CTF-151: Counter-piracy, and CTF-152 Gulf Security.324 The 5th Fleet Combined Maritime Task Force web site notes that:325

The Arabian Gulf is a 989 kilometer-long inland sea that separates Iran from the Arabian Peninsula. Countries with a coastline on the Arabian Gulf, called the Gulf States, are (clockwise, from the north): Iran, United Arab Emirates, Saudi Arabia, and Qatar on a peninsula off the Saudi coast, Bahrain on an island, and Kuwait and Iraq in the northwest.

Today the Gulf is one of the most strategic waterways in the world due to its importance in world oil transportation. It contains in the region of 700 billion barrels of proven oil reserves, representing over half of the world’s oil reserves, and over 2,000 trillion cubic feet of natural gas reserves (45% of the world total). Arabian Gulf countries maintain about one-third of the world’s productive oil capacity. The majority of the oil exported from the Arabian Gulf is transported by sea.

CTF-152 was established in March 2004. It operates in the international waters of the Arabian Gulf and takes part in Operation Enduring Freedom. CTF-152 is a multinational task force that has included participation from Kuwait, Bahrain, United Arab Emirates, Saudi Arabia, Qatar, Italy, Australia, the United Kingdom and the United States. Command of CTF-152 is rotated between participatory nations on a three to six month basis.

CTF-152 operates in the Arabian Gulf where it coordinates Theatre Security Cooperation (TSC) activities with regional partners, conducts Maritime Security Operations (MSO), and remains prepared to respond to any crisis that may develop.

Like the other GCC states, Bahrain strongly supported the US in January 2012, when the chief of staff of the Iranian Army, General Atalollah Salehi, warned the United States to not deploy a carrier back to the Gulf. The Iranian Fars News Agency had previously reported that the Iranian Majlis would consider legislation to prevent US and other foreign naval vessels from entering the Gulf without permission from the Iranian navy, and the Iranian Defense Minister Ahmad Vahidi had stated that "transnational forces" should not be in the Gulf region. IRGC Naval Branch patrol boats also came close to the US Navy amphibious transport dock New Orleans and the Coast Guard cutter Adak when they transited the Strait of Hormuz.326

The US responded by sending additional carrier force into the Arabian Sea in early January 2012, with the full support of Bahrain and other GCC states. These included the Carl Vinson and Abraham Lincoln en route to the Arabian Sea amid rising tensions between the United States and the Islamic Republic of Iran over U.S. naval access to the Strait of Hormuz. Carrier Strike Group Nine entered the Gulf and came under the command of U.S. Fifth Fleet in mid-January as Carrier Strike Group Three rotated out.
Problems in Force Development

Bahraini forces are generally effective for a small country that must be careful in using its resources. Moreover, Bahrain is shielded by the fact that it provides naval and air facilities to the US and is covered by US air, naval, and missile defenses.

The key problems that Bahrain faces in force development are largely identical to those of the other smaller southern Gulf states – particularly Qatar and Kuwait – and many are the result of the failure of the GCC states to move towards truly effective cooperation rather than any failure on the part of Bahrain.

- Purchases of equipment are not yet matched by effective training, exercises, and sustainability – a problem that affects virtually all of the forces in the region – including those of Iran. These problems are compounded by a lack of combined arms and joint warfare training and the development of truly effective BM capabilities and related C4I/BM and IS&R systems.

- Force improvements and missions are prioritized on a national, rather than a GCC-wide level. Interoperability not only affects equipment and training, it affects the need to create integrated mission capabilities and priorities for readiness and force improvements.

- A small state like Bahrain faces major problems when other states do not provide the data links and BM and related C4I/BM and IS&R systems that could give Bahrain broad sensor and intelligence coverage and the ability to use its forces with the highest levels of effectiveness. It requires truly interoperable GCC-wide systems that are linked in peacetime to US systems that include far more advanced collection and IS&R assets so Bahraini and all GCC forces can actually practice and test unified military action on a continuing basis, rather than in sporadic exercises. These problems are reinforced by a lack of central training, maintenance, and other common facilities that would help smaller countries achieve economies of scale.

- Bahrain’s small population, Sunni-Shia tensions, and the placement of so much of its available manpower into internal security forces ensures that its forces are too small to provide more than limited contingency capability.

- With US help in providing security, Bahrain’s exposed position means it needs enhanced missile and rocket defenses to deal with the Iranian threat.

Counterterrorism

Despite differences in perceptions between Washington and Manama over how domestic unrest in Bahrain should be addressed, the two countries have maintained close ties in the realm of counterterrorism and Bahrain’s government has taken steps to ensure more measured responses to alleged terrorism. According to the State Department’s *Country Report on Terrorism 2011:*527

Bahrain enhanced its internal capacity and active support of regional and international counterterrorism issues against the backdrop of a turbulent year: mass protests began in February calling for political reform and expanded civil rights for members of the Shia majority. Bahrain was six years into a transformation program that has taken the kingdom's security services from a colonial force focused on population control to a modern Western-style organization capable of both preventing and responding to terrorist attacks. The government worked to enhance border control capability, contribute manpower to international counterterrorism operations, participate in international technical training, and realign internal responsibilities. Bahraini-U.S. counterterrorism cooperation was strong, especially on the investigations of several suspected domestic terrorist incidents, and Bahrain continued to participate in the Department of State's Antiterrorism Assistance program.
The State Department report issued on May 30, 2013 described continuing problems relating to terrorism and counterterrorism.328

Overview: Following a year of political and social unrest, Bahrain continued to develop its counterterrorism capacities while trying to address its citizens’ demands for political reform. Bahrain contributed manpower to international counterterrorism operations, participated in international technical training, realigned internal responsibilities, and continued to invest in border control and security. Bahraini-U.S. counterterrorism cooperation remained strong, especially on the investigations of several suspected domestic terrorist incidents.

2012 Terrorist Incidents:

• In April, two improvised explosive devices (IEDs) detonated in the Diraz neighborhood, injuring four security officers.

• On August 22, according to Chief of Public Security Major General Tariq al-Hassan, a terrorist explosion threatened the lives of two men working security jobs in Sitra, causing burns and injuries. Preliminary information revealed that the explosion was caused by a locally made, remote controlled IED.

• On October 20, an IED exploded in Al-Ekr, causing the death of a police officer.

• On November 5, six homemade pipe bombs exploded, killing two expatriate workers and injuring a third individual.

• On November 7, a car caught fire after coming into contact with an explosive device left on the ground near the Atlas Hotel in Gudaibiya. No casualties were reported.

• On November 28, the Ministry of Interior reported that a homemade bomb exploded in a garbage bin in Adliya. No casualties were reported.

Legislation, Law Enforcement, and Border Security: The Bahrain National Security Agency established an agreement with the Ministry of Interior (MOI), giving the MOI authority to conduct arrest and detention operations of designated targets. The agreement, while signed in 2011, was enacted in 2012.

In June, police raided what they determined was a bomb-making facility. Follow-up investigations were conducted with the participation of forensic experts from London’s Metropolitan Police.

In the case of the “Qatar Cell,” uncovered in 2011 with the cooperation of the Qatari Security Authority, the MOI revealed that it found a terrorist cell targeting vital facilities and prominent figures. The Higher Criminal Court sentenced six defendants to 15 years imprisonment, and acquitted two other defendants. At year’s end the case was with the Higher Appellate Court of Bahrain, who has adjourned it until February 2013, for the defense argument.

Bahrain continued to participate in the Department of State’s Antiterrorism Assistance program, which focused on enhancing border security, investigations, and critical incident management capacity for law enforcement and first responders.

Countering Terrorist Finance: Bahrain is a member of the Middle East and North Africa Financial Action Task Force, a Financial Action Task Force-style regional body. In 2012, there were no public prosecutions of terrorist finance cases. Ministry of Interior officials from the Financial Intelligence Unit attended a U.S.-sponsored conference in Virginia in April and a Central Bank of Bahrain compliance official attended training in October. For further information on money laundering and financial crimes, we refer you to the 2013 International Narcotics Control Strategy Report (INCSR), Volume 2, Money Laundering and Financial Crimes: http://www.state.gov/j/inl/rls/nrcrpt/index.htm.

Regional and International Cooperation: Bahrain worked closely and cooperatively with international partners throughout the region. Since formally endorsing the Global Initiative to Combat Nuclear Terrorism in March 2008, Bahrain has proactively worked to expand air, sea, and causeway border control points. On December 30, the Cabinet endorsed a collective security
agreement of the six Gulf Cooperation Council member states. The agreement outlines mutual responsibilities to preserve security and stability in the region. One of its goals is to help combat transnational and organized crime and terrorism through information exchanges and coordination. Before implementation, the agreement must be ratified by each member state.

**Regional and International Cooperation:** The Government of Bahrain’s efforts to counter radicalization and violent extremism were spearheaded by the Ministry of Justice and Islamic Affairs (MOJIA), which organized regular workshops for clerics and speakers from both the Sunni and Shia sects. One specific course addressed the definition of fanaticism, the adverse effects of fanaticism, and ways to guard against fanatic thought. The MOJIA also undertook an annual review of schools’ Islamic Studies curricula to evaluate interpretations of religious texts.

Bahrain has made progress since it began to encounter serious unrest in 2010. It has not, however, removed many of the key causes of unrest or found effective solutions to dealing with popular unrest and distinguishing such unrest from extremist and terrorism. US counterterrorism experts and Saudi internal security experts remain privately critical of some aspects of Bahrain’s past and current internal security efforts.

A number of Gulf experts feel that divisions between a reform and dialogue-oriented King and crown prince, and the conservative leaning members of the royal family and senior officials like the Prime Minister, head of the internal security structure, and head of the royal court have helped to empower Shia radicals and hardliners, given Iran an opening, and made it harder for moderate Shia to hold meaningful dialogues and compromise.

These issues are discussed in more detail in a later section that uses US State Department reporting to discuss problems in the legal systems and internal security efforts of the GCC states that each state needs to address individually, and that the GCC states need to address collectively, to improve their counterterrorism capabilities and their internal stability.

**Bahrain’s Sunni-Shia Crisis**

Bahrain is the only Arab Gulf state with a predominantly Shia population. According to the Pew Research Center, roughly 65%-75% of the population of Bahrain is Shia, while other sources put the figure anywhere from 55% to 65%. A majority of the population (54%) are not ethnically Bahraini. The current tension between Sunni and Shia, however, must be kept in historical perspective. The current divisions in the Sunni-Shia fault line in Bahrain have led to over 30 years of periodic tension lending to violence, Iranian-linked coup attempts, and foreign intervention.

As has been touched upon earlier, these tensions first became prominent in the years following the 1979 Iranian revolution when the Front for the Liberation of Bahrain (IFLB) – which is now the banned Shia Bahrain Islamic Action Society – was accused of having planned to overthrow the Bahraini government with the support of Iran. Instability continued in 1996 as bombings rocked Manama and as another coup attempt was foiled, this time attempted by Hezbollah-Bahrain, which is also believed to have ties to Iran.

More tensions emerged in 2007, when Shia demonstrated over perceived economic inequality, and the following year six Bahraini Shia were accused of planning to conduct
bombings in Manama. The men reportedly admitted to being “taught by a Syrian and an Iraqi how to build bombs in a remote Syrian farmhouse.”

Sunnis also dominated senior positions in the national security establishment, and both chambers of parliament. Only 18 of 40 seats in the Council of Ministers (elected) went to Shia before 2011, and 19 of 40 seats in the Shura Council (royally appointed). However, this does provide some advantage to the Shia, because all of those 18 seats belong to the main opposition bloc, while remaining seats in the parliament are shared between different competing and often conflicting Sunni groups of liberals and independents. The current Shia uprising, which began in February 2011, is alleged to be rooted in Shia efforts to enhance the role of the elected house of parliament, curb pro-Sunni redistricting, give Shia more jobs and a stronger role in the economy, and limit the powers of the Prime Minister, who is seen as more rigid in his approach to the Shia population than the King and the crown prince.

These protests were met with force from the Bahrain government, resulting in casualties and the March deployment of GCC Peninsula Shield troops which included 1,200 Saudis, 600 Emiratis, and a Kuwaiti naval presence to secure the country. Some 4,600 people in Bahrain lost their jobs as the government penalized government and non-government personnel who did not perform their jobs as the uprising unfolded. However, Bahrain’s embassy in the US claims that roughly 98% of the personnel effected by this were either being addressed or have already been put back to work. The BICI follow up report of November 2012 further confirmed this.

The government then tried to resolve the conflict through establishing the Bahrain Independent Commission of Inquiry (BICI) as well as by launching a national dialogue. While the dialogue has made progress, the constitutional amendments that this agreement has yielded have been met with unease by Bahrain’s Shia, who do not believe they adequately address the country’s political problems. It also has not led to an end of protests, repression, and violence.

Tensions escalated again in November 2012 as a series of bombings in Manama killed two. The government believes that Lebanese Hezbollah was responsible for the attacks, with Bahrain’s official news agency, BNA, reporting that “[t]heir terrorist practices prove that they have been trained outside the kingdom…The hallmarks of Hezbollah are crystal clear.” So far in July of 2013, three bombs have gone off, one of which killed a police officer, while more recently a car bomb exploded outside a Sunni mosque near the Royal court in a major Sunni stronghold. The last explosion has raised fears of renewed sectarian tensions, which resulted in the King asking for the parliament to hold an emergency session, imposing tougher laws against the violence committed by certain opposition groups.

While moderates willing to engage the other side do exist within the government and Shia opposition, there are more extreme elements – even within the same factions – that are able to prevent a peaceful resolution. King Hamad bin Isa Al Khalifa, Crown Prince Shaykh Salman, and Deputy Prime Minister Muhammad bin Mubarak Al Khalifa are considered moderate and willing to change the status-quo. Prime Minister Khalifa bin Salman Al Khalifa, the Commander of the Bahrain Defense Forces (BDF), the Interior
Minister, and an emerging figure in the royal court are reported to be less willing to concede to the demands of the Shia majority.\textsuperscript{340}

The cleric Isa Qasim is regarded as less amicable to a deal. The more radical approaches of the Al Haq, which believes a change of government in Bahrain is necessary, as well as the Bahrain Islamic Action Society—, notorious for the aforementioned coup plot, make it difficult to reach consensus within the Shia community.\textsuperscript{341}

The end result has been a significant amount of violence. Reporting in November 2012 indicated that 55 had been killed in Bahrain during the uprising that commenced in 2011. Wifaq’s Secretary-General, Ali Salman has admitted that the security situation was becoming less conducive to Shia efforts to reach an agreement. Bahrain has seen harsh penalties for oppositionists that have been detained, the use of makeshift bombs by the opposition, an enhanced Bahraini national guard presence, and a prohibition on public demonstrations.\textsuperscript{342}

Other reporting suggests that around 90 people have died in the uprising, and that the situation has grown increasingly tense. The assembly of over five persons has been prohibited since October 2012. According to a December 2012 article in The Economist, “Bahrain has implemented only three out of its 26 [inquiry] recommendations,” as indicated by the Project on Middle East Democracy (POMED).\textsuperscript{343} However, the BICI follow up report of November 2012 would state otherwise.\textsuperscript{344} Most of the recommendations that have not been completed are currently in the process of completion, due to the fact that their implementation requires a certain amount of time.

Reporting also alleges that key recommendations of the independent commission are not being implemented, and that the situation is growing dire. Dr. Cherif Bassiouni, appointed to lead the commission by the King of Bahrain, admitted in November 2012 that the government’s efforts to implement the plan were not sufficient.\textsuperscript{345} The US State Department has also stated that they believe more can be done to implement the recommendations when it comes to “accountability for official abuse” and allowing for public gatherings and facilitating dialogue.\textsuperscript{346}

While some members in the Wifaq opposition group may have been willing to compromise with the government, there are many members of the group who are believed to have opposed trying to resolve tensions with the government. The other Shia groups, Al Haq and the Bahrain Islamic Action Society, have been banned and are believed to have Iranian ties.

US experts do believe Iran actively interfered in Bahraini affairs and covertly supported extreme elements in the opposition. They do not, however, place the full blame for the demonstration on Iran, though there is broad US consensus that prolonging internal conflict may create more of an opportunity for Iranian-linked extremist groups to plan and conduct attacks within Bahrain. At the same time, there is the fear that if another GCC intervention becomes necessary, the states that contribute forces to such an operation will risk a backlash on the home front from their own Shia populations, which in a state like Kuwait could greatly disrupt an already volatile political system.

It should be noted that when the protest movement initially began in 2011, it consisted of members from both sects. After what was seen as the alleged sabotage of the protest
movement by the more radical members of the opposition, the protests became mostly a Shia movement. While Shias have protested for more rights, so to have new Sunni political groups (and average Sunnis in general in the past,) that formed after the events of 2011. Sunnis in Bahrain have always been viewed as politically shy and automatic backers of the government. The sectarian tensions that have taken hold in Bahrain over the last couple of years have changed those perceptions. Sunni groups have increasingly demanded more rights in the government and a bigger say in the politics of Bahrain – demands very similar to a large portion of the Shia protesters. Moreover, Sunnis are reportedly growing skeptical of the government and the country’s economy, which could broaden the scope of the opposition beyond the Shia community. While indicating the violent and terrorist inclinations of some groups within the wider opposition, yet failing to decisively act on it, the Government has increasingly frustrated its Sunni backers, especially due to the concerns that elements of the opposition have ties to Iran.

Due to the demographics of Bahrain, a one-man one-vote system is seen as highly problematic by the Bahraini government and most of the Sunni sect. It is believed to be a recipe for the tyranny of the majority and is seen as a threat of a theocracy in the pattern of Iran. The Sunnis also worry about a similar situation in Iraq affecting Bahrain, if the ruling family were to be overthrown, which greatly affects them joining the opposition.

Many groups within the opposition have become increasingly violent and are involved in attacks which damage property, infrastructure, and have resulted in local citizens getting injured in many instances which further creates resentment towards the wider opposition group by different sections of society. A frequent complaint of those that do not side with the opposition is that instead of reaching out to the other sects, groups and societies, the opposition has focused more on gaining support from international media groups and organizations, which has increased bitterness and polarization in Bahraini society.

The 2011 uprising in Bahrain has also forced the US to balance maintaining support for human rights and popular democratic movements in the Middle East with supporting the strategic relationship with Manama necessary to contain and deter Iran. While Washington initially suspended transfers of defense articles to Bahrain as a result of the recent uprising, in May 2012 the US announced that it would permit transfers of defense articles that did not pose a threat to demonstrators. Transfers of Humvees and TOW missiles – however – have been stopped on a temporary basis.

In June 2012, the Senate Foreign Relations Committee recommended that foreign military assistance programs not contradict efforts to promote human rights. The report states:

The United States should not be quick to rescind security assurances or assistance to human rights abuses, but should evaluate each case on its own merits...The United States should make clear that states must not use arms procured from the United States against their own people engaged in peaceful assembly or exploit the U.S. security umbrella as protection for belligerent action against their neighbors.

This recommendation does not affect most US arms transfers to Bahrain, however, and the US has no intention of abandoning Bahrain or other Gulf allies as they deal with internal threats. US lawmakers are instead seeking to prevent the use of US military equipment against unarmed, innocent civilians – which is of importance to US public
diplomacy efforts in the Middle East, and is an existing requirement for arms transfers under US law.350

**Implications for US Policy**

The US faces a difficult balancing act in Bahrain. Bahrain is a key security partner, its stability is critical to the GCC, and there is no stable substitute for its present regime. The US needs to take these strategic interests into constant account, as well as the fact that the problems in the regime’s treatment of Shiite and other opposition elements are often matched by opposition elements that are unwilling to compromise, are deliberately trying to be destabilizing, and have some elements with ties to Iran. It also needs to take into account the growing anti-US reaction of Bahrain’s Sunnis and some members of its ruling elite to US pressures for compromise with its Shia population and other reforms.

At the same time, the US cannot ignore the fact that Bahrain’s mid-to-long term stability does require reforms, shifts in the power structure of its royal family and ruling elite that give its Shia majority more rights and a share of the nation’s economy, and reforms in its justice system and way of dealing with human rights. It also must take the sensitivities of the other GCC states into account – all of which strongly back the Bahraini government.

The US should remember that Bahrain has been one of its closest allies and friend for over 60 years. As Adm. William J. Crowe, a former chairman of the Joint Chiefs of Staff, once noted: “Pound for pound, Bahrain has been and continues to be America’s best friend in the region.” Moves such as halting certain arms transfers can only damage relations, and force Bahrain and other GCC to look to others to acquire the equipment they need.

It has been reported that the King of Bahrain Hamad Al Khalifa was in talks with David Cameron the UK Prime Minister about modernizing its airforce with the purchase of about 12 Eurofighter Typhoon aircraft.351 This could further be seen as a potential shift from the Bahraini side, which has been frustrated by US policy regarding arms transfers and its role in Bahrain’s crisis. Bahrain believes the purchase of these aircraft would also help create a cohesive defense system amongst the GCC states.

As is often the case in the region, this means finding the least bad option, and a degree of strategic patience on the part of the US that gives at least near-term priority to security and stability. It is also clear that quiet and patient efforts by the US country team and State Department are likely to achieve better results for all of Bahrain’s people than any sudden or drastic pressure on its government – as long as that government limits its internal security actions and makes some progress towards reform.
# Figure 25: Bahraini Military Strength in 2013

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military Spending (2012 Defense Budget) ($US Millions)</td>
<td>$1,020</td>
</tr>
<tr>
<td>Total Active Military Manpower</td>
<td>8,200</td>
</tr>
<tr>
<td>Total Reserve Military Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Total Paramilitary Manpower</td>
<td>11,260</td>
</tr>
</tbody>
</table>

## Army and National Guard Forces

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Manpower</td>
<td>8,000*</td>
</tr>
<tr>
<td>Reserve Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Main Battle Tanks</td>
<td>180</td>
</tr>
<tr>
<td>Other Armored Vehicles</td>
<td>453</td>
</tr>
<tr>
<td>Self-Propelled Artillery</td>
<td>82</td>
</tr>
<tr>
<td>Towed Artillery</td>
<td>36</td>
</tr>
<tr>
<td>Multiple Rocket Launchers</td>
<td>9</td>
</tr>
</tbody>
</table>

## Air and Major Surface-to-Air Missile Forces

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Force Active Manpower</td>
<td>1,500</td>
</tr>
<tr>
<td>Combat Aircraft</td>
<td>39</td>
</tr>
<tr>
<td>Armed/Attack Helicopters</td>
<td>28</td>
</tr>
<tr>
<td>AEW&amp;C, Intelligence, and AWACs Aircraft</td>
<td>-</td>
</tr>
<tr>
<td>Tankers</td>
<td>-</td>
</tr>
<tr>
<td>Maritime Patrol Aircraft</td>
<td>-</td>
</tr>
<tr>
<td>Air Defense Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Surface-to-Air Missile/Launchers</td>
<td>-</td>
</tr>
<tr>
<td>Surface-to-Surface Missile Launchers</td>
<td>91</td>
</tr>
</tbody>
</table>

## Naval Forces and Coast Guard

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Manpower</td>
<td>960*</td>
</tr>
<tr>
<td>Marines</td>
<td>-</td>
</tr>
<tr>
<td>Submersibles</td>
<td>-</td>
</tr>
<tr>
<td>Major Surface Ships</td>
<td>1</td>
</tr>
<tr>
<td>Missile Patrol Boats/Craft and Corvette with Missiles</td>
<td>6</td>
</tr>
<tr>
<td>Other Patrol Boats/Craft</td>
<td>58</td>
</tr>
<tr>
<td>Mine Warfare</td>
<td>-</td>
</tr>
<tr>
<td>Amphibious</td>
<td>10</td>
</tr>
<tr>
<td>Helicopters</td>
<td>-</td>
</tr>
</tbody>
</table>

**Figure 26: US Arms Transfers and Military Assistance to the Southern Gulf States**

**US Arms transfers and Military Assistance to the Gulf States – 2011 Actual**

<table>
<thead>
<tr>
<th>Country</th>
<th>NADR</th>
<th>IMET</th>
<th>FMF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>$360,000</td>
<td>$4,000</td>
<td>$0</td>
</tr>
<tr>
<td>Kuwait</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Bahrain</td>
<td>$1,500,000</td>
<td>$435,000</td>
<td>$15,461,000</td>
</tr>
<tr>
<td>Oman</td>
<td>$1,500,000</td>
<td>$1,622,000</td>
<td>$13,000,000</td>
</tr>
<tr>
<td>Qatar</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>UAE</td>
<td>$230,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Yemen</td>
<td>$4,500,000</td>
<td>$1,094,000</td>
<td>$19,960,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$8,090,000</strong></td>
<td><strong>$3,155,000</strong></td>
<td><strong>$48,421,000</strong></td>
</tr>
</tbody>
</table>

**US Arms Transfers of Military Assistance to the Gulf States – 2012 Estimate**

<table>
<thead>
<tr>
<th>Country</th>
<th>NADR</th>
<th>IMET</th>
<th>FMF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Kuwait</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Bahrain</td>
<td>$500,000</td>
<td>$700,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Oman</td>
<td>$1,500,000</td>
<td>$1,650,000</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>Qatar</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>UAE</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Yemen</td>
<td>$3,750,000</td>
<td>$1,100,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$5,750,000</strong></td>
<td><strong>$3,450,000</strong></td>
<td><strong>$38,000,000</strong></td>
</tr>
</tbody>
</table>

**US Arms Transfers and Military Assistance to the Gulf States – 2013 Request**

<table>
<thead>
<tr>
<th>Country</th>
<th>NADR</th>
<th>IMET</th>
<th>FMF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>$0</td>
<td>$10,000</td>
<td>$0</td>
</tr>
<tr>
<td>Kuwait</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Bahrain</td>
<td>$450,000</td>
<td>$725,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Oman</td>
<td>$1,000,000</td>
<td>$2,060,000</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>Qatar</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>UAE</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Yemen</td>
<td>$4,050,000</td>
<td>$1,100,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$5,500,000</strong></td>
<td><strong>$3,895,000</strong></td>
<td><strong>$38,000,000</strong></td>
</tr>
</tbody>
</table>

Oman

Oman has a strategic location at the Strait of Hormuz and on the Arabian Sea. Its basic statistics are shown in Figure 27. Oman has been a consistently good security partner, and has a long history of close security ties to the UK and the US. While Oman sought to maintain correct and friendly relations with Iran even after the Shah’s fall, it resisted Iranian efforts to pressure it into allowing Iranian ships to interfere with shipping traffic during the Iran-Iraq War and quietly cooperated closely with the US during its “tanker war” with Iran in 1987-1991.

As Ken Katzman of the CRS notes: 353 Oman signed an agreement to allow U.S. forces access to Omani military facilities on April 21, 1980. Three days later, the United States used Oman’s Masirah Island air base to launch the failed attempt to rescue the U.S. embassy hostages in Iran. During the September 1980–August 1988 Iran-Iraq War, the United States built up naval forces in the Gulf to prevent Iranian attacks on international shipping. Oman played the role of quiet intermediary between the United States and Iran for the return of Iranians captured in clashes with U.S. naval forces in the Gulf during that war.” The US Air Force prepositions some power projection supplies in Oman and the US has contingency capability to use Omani airbases in Muscat Thumrait, and Masirah Island if Oman grants prior permission. Oman has granted such access during the US operation in Afghanistan.

Like the other GCC states, Oman was an ally of the US in the first Gulf War, and has regularly participated in exercises with US and British forces as well as offered the US contingency bases and prepositioning facilities. US officials and officers feel Oman is a close partner in current security efforts in the Gulf, and that its efforts to maintain good relations with Iran have played a useful role in allowing the US to communicate indirectly with the Iranian regime.

Oman’s demographics are different from other states on the Arabian Peninsula, and may have helped with the easing Oman’s relationships with Tehran. Oman’s population is predominantly Ibadhi, while the Shia sect makes up for a little less than 5% of the
population, and the Sunni sects account for at least 25%.\textsuperscript{354} Oman has also generally sought to maintain friendly relations with Iran rather than confront it. While Oman has supported the GCC, it also has tense relations with Saudi Arabia. At the same time, Muscat has maintained a close relationship with the US by supporting US military operations in the region.

Oman has made considerable progress toward political liberalization and modernization since Sultan Qaboos overthrew his ultraconservative father in 1970 with British aid. The Sultan has given Oman a constitution, and set up a bicameral legislature in 1996. Oman has had good economic planning.

Like the other Arab Gulf states, however, Oman has had to deal with popular unrest. A recent CIA analysis states that:\textsuperscript{355}

Inspired by the popular uprisings that swept the Middle East and North Africa beginning in January 2011, Omanis began staging marches and demonstrations to demand economic benefits, an end to corruption, and greater political rights. In response to protestor demands, QABOOS in 2011 pledged to implement economic and political reforms, such as granting legislative and regulatory powers to the Majlis al-Shura and introducing unemployment benefits. In August 2012, the Sultan announced a royal directive mandating the speedy implementation of a national job creation plan for thousands of public and private sector jobs. As part of the government's efforts to decentralize authority and allow greater citizen participation in local governance, Oman successfully conducted its first municipal council elections in December 2012. Announced by the Sultan in 2011, the municipal councils will have the power to advise the Royal Court on the needs of local districts across Oman's 11 governorates.

The Sultan also changed government portfolios and implemented economic stimulus programs. Casualties were limited to about three people, and Washington has not been critical of Muscat over the demonstrations and has continued its support for Oman's government.\textsuperscript{356}

Oman does face a potential succession issue since Sultan Qaboos is aging and does not have an heir. The royal family is supposed to choose an heir, but none has yet been groomed for the position. The Sultan is reported to have left a letter naming an heir if the royal family cannot reach an agreement within a set time.

Oman also faces economic challenges, and has growing demographic and employment problems because its growing population of 3.2 million that is large relative to its economy, arable land, and water resources, and because some 18% of its total population and as much as 60% of its labor force is foreign. The CIA notes that:\textsuperscript{357}

Oman is a middle-income economy that is heavily dependent on dwindling oil resources. Because of declining reserves and a rapidly growing labor force, Muscat has actively pursued a development plan that focuses on diversification, industrialization, and privatization, with the objective of reducing the oil sector's contribution to GDP to 9% by 2020 and creating more jobs to employ the rising numbers of Omanis entering the workforce. Tourism and gas-based industries are key components of the government's diversification strategy. However, increases in social welfare benefits, particularly since the Arab Spring, will challenge the government's ability to effectively balance its budget if oil revenues decline.

By using enhanced oil recovery techniques, Oman succeeded in increasing oil production, giving the country more time to diversify, and the increase in global oil prices through 2011 provided the government greater financial resources to invest in non-oil sectors. In 2012, continued surpluses resulting from sustained high oil prices and increased enhanced oil recovery allowed the government to maintain growth in social subsidies and public sector job creation. However, the
Sultan made widely reported statements indicating this would not be sustainable, and called for expanded efforts to support SME development and entrepreneurship. Government agencies and large oligarchic group companies heeded his call, announcing new initiatives to spin off non-essential functions to entrepreneurs, incubate new businesses, train and mentor up and coming business people, and provide financing for start-ups.

In response to fast growth in household indebtedness, the Central Bank reduced the ceiling on personal interest loans from 8 to 7%, lowered mortgage rates, capped the percentage of consumer loans at 50% of borrower's salaries for personal loans and 60% for housing loans, and limited maximum repayment terms to 10 and 25 years respectively. In 2012 the Central Bank also issued final regulations governing Islamic banking and two full-fledged Islamic banks held oversubscribed IPOs while four traditional banks opened sharia-compliant Islamic windows.

**Figure 27: Oman – A Statistical Overview**

<table>
<thead>
<tr>
<th>Key Data and Indicators</th>
<th>Figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population in Millions</td>
<td>3.1</td>
</tr>
<tr>
<td>Median Age in Years</td>
<td>24.4</td>
</tr>
<tr>
<td>Percent 0-14 Years</td>
<td>30.80%</td>
</tr>
<tr>
<td>Urban Population</td>
<td>73%</td>
</tr>
<tr>
<td>Literacy Rate</td>
<td>81.40%</td>
</tr>
<tr>
<td>GDP (in $ US billions) Official Exchange Rate</td>
<td>$71.52</td>
</tr>
<tr>
<td>GDP PPP Per Capita World Ranking</td>
<td>49</td>
</tr>
<tr>
<td>Labor Force in Thousands</td>
<td>969</td>
</tr>
<tr>
<td>Unemployment, ages 15-24</td>
<td>NA</td>
</tr>
<tr>
<td>Annual entrants to the workforce (male)</td>
<td>31,959</td>
</tr>
<tr>
<td>Annual entrants to the workforce (female)</td>
<td>30,264</td>
</tr>
</tbody>
</table>
Oman’s Relations with Iran

Oman’s relations with Iran were relatively good during the time of the Shah. Prior to the Islamic Revolution, Iran assisted in putting down the Dhofar Rebellion from 1964-1975. Following Iran’s revolution, Oman sought to maintain good relations with, and facilitated the repatriation of Iranians taken captive by the US from 1987-1988.358

Oman has made more efforts to preserve good relations with Iran since the fall of the Shah than most of the other GCC states. While Oman keeps close security ties to the UK as well as the US, it has sought to avoid provoking Iran. In August 2009, Sultan Qaboos made his first appearance in the Islamic Republic’s capital. The visit came shortly after Iranian President Mahmoud Ahmadinejad’s disputed reelection, and was perceived to be a tacit approval of Ahmadinejad’s re-election by Muscat. The following year, Oman and Iran entered a security agreement that involved the holding of military exercises, and several have been completed.359

Oman does have a more divided population than most GCC states, and has a rapidly growing population of 3.2 million, which is high relative to its economic resources – making internal stability an issue. Its state religion is Ibadi Islam, and Oman has Sunni, Shi’ite and Ibadi Muslims, The Sunnis are more common along its coast, the Ibadi dominate its highlands and plateau area, and its Shi’ites are largely urban.

The Ibadi are not Shi’ites, but are very similar to the Sunni sect, apart from a few differences, and are originally believed to be descendants of the Kharijite sect. They do not share any of the key elements of the Shi’ite practices in Iran, including its faith in the Imams, largely share the Sunni belief in the Caliphate, and adopt many aspects of Sunni legal and religious practices with the exception that they accept far fewer of the sayings of the prophet reported by his followers – the Hadith.

Iran is not a major trading partner of Oman, and bilateral transactions amounted to less than one percent of Omani trade in 2010 – just under 332 million Euros.360 However, many goods are smuggled from Oman into Iran, which are taxed in Oman, but not in Iran. In 2010 it was reported that roughly 500 small boats smuggled goods via the Strait of Hormuz each day. This smuggling circumvents international sanctions against Iran, but the practice is not supported by the Iranian government, and smugglers are reportedly targeted by Iranian authorities.361

Oman has benefited to a certain degree from international sanctions on Iran. A thriving black market has created economic growth on the Musandam Peninsula. Port towns such as Khasab serve as an important hub for Iranian trade with the outside world. Iranians who seek luxury goods frequently travel to the UAE, and the products are shipped by truck to Oman before being ferried to Iran.
This quasi-illicit trade involves commodities such as assorted consumer products and livestock. However, the depreciation of the Iranian Rial over the course of 2012 by almost 2/3 relative to the US Dollar has cut the volume of illicit trade significantly as Iranians’ ability to purchase on the international market weakened, according to an October 2012 report. Due to the informal nature of this trade, it is difficult to quantify the precise impact of the Rial’s depreciation, but one smuggler has indicated that he has cut his number of voyages by 1/3. The report also mentions that “traders…say the number of boxes is substantially less than volumes seen last year.”

It is unclear if smuggling is factored into the aforementioned trade statistics, although the fact that at least some of these exports are declared to authorities in Oman suggests that they may be factored in to a limited degree.

Iran and Oman have discussed arrangements that would allow Oman to source 1Bcf/d of natural gas from fields in the Strait of Hormuz that belong to both countries. However, international sanctions against Iran have jeopardized the project. The 1Bcf/d that would come from this pipeline would amount to roughly 36% of the 2.75Bcf/d that Oman produced in 2011.

Iran and Oman signed a security pact in 2010, which commits the two to holding joint military exercises. Another pact was signed between the two countries in 2009 that focused on smuggling in the Gulf of Oman. Since the 2010 pact was signed, it is believed that only one joint exercise has been held between the two nations. While Oman has greatly cooperated with the US in its efforts to contain Iran in the Gulf, Oman has at the same time opposed any attack on Iran’s nuclear facilities.

Iran’s recent threats to close the Strait and claims that its forces can dominate the Gulf have led Oman to react and strengthen its ties to the UK and the US. While Oman has advocated a peaceful resolution of the Iranian nuclear dispute, the use of Omani facilities for US military action against Iran could greatly strain the relationship and perhaps trigger an Iranian retaliation against Omani bases hosting US forces.

While Tehran and Muscat engage each other diplomatically, officials suggest that Iran-Oman relations are increasingly limited when compared to Oman’s relations with the US. Relations with Iran are grounded in the desire to avoid hostilities, whereas Muscat maintains significant economic, diplomatic, and security ties to the US.

**Oman’s Relations with the US**

Oman has proved a valuable and stable ally of the US, and has relatively large forces for a nation its size — although its limited wealth relative to the other GCC states has limited its military buildup and modernization. These forces are shown in Figure 28.

Oman first agreed to basing rights for the US in 1980. Shortly thereafter, the air base at Masirah Island was used for the attempted rescue of US embassy staff being held hostage in Iran. Basing rights were agreed upon again as recently as 2010. Oman’s bases proved useful for Washington in support of operations in Iraq as part of Operation Iraqi Freedom (OIF) and in Afghanistan. Oman hosted roughly 4,300 US troops and B-1 bombers during Operation Enduring Freedom (OEF) as well as 3,750 troops for OIF.
The US has engaged Oman in high-level dialogue to address developments in Iran. In late 2010, former US Defense Secretary Robert Gates traveled to Oman to speak with Sultan Qaboos about Iran, among other topics. In December 2012, Acting US Assistant Secretary of State for the Near East Beth Jones visited Oman, during which it was expected that she would also speak with Omani figures about Iran.

Oman has also played the role of a broker between the US and Iran. In September 2010 Oman helped with the release of a US hiker held hostage in Oman, and even paid her $500,000 bail to Iranian authorities. Oman similarly helped broker the release of her two companions a year later. In May of 2013, Secretary Kerry also discussed with Sultan Qaboos in the potential for Oman to help in obtaining the release from Iran of ex-marine Amir Hekmati and retired FBI agent Robert Levinson who went missing in 2006 and are believed to be held by groups under the partial cooperation of Iranian authorities.

**Military Cooperation**

Oman’s strategic significance to the US was highlighted in the 2013 Posture Statement from USCENTCOM:

Oman is strategically located along the Strait of Hormuz and the Indian Ocean and has played a steadying role and been a voice of moderation in the region for many years. We have a shared appreciation of the situation in the Gulf and Oman provides valued perspective for maintaining regional stability. We enjoy trusted military relations with the professional Omani Armed Forces and we are enhancing interoperability through exercises and Foreign Military Sales.

Ken Katzman of the Congressional research service provided the following summary of US and Omani security relations in mid-2013:

Under the U.S.-Oman facilities access agreement, which was renewed in 1985, 1990, 2000, and 2010, the United States reportedly can use—with advance notice and for specified purposes—Oman’s military airfields in Muscat (the capital), Thumrait, and Masirah Island. Some U.S. Air Force equipment, including lethal munitions, has been stored at these bases.5 During the renewal negotiations in 2000, the United States acceded to Oman’s request that the United States fund a $120 million upgrade of a fourth air base (Khasab) at Musnanah (50 miles from Muscat)….In conjunction with the 2010 renewal, the U.S. military sought to respond to an Omani request to move some U.S. equipment to expanded facilities at Musnanah, from the international airport at Seeb, to accommodate commercial development at Seeb. Conferences on the DOD authorization act for FY2010 (P.L. 111-84) did not incorporate into that law a DOD request for $116 million to carry out that move, on the grounds that U.S. Central Command had not formulated a master complication could be the fact that, according to observers, about 200 British military personnel were moving to Musnanah from Seeb,… and it was unclear whether the facility can accommodate both U.S. and British personnel. However, some of the issues were apparently cleared up because the Defense Authorization Act for FY2011 (P.L. 111-383, signed January 7, 2011) authorized $69 million in military construction funding for the Musnanah facility. Perhaps sensing that the Obama Administration was attempting to accommodate the request, the access agreements were renewed in November 2010…

Oman’s facilities contributed to U.S. major combat operations in Afghanistan (Operation Enduring Freedom, OEF) and, to a lesser extent, Iraq (Operation Iraqi Freedom, OIF), even though Omani leaders said that invading Iraq could “incite revenge” against the United States in the Arab world. According to the Defense Department, during OEF there were about 4,300 U.S. personnel in Oman, mostly Air Force, and U.S. B-1 bombers, indicating that the Omani facilities were used extensively for strikes during OEF.

The U.S. military presence in Oman fell to 3,750 during OIF because facilities in Gulf states closer to were used more extensively. Since 2004, there have been small numbers of U.S. military
personnel in Oman—less than 200, mostly Air Force…. Omani facilities reportedly have not been used for air support operations in either Afghanistan or Iraq since 2004. Unlike Bahrain or UAE, Oman has not contributed personnel to training or military missions in Afghanistan.

Even though the U.S. military presence in Oman is relatively small, some Omani officials want to reduce its visibility further. These officials might assess that the U.S. military presence angers Islamist Omanis, Iran, and members of terrorist groups that operate in the Gulf. Some Omani officials reportedly have discussed with their U.S. counterparts the possibility of relocating U.S. personnel to Masirah Island, which is one of the locations covered under the Access Agreement but which is offshore and sparsely inhabited. On the other hand, Masirah’s runway is shorter than that of Thumrait, the main location used by the U.S. Air Force, and some U.S. military officials consider Masirah therefore less suitable. To date, there has not been any announced relocation of U.S. personnel to Masirah.

Military assistance has been an important component of the Oman-US relationship. From FY2007-FY2011, the US provided Oman with just under $273 million in FMS deliveries and about $21.5 million in commercial exports of defense articles. Oman has been the largest recipient of IMET support and the second-largest recipient of NADR support from Washington of any other country on the Arabian Peninsula, with plans to continue such trends into FY2013.

Oman signed $1,049.4 million in FMS arms agreements with the US between FY1950 and FY2004. It has reach major new agreements since that time, rising from $45.5 million in FY2005 to $17.2 million in FY2006, $30.6 million in FY2007, $29.5 million in FY 2008, $86.1 million in FY2009, $11.7 million in FY2010, $139.4 million in FY2011, and $1,462.8 million in FY2012. US aid in terms of Foreign Military financing – with all payment waived – ranged from $7 million to $20 million during FY2005 to FY2012. Like its Gulf neighbors, Oman has relied on FMS since FY2008, and has made no major commercial purchases since that time.

The CRS reports that:

Some major U.S. sales to Oman have been expected as part of an estimated $20 billion sales package to the Gulf states under the U.S. “Gulf Security Dialogue” intended to contain Iran, although most of the sales notified thus far are to wealthier GCC states such as Saudi Arabia, UAE, and Qatar.

- F-16s: In October 2001, Oman purchased (with its own funds) 12 U.S.-made F- 16 C/D aircraft from new production. Along with associated weapons (Harpoon and AIM missiles), a podded reconnaissance system, and training, the sale was valued at about $825 million; deliveries were completed in 2006. Oman made the purchase in part to keep pace with its Gulf neighbors, including UAE and Bahrain that had bought F-16s. The Defense Security Cooperation Agency (DSCA) notified Congress on August 4, 2010, of a potential sale to Oman of up to 18 additional F-16s and associated equipment and support. The sale could be worth up to $3.5 billion to the main manufacturer, Lockheed Martin….Oman signed a contract with Lockheed Martin for 12 of the aircraft in December 2011, with a contract for an additional six still possible. The twelve are to be delivered through 2014. On December 11, 2012, DSCA notified a sale of weapons systems for the F-16, including 27 AMRAAMs, 162 GBU laser-guided bombs, and other weaponry and equipment, with a total estimated value of about $117 million.

- In July 2006, according to the Defense Security Cooperation Agency (DSCA), Oman bought the JAVELIN anti-tank system, at a cost of about $48 million.

- In November 2010, DSCA notified Congress of a possible sale of up to $76 million worth of countermeasures equipment and training to protect the C-130J that Oman is buying from Lockheed Martin under a June 2009 commercial contract. The prime manufacturer of the equipment is Northrop Grumman. Another possible sale of countermeasures equipment — in this
case for Oman’s aircraft that fly Sultan Qaboos—was notified on May 15, 2013.

- On October 19, 2011, DSCA notified Congress of a potential sale to Oman of AVENGER fire units, Stinger missiles, and Advanced Medium Range Air to Air Missiles (AMRAAMs)—all of which are to help Oman develop a layered air defense system. The total value of the potential sale, including associated equipment and training, is about $1.25 billion.

- On June 13, 2012, DSCA notified a sale of various types of AIM “Sidewinder” air-to-air missiles to modernize Oman’s F-16 fleet and enhance its interoperability with U.S. forces.

- On May 21, 2013, Secretary of State John Kerry visited Oman reportedly in part to help finalize a sale to Oman of ground-based air defense systems made by Raytheon…The equipment has an estimated value of $2.1 billion. DSCA has not to date, made a notification to Congress about the potential sale.

…FMF has been used to help Oman purchase several other types of equipment that help Oman secure its borders, operate alongside U.S. forces, and combat terrorism. FMF…has helped Oman buy U.S.-made coastal patrol boats (“Mark V”) for anti-narcotics, anti-smuggling, and anti-piracy missions, as well as aircraft munitions, night-vision goggles, upgrades to coastal surveillance systems, communications equipment, and de-mining equipment.

…Oman is eligible for grant U.S. excess defense articles (EDA) under Section 516 of the Foreign Assistance Act. It received 30 U.S.-made M-60A3 tanks in September 1996 on a “no rent” lease basis (later receiving title outright). There have been minor EDA grants since 2000, particularly gear to help Oman monitor its borders and waters and to improve inter-operability with U.S. forces. In 2004, it turned down a U.S. offer of EDA U.S.-made M1A1 tanks, but Oman is believed to still need new armor to supplement the 38 British-made Challenger 2 tanks and 80 British-made Piranha armored personnel carriers Oman bought in the mid-1990s. Regarding purchases from other countries, in the past three years, Oman has continued to buy some British equipment, including Typhoon fighter aircraft and patrol boats. It has also bought some Chinese-made armored personnel carriers and other gear.

US-produced assets in the possession of Oman’s security forces include 6 M-60A1 and 73 M-60A3 main battle tanks, 12 F-16 fighter ground attack aircraft, 4 C-130 transport aircraft, and 30 Bell transport helicopters. Munitions include AIM-9 Sidewinder and AIM-120 AMRAAM air-to-air missiles, as well as AGM-65 Maverick and AGM-84 Harpoon air-to-surface missiles. Oman is also reported to have acquired MANPADS, MANPATS and 3 Mk V Pegasus patrol boats. Congress has been informed of an Omani procurement that could involve 18 more F-16s if approved, as well as 400 JAVELIN anti-tank missiles, which will help protect Oman’s energy sector, according to the DSCA. It has also been reported that Oman is looking to buy 162 BLU-12 Paveway laser-guided bombs and 150 BLU-111B/B bombs – both of which are 500 pound bomb types.

Muscat is enhancing its airpower capabilities through the purchase of US and British fighter platforms. In December 2011, Oman placed an order that would double the size of its current F-16 fleet, and in December 2012, it was announced that Muscat would purchase 12 Eurofighter Typhoon aircraft from BAE. These transactions represent US and British commitments to developing Oman’s capabilities.

Oman does not have missile defense capabilities that the US has sold to other states on the Arabian Peninsula, probably because of their cost. However, Oman’s recent requested procurements of advanced platforms and munitions, and the perceived need for Oman to protect its energy sector, suggest that Oman’s concerns about Iran are growing. In May 2013, it became clear as Secretary of State John Kerry was on a trip to Oman that the
Sultanate would procure missile defense technology from the US. While it has not been publicized what system will be procured, the reported involvement of both Raytheon and Lockheed Martin in the purchase suggests that it could perhaps be the PATRIOT PAC-3 variant, though there is no confirmation from officials on what exactly will be sold. At the same time, Oman faces enough economic challenges and resource limitations that it would benefit from GCC military aid as well as from economic aid. Oman’s strategic location gives it a particularly important role in Gulf security, and it has the manpower and skills to take advantage of more modern military systems than it can currently afford. It also faces serious employment problems for its native population, must deal with excessive reliance on foreign labor (60% per Figure 11), and needs outside help to diversify its economy.

Problems in Force Development

The key problems that Oman faces in force development are similar to those of the other smaller Southern Gulf states, but heavily influenced by the fact Oman has a relatively small budget and large population, and Oman has chosen to limit its military expenditures:

- Oman has better standards of readiness than many of its neighbors, but it too is affected by a lack of effective training, exercises, and sustainability – a problem that affects virtually all of the forces in the region – including those of Iran. These problems are compounded by the development of truly effective BM capabilities and related C4I/BM and IS&R systems.

- Oman has not been able to afford the level of air and naval modernization it needs, although it uses the resources it does have comparatively well. This plays a critical role in Gulf defense since Oman occupies a strategic position at the entrance to the Gulf and opposite Iranian forces in the Strait of Hormuz. Oman would benefit from a shared Gulf investment in military modernization.

- Oman cannot afford the data links and BM and related C4I/BM and IS&R systems that give Oman and the GCC broad sensor and intelligence coverage and the ability to use its forces with the highest levels of effectiveness. Once again, Oman needs truly interoperable GCC-wide systems that are linked in peacetime to US systems that include far more advanced collection and IS&R assets so Oman and all GCC forces can actually practice and test unified military action on a continuing basis, rather than in sporadic exercises. These problems are reinforced by a lack of central training, maintenance, and other common facilities that would help smaller countries achieve economies of scale.

- Tensions between Oman and Saudi Arabia have limited the extent to which the GCC has moved forward to provide collective naval, air, and air defense forces and security guarantees to cover the strategic defensive role that Oman provides in deterring and defending against Iran and securing naval traffic into and out of the Gulf.

- These tensions between the Gulf states ensure that Oman’s relatively large manpower resources cannot be used effectively for collective defense and to build-up GCC land forces.

- Oman’s exposed position means it needs enhanced missile and rocket defenses to deal with the Iranian threat.

Counterterrorism

Oman has long had close ties to Britain in dealing with extremism and terrorism, and has become an important partner to the US as well. According to the State Department’s Country Reports on Terrorism 2011.
Oman is an important regional counterterrorism ally and was actively involved in preventing terrorists from conducting attacks and using the country for safe haven or transport. Several suspected violent extremists continued to attempt to cross the border illegally into Oman from Yemen. The Omani government actively sought training and equipment from the United States and other militaries, and relevant commercial entities to support its efforts to control its land and maritime borders. Oman used U.S. security assistance to enhance nighttime operational capabilities on its maritime and land borders.

In 2011, the Government of Oman procured 18 sets of biometrics equipment for the Royal Oman Police Coast Guard and Royal Army of Oman units that patrol Oman's borders and coastline. In addition, Export Control and Related Border Security (EXBS) training included a legal and regulatory advisor to Muscat, who consulted with members of the Omani government and the private sector on the best route for Oman to take to adopt comprehensive strategic trade controls in accordance with international standards. EXBS also offered training for Omani Customs and Airport Security Officials on identifying contraband hidden in air cargo and identifying smugglers of contraband. Oman participated in the Department of State's Antiterrorism Assistance program.

The State Department report issued on May 30, 2013 described the situation as follows:

**Overview:** Oman is an important regional counterterrorism partner and was actively involved in working to prevent terrorists from conducting attacks within Oman, and using the country for safe haven or transport of weapons and materiel support. In 2012, several suspected terrorists, identified by the Government of Oman as members of al-Qa’ida in the Arabian Peninsula, illegally entered southern Oman from Yemen. The Government of Oman reported this event in its national press, stressing that security of the country was its foremost concern. The Omani government actively sought training and equipment from the United States and commercial entities, as well as those from other countries to support its efforts to control its land and maritime borders. Oman used U.S. security assistance to enhance nighttime operational capabilities on its maritime and land borders.

**Legislation, Law Enforcement, and Border Security:** In 2012, the Royal Oman Police (ROP) procured night vision equipment for the ROP-Coast Guard for use in patrolling its coastline and territorial waters. In addition, the Department of State’s Export Control and Related Border Security (EXBS) training included a legal and regulatory advisor from the Monterey Institute, who consulted with the Omani government and private sector on the best route for Oman to take to adopt comprehensive strategic trade controls in accordance with international standards. EXBS also trained Omani Customs and Airport Security Officials on identifying contraband hidden in air cargo and identifying smugglers of contraband. The EXBS program trained members of the Royal Army of Oman on the tracking and apprehension of persons illegally crossing Omani borders, and the inspection of suspect vehicles. Oman also continued its participation in the Department of State's Antiterrorism Assistance program that provided training on vital infrastructure security, examination of terrorist crime scenes, terrorist investigations, and the interdiction of terrorist activities.

**Countering Terrorist Finance:** Oman is a member of the Middle East and North Africa Financial Action Task Force, a Financial Action Task Force-style regional body. In July 2010, Royal Decree number 79/2010 enacted new comprehensive legislation on Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT). The AML/CFT legislation consolidated Oman’s previous AML/CFT laws, created a national committee for AML/CFT, and codified Oman’s “safe harbor” and mutual legal assistance regulations. The law designated the Royal Oman Police Financial Intelligence Unit (FIU) as the responsible entity for enforcing AML/CFT laws and regulations. Oman has since put forward considerable funding and effort towards increasing the capabilities of its FIU, a member of the Egmont Group. The FIU recognizes its lack of capacity in forensic analysis, and increasingly sought U.S. assistance to increase the FIU’s capacity to investigate and prosecute financial crimes, including terrorist finance.

The Government of Oman, led by the efforts of the Central Bank of Oman, has continued to exercise caution and a high degree of oversight in its commercial banking sector. In December 2012, Oman formally introduced Islamic banking services into the financial system through Royal Decree 69/2012, which added a provision to allow Islamic Banking services to be offered under existing banking law.
Hawalas are not permitted in the financial service sector, and Omani authorities have acted on two occasions to shutter attempted hawala operations. For further information on money laundering and financial crimes, we refer you to the 2013 International Narcotics Control Strategy Report (INCSR), Volume 2, Money Laundering and Financial Crimes: [http://www.state.gov/j/inl/rls/nrcrpt/index.htm](http://www.state.gov/j/inl/rls/nrcrpt/index.htm).

Oman has shown more restraint in using its internal security forces than most other GCC states, but the country-by-country analysis provided later indicates it does have some of the same structural problems.

**Policy Implications for the US**

The fact that Oman still maintains relatively good formal relations with Iran as well as good security relations with Washington, and has demographics that insulates the country from regional Sunni-Shia tensions, reduces its role in the more public aspects of US-Iranian strategic competition. Unless a major clash or conflict breaks out in the Gulf – or the nuclear issue leads to preventive strikes – Oman is likely to continue to be an interlocutor between Washington and its allies on the one hand and Tehran on the other, and will help in resolving relatively minor diplomatic tensions.383

US senior officers and officials do not feel, however, that Oman’s relations with Iran limit its role as a partner or its role in Gulf security.384 They understand that Oman does not openly support US preventive military action against Iran, and its economic, political, and military relationship with Iran.385 The US, too, emphasizes negotiations rather than military action, and Oman’s position might well change if Iran actively moves to deploy nuclear weapons.

More broadly, Oman provides yet another case study in the reasons the US should provide any assistance it can to help the GCC states move towards more military integration within the GCC, as well as ease any remaining tensions between them and Saudi Arabia. For example, Oman and the UAE have had recently had new problems. In January 2011 Oman arrested several UAE citizens it accused of spying, a move that comes a few months after the UAE arrested 25 Omani individuals on similar charges.386 Some observers believe the two states were spying on each other due to concerns relating to Iran.

More broadly, the relationship between Oman and Iran has always been a cause for concern to the GCC states. Oman’s approach to its foreign policy has usually tended to be more independent than the GCC states, especially concerning Iran. Oman has increasingly focused on its military partnership with the US, while at the same time perusing its economic interests with Iran. In the event of a conflict between the GCC/US and Iran, Oman will have to make some very tough choices.
**Figure 28: Omani Military Strength in 2013**

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military Spending (2012 Defense Budget) ($US Millions)</td>
<td>$6,720</td>
</tr>
<tr>
<td>Total Active Military Manpower</td>
<td>42,600</td>
</tr>
<tr>
<td>Total Reserve Military Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Total Paramilitary Manpower</td>
<td>4,400</td>
</tr>
</tbody>
</table>

**Army and Royal Guard Brigade Forces**

<table>
<thead>
<tr>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Manpower</td>
</tr>
<tr>
<td>Reserve Manpower</td>
</tr>
<tr>
<td>Main Battle Tanks</td>
</tr>
<tr>
<td>Other Armored Vehicles</td>
</tr>
<tr>
<td>Self-Propelled Artillery</td>
</tr>
<tr>
<td>Towed Artillery</td>
</tr>
<tr>
<td>Multiple Rocket Launchers</td>
</tr>
</tbody>
</table>

**Air and Major Surface-to-Air Missile Forces**

<table>
<thead>
<tr>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Force Active Manpower</td>
</tr>
<tr>
<td>Combat Aircraft</td>
</tr>
<tr>
<td>Armed/Attack Helicopters</td>
</tr>
<tr>
<td>AEW&amp;C, Intelligence, and AWACs Aircraft</td>
</tr>
<tr>
<td>Tankers</td>
</tr>
<tr>
<td>Maritime Patrol Aircraft</td>
</tr>
<tr>
<td>Air Defense Manpower</td>
</tr>
<tr>
<td>Surface-to-Air Missile/Launchers</td>
</tr>
<tr>
<td>Surface-to-Surface Missile Launchers</td>
</tr>
</tbody>
</table>

**Naval and Police Coast Guard Forces**

<table>
<thead>
<tr>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Manpower</td>
</tr>
<tr>
<td>Marines</td>
</tr>
<tr>
<td>Submersibles</td>
</tr>
<tr>
<td>Major Surface Ships</td>
</tr>
<tr>
<td>Missile Patrol Boats/Craft and Corvettes with Missiles</td>
</tr>
<tr>
<td>Other Patrol Boats/Craft</td>
</tr>
<tr>
<td>Mine Warfare</td>
</tr>
<tr>
<td>Amphibious</td>
</tr>
<tr>
<td>Helicopters</td>
</tr>
</tbody>
</table>

Qatar

Qatar is a relatively small country, but it is a world oil and gas power. It is one of the wealthiest countries in the world, and its citizens arguably have the highest per capita income in the world. It is economy is summarized in Figure 29.

A recent CIA analysis describes the country as follows:

Ruled by the Al Thani family since the mid-1800s, Qatar transformed itself from a poor British protectorate noted mainly for pearling into an independent state with significant oil and natural gas revenues.

During the late 1980s and early 1990s, the Qatari economy was crippled by a continuous siphoning off of petroleum revenues by the Amir, who had ruled the country since 1972. His son, the current Amir HAMAD bin Khalifa Al Thani, overthrew him in a bloodless coup in 1995.

In 2001, Qatar resolved its longstanding border disputes with both Bahrain and Saudi Arabia. As of 2007, oil and natural gas revenues had enabled Qatar to attain the highest per capita income in the world. Qatar has not experienced the level of unrest or violence seen in other Near Eastern and North African countries in 2010-11, due in part to its immense wealth.
Qatar's international image is bolstered in part by the Doha-based Al Jazeera news network, which has provided comprehensive coverage of the Near East and North African Arab revolutions. Additionally, Qatar played a significant role in the Libyan revolution by pressing the Gulf Cooperation Council and the Arab League to assist the Libyan rebel movement.

… Qatar has prospered in the last several years with continued high real GDP growth in 2011. Qatari authorities throughout the financial crisis sought to protect the local banking sector with direct investments into domestic banks. GDP rebounded in 2010 largely due to the increase in oil prices and 2011’s growth was supported by Qatar's investment in expanding its gas sector.

Economic policy is focused on developing Qatar's nonassociated natural gas reserves and increasing private and foreign investment in non-energy sectors, but oil and gas still account for more than 50% of GDP, roughly 85% of export earnings, and 70% of government revenues. Oil and gas have made Qatar the world's highest per-capita income country and the country with the lowest unemployment. Proved oil reserves in excess of 25 billion barrels should enable continued output at current levels for 57 years.

Qatar's proved reserves of natural gas exceed 25 trillion cubic meters, more than 13% of the world total and third largest in the world. Qatar's successful 2022 world cup bid will likely accelerate large-scale infrastructure projects such as Qatar's metro system and the Qatar-Bahrain causeway.

Qatar remains a monarchy ruled by its Amir and by his Prime Minister and Council of Ministers. It has made modest reforms and has an Advisory Council with: … limited legislative authority to draft and approve laws, but the Amir has final say on all matters; no legislative elections have been held since 1970 when there were partial elections to the body; Council members have had their terms extended every year since the new constitution came into force on 9 June 2005; the constitution provides for a new 45-member Advisory Council or Majlis al-Shura; the public would elect 30 members and the Amir would appoint 15; elections to the Majlis al-Shura have been rescheduled for 2013; Qatar in May 2011 held nationwide elections for the 29-member Central Municipal Council (CMC) - first elected in 1999 - which has limited consultative authority aimed at improving municipal services.

Like Oman, Qatar has pursued foreign, economic, and security policies that have allowed it to maintain friendly relations with both Washington and Tehran, while playing an increasingly independent role in the Gulf and Arab world.

Despite strong security ties to the US and the presence of a major US military facility on its soil, Doha has maintained good diplomatic and economic relations with Tehran – in part because of Iran’s ability to threaten Qatar’s key economic sector: natural gas. Qatar’s massive gas reserves are part of a common formation with Iran’s southern offshore gas fields, and Iran is within minutes of air and missile flight time from Qatar’s multi-billion dollar gas trains, desalination facilities, and only major city.

These parallel relationships have allowed Doha to act as an intermediary between entities aligned with Iran and pro-Western parties, as evidenced by the Lebanese reconciliation talks that culminated in the Doha Agreement. However, Qatar’s support of Sunni causes and the Sunni movements challenging the Assad regime in Syria have steadily distanced it from Iran. It increasingly relies on its wealth and the US as a security partner and its support to outside Sunni movements to give it freedom of action in challenging Iran and differing from Saudi Arabia within the GCC.

Qatar – like most of the states on the Arabian Peninsula with the exception of Bahrain and Oman – is a predominantly Sunni Wahhabi country with a small Shia minority. The Pew Research Center reports that roughly 10% of the Qatari population is Shia – roughly
100,000 people.\textsuperscript{391} However, Qatar has avoided the internal tensions that have divided the Sunni and Shia communities in Bahrain and Saudi Arabia.

The country has not seen any serious political unrest of the kind seen elsewhere in the Gulf in the past two years due to the high quality of life enjoyed by most of the state’s citizens. In terms of per capita GDP, Qatar is the world’s wealthiest country, though less than a quarter million of the state’s 1.7 million inhabitants are citizens. Even citizens lack basic political power, and foreign workers are discriminated against by the government.\textsuperscript{392}
Figure 29: Qatar – A Statistical Overview

<table>
<thead>
<tr>
<th>Key Data and Indicators</th>
<th>Figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population in Millions</td>
<td>1.9</td>
</tr>
<tr>
<td>Median Age in Years</td>
<td>32.2</td>
</tr>
<tr>
<td>Percent 0-14 Years</td>
<td>12.50%</td>
</tr>
<tr>
<td>Urban Population</td>
<td>96%</td>
</tr>
<tr>
<td>Literacy Rate</td>
<td>96.30%</td>
</tr>
<tr>
<td>GDP (in $ US billions) Official Exchange Rate</td>
<td>$170.70</td>
</tr>
<tr>
<td>GDP PPP Per Capita World Ranking</td>
<td>1</td>
</tr>
<tr>
<td>Labor Force in Thousands</td>
<td>1,241</td>
</tr>
<tr>
<td>Unemployment, ages 15-24</td>
<td>1.60%</td>
</tr>
<tr>
<td>Annual entrants to the workforce (male)</td>
<td>6,429</td>
</tr>
<tr>
<td>Annual entrants to the workforce (female)</td>
<td>5,162</td>
</tr>
</tbody>
</table>

Qatar’s Relations with Iran

Qatar has been careful to preserve friendly relations with Iran in the past, although it has hosted a major US air base and prepositioning for decades as a counterbalance to Iran (and Saudi Arabia). Qatar has been cautious in dealing with Iran because Qatar’s natural gas comes from a massive field that traverses both Qatari and Iranian waters. Moreover, Qatar’s RasGas terminal is located in close geographic proximity to Iran, making it vulnerable to an attack – particularly in the absence of a missile defense system.

While trade between Iran and Qatar has been limited (bilateral trade amounted to 0.1% of Qatar’s total trade in 2010), cooperation with Iran has been important to Qatar’s economy. Liquefied natural gas is the largest sector in Qatar’s economy and is the state’s largest export, with the oil and gas sectors together accounting for over half of Qatari GDP.

Despite the considerable differences in the societies and policies of the two states, Emir Hamad has been described in the past as being “close friends” with former Iranian President Mahmoud Ahmadinejad. The Emir invited the Iranian President to Doha’s 2007 GCC conference. Qatar’s government also did not openly supported efforts to isolate or sanction Iran.

There has also been a cosmetic level of security cooperation between Qatar and Iran. Limited security cooperation between Doha and Tehran was formalized in a February 2010 agreement between the two countries. Prior to this agreement, the chief of staff of Qatar’s military is reported to have visited the IRGC commander and other members of Iran’s security establishment in July 2009.

This situation has changed, however, as a result of the uprising in Syria, and the growing tensions between Sunni and Shi’ite in the region. Qatar has strongly backed the Syrian rebels and more conservative Islamist elements than the US and Saudi Arabia. It seems Iran’s support of Assad and the ruling Alawite elite is challenge to Arab and Sunni powers in the region, and Qatar is increasingly concerned about Iranian support for Shi’ite elements in Iraq and Lebanon.

Qatar’s relatively open society and tolerance of Western and other differing social customs among the foreign workers who make up a majority of its population – which the CIA estimates is Arab 40%, Indian 18%, Pakistani 18%, Iranian 10%, other 14% – does not mean it does not strongly support Sunni causes. Its ruling Al Thani family and native population is largely Wahhabi, like Saudi Arabia, and Qatar has also been a supporter of Sunni factions in Libya and Hamas in Gaza.

In the wake of the Syrian civil war, Qatar allowed Hamas’ politburo chief – Khaled Meshaal – to live in Doha after leaving Syria. It is believed that Qatar has offered more widespread support to Hamas’ evacuation from Syria. Qatar has also distanced itself from Israel. In October 2012, weeks before the beginning of a major military engagement between Israel and Hamas, Shaykh Hamad became the first head of state to travel to Hamas-led Gaza. While there, he offered some $400 million worth of development assistance to Gazans.
Qatar’s relations with Iran have never, however, affected its willingness to host the US Combined Air Operations Center (CAOC), a massive US air base, and past prepositioning for a US mechanized brigade.

Qatar has become far more independent and assertive over the last few years, developed close security ties to the UAE, and split firmly with Iran over Syria and their support for Sunni movements outside the region. Qatar has taken a firm stand on the uprisings in Syria and Bahrain. Despite Iran’s strong backing for the Syrian regime, Doha has firmly supported a change of regime in Damascus by providing assistance to anti-government rebels. Qatar also hosted a November 2012 conference that concluded with the creation of a Syrian opposition government, which Doha regards as the official government of Syria. The continued tension in Syria could have a toll on diplomacy with Iran, but it is unlikely to trigger hostilities between Iran and Qatar.

Doha faces a similar challenge in Bahrain, where Iran supports a Shia uprising against the Sunni government, and Doha backs the government in Manama. It is reported that Qatar deployed an unspecified number of troops to Bahrain as part of the GCC Peninsula Shield Force mobilization in 2011. If instability and the use of force against the government should again ensue in Bahrain, another deployment of Qatari troops to Bahrain could undermine Doha’s diplomatic links with Iran, especially if Qatari forces are forced to fire on Shia demonstrators.

Qatar and Iran also compete for influence in the Gaza Strip, where both states have provided support to the militant group Hamas. While Iran has been arming Hamas, Qatar has worked with other Arab states to provide financial assistance to the organization. One recent report draws the distinction between a militarized Hamas as a proxy for Iran, and a Hamas that is working to build relationships within the Arab world.

Qatar’s Relations with the US

The US and Qatar enjoy mutually beneficial relations rooted in economic and security cooperation. Qatar imports more from the US than any other country in the world, with 12.7% of imports sourced from the US. Economic cooperation includes a Trade and Investment Framework Agreement (TIFA) that was agreed upon in 2004. Major finance and trade transactions include the joint construction of a liquid natural gas (LNG) facility in Texas supported by ExxonMobil and an organization linked to Qatar Petroleum as well as Qatar Airways’ $1.4 billion procurement of Boeing aircraft in 2011.

While security issues emanating from the illegal Qatari acquisition of Stinger missiles affected US-Qatar relations during the 1980s, the Gulf War served as a major catalyst in bringing the two countries together to cooperate on mutual security issues. Qatar proved a valuable ally during the war in using its armor to defend neighboring Saudi Arabia against a limited Iraqi ground incursion in January 1991. Following the war, Doha and Washington entered a security agreement, with Washington maintaining support for Doha despite a 1995 coup that brought to power the present Emir, Shaykh Hamad bin Khalifa Al Thani.

Military Cooperation

The US Combined Air Operations Center (CAOC) for the Middle East was withdrawn from Saudi Arabia in 2003 – after the US invasion of Iraq and relocated to Al Udeid air
base in Qatar. Since that time, Qatar has also provided logistics, command, and basing support for US operations in the Gulf region as well.\textsuperscript{409}

Christopher M. Blanchard of the CRS summarizes US and Qatari security relations as follows:\textsuperscript{410}

Qatar invested over $1 billion to construct the Al Udeid air base south of Doha during the 1990s; it did not have an air force of its own at the time. The U.S. Army Corps of Engineers also awarded over $100 million dollars in Military Construction Air Force (MCAF) contracts for the construction of U.S. storage, housing, service, command, and communication facilities. Qatar’s financing and construction of some of the state-of-the-art air force base at Al Udeid and its granting of permission for the construction of U.S.-funded facilities facilitated gradually deeper cooperation with U.S. military forces.

The Al Udeid airbase now serves as a logistics, command, and basing hub for U.S. operations in Afghanistan and Iraq. Nearby Camp As Sayliyah houses significant U.S. military equipment prepositioning and command facilities for the U.S. Central Command (CENTCOM) area of operations.\textsuperscript{36} Both Qatar and the United States have invested in the construction and expansion of these facilities since the mid-1990s, and they form the main hub of the CENTCOM air and ground logistical network in the AOR. As a result of ongoing operations in Iraq and Afghanistan, U.S. and partner nation facilities in Qatar and elsewhere have received greater use in recent years and may require further investment to meet current and potential future needs.


The Administration also requested $10,000 in International Military Education and Training (IMET) assistance funds for Qatar in FY2010, and requested an additional $10,000 for FY2011, but did not allocate funds for Qatar during that fiscal year. The nominal IMET assistance had the administrative effect of making Qatar eligible to purchase other U.S. military training at reduced cost levels that are available only to IMET recipients. The Administration’s FY2012 Foreign Operations request and FY2013 Foreign Operations and Military Construction requests do not include funding for Qatar programs.

The United States Air Force Central Command, provided the following unclassified description of the current Command and control functions of the CAOC — a description which does not cover many of its IS&R related functions:\textsuperscript{411}

The Combined Air and Space Operations Center Weapons System, also known as the AN/USQ-163 Falconer Weapon System, commands and controls the broad spectrum of what air power brings to the fight: Global Vigilance, Global Reach, and Global Power. Located in the Air Forces Central theater of operations, the CAOC provides the command and control of airpower throughout Iraq, Afghanistan and 18 other nations.

Serving as the operational bridge that integrates and synchronizes strategic decisions to tactical level execution, the CAOC is comprised of a vast array of people, programs and processes that execute day-to-day combined air and space operations and provides rapid reaction, positive control, coordination and deconfliction of weapons systems.

\textbf{Function}

Functioning as the nerve center of the air campaign, the CAOC plans, monitors and directs sortie
execution, close air support/precision air strike; Intelligence, surveillance, reconnaissance; airlift; air refueling; aerial evaluation; air drop, and countless other mission critical operations.

Facility


Built at a cost of $60 million, the project involved installation of more than 67 miles of high-capacity and fiber optic cable. This capability created the most advanced operations center in history. Keeping these systems humming requires hundreds of people, working in satellite communications, imagery analysis, network design, computer programming, radio systems, systems administration and many other fields. With thousands of computers, dozens of servers, racks of video equipment and display screens, the facility resembles the set of a futuristic movie.

Al Udeid and Camp As Sayliyah previously gave the US Army the capability to preposition a bridge set in Qatar. According to the Congressional Research Service (CRS), “Camp As Sayliyah houses significant U.S. military equipment prepositioning and command facilities” as part of CENTCOM. The US Congress authorized $268.3 million from FY2008-FY2010 for upgrades to US facilities, particularly for the Air Force and Special Operations. Requests for FY2011 and FY2012 involve an additional $101.3 million for facilities for the Air Force and National Security Agency.

Qatar has small military forces with less than 12,000 uniformed personnel. Qatari forces did fight well during the Gulf War in 1991, however, and Qatar has been a significant partner in other ways, including the role it has played in supporting rebel forces Libya and Syria.

According to the CENTCOM 2013 Posture Statement:

Qatar is taking an increasingly active role within the region, supporting operations in Libya with both military and humanitarian aid. Qatar continues to demonstrate leadership in its foreign policy, including spearheading an Arab League resolution suspending Syria's membership. Qatar has placed wide-ranging sanctions on Syria in response to the Assad regime's violence against its own citizens and has played a leading role in helping the Syrian opposition to improve its organization and capabilities. We enjoy excellent military relations with this country that has generously hosted several of our forward headquarters and facilities.

Qatar has ordered THAAD missile defenses, and is likely to support any GCC action against Iran and tolerate, if not support, US preventive strikes. The presence of CENTCOM command facilities in Qatar might also draw Qatar into the conflict. Qatari concerns over Iran’s nuclear and missile programs, and the risks of Israeli or US preventive strikes are key drivers behind these missile defense procurements, which were announced in November 2012.

Qatari Military Forces

Qatar’s military forces are summarized in Figure 30. Qatar is not reported to have received any NADR, IMET, or FMF support in the past three fiscal years, due to the wealth of the Qatari government and the limited scope of Doha’s military procurement programs with the US at present. According to the CRS:

France has provided approximately 80% of Qatar’s arms inventory. Since the 1991 Gulf war, Qatar has pursued a limited program of force modernization. To date, however, it has not purchased significant U.S. weapons systems, although the Qatari government may be considering
the purchase of U.S. air and missile defense systems in line with trends that have seen increased interest in such systems from governments in the region. The U.S. military has deployed Patriot anti-ballistic missile defense systems to some publicly unnamed Gulf countries, ostensibly to defend against potential missile attacks from Iran.

From FY2007-FY2011, Qatar procured the majority of its US assets through commercial programs rather than FMS, as is reflected in Figures 3, 4, and 21. It bought $262.1 million worth in FY2005, $328.4 million in FY2006, $10.3 million in FY2007, and $1,034 million in FY2008. Like the other GCC states, it stopped buying commercial arms from the US in FY2009. Since that time, it has purchased about $265 million worth of FMS – largely in FY2009 and FY2010.

Doha has never relied on US military equipment. Qatari purchases have been more oriented toward French equipment, including a fleet of Mirage M-2000 fighter aircraft. US-origin assets have been restricted to transport aircraft, including 2 C-17s and 4 C-130J transport aircraft – as well as Stinger MANPADS.416

Recently, however, Doha has started to show a preference for US hardware, particularly in the realm of missile defense. In November 2012, the DSCA informed Congress of two major missile defense FMS transactions to Qatar: a $6.5 billion sale of 2 Terminal High-Altitude Area Defense (THAAD) fire units, 2 THAAD radars, 1 early-warming radar, and 250 interceptors among other items; and a $9.9 billion sale of 11 PATRIOT PAC-3 fire units as well as 246 GEM-T and 768 PAC-3 missiles.417

These recent procurement efforts may reflect Qatar’s heightened concern over Iran and the security of natural gas infrastructure and US military installations in the country.

Problems in Force Development

Qatar’s problems in force development are somewhat similar to those of Bahrain, compounded by the fact that Qatar shares a large gas field with Iran and has a history of tensions with Saudi Arabia and sometimes with the UAE. Until recently, Qatar has tacitly relied on the fact it provides the US with extensive air facilities as its main line of deterrence and defense, and has made a relatively limited military effort. At the same time, some of the problems Qatar faces in creating effective forces are shaped by the same broad failings in Gulf efforts at collective defense that affect the other GCC states.

- Purchases of equipment are not yet matched by effective training, exercises, and sustainability – a problem that affects virtually all of the forces in the region – including those of Iran. These problems are compounded by a lack of combined arms and joint warfare training and the development of truly effective BM capabilities and related C4I/BM and IS&R systems.

- Force improvements and missions are prioritized on a national, rather than a GCC-wide level. Interoperability not only affects equipment and training, it affects the need to create integrated mission capabilities and priorities for readiness and force improvements.

- A small state like Qatar faces major problems when other states do not provide the data links and BM and related C4I/BM and IS&R systems that can give Qatar broad sensor and intelligence coverage and the ability to use its forces with the highest levels of effectiveness. Qatar needs truly interoperable GCC-wide systems that are linked in peacetime to US systems that include far more advanced collection and IS&R assets so Qatari and all GCC forces can actually practice and test unified military action on a continuing basis, rather than in sporadic exercises. These problems are reinforced by a lack of central training, maintenance, and other common facilities that would help smaller countries achieve economies of scale.
Qatar’s small population, Sunni-Shia tensions, and the placement of so much of its available manpower into internal security forces ensures that its forces are too small to provide more than limited contingency capability.

Counterterrorism

Qatar is a conservative Islamic state and has sometimes backed hardline, if not extremist, Islamic movements. Blanchard summarizes this aspect of Qatar’s history as follows.418

According to the 9/11 Commission Report and former U.S. government officials, royal family member and current Qatari Interior Minister Shaykh Abdullah bin Khalid Al Thani during the 1990s provided safe harbor and assistance to Al Qaeda leaders, including the suspected mastermind of the September 11 hijacking plot, Khalid Shaykh Mohammed.39

Several former U.S. officials and leaked U.S. government reports state that the late Osama Bin Laden also visited Doha twice during the mid-1990s as a guest of Shaykh Abdullah bin Khalid, who served then as Qatar’s minister for religious endowments and Islamic affairs, and later as minister of state for internal affairs. According to other accounts, Shaykh Abdullah bin Khalid welcomed dozens of so-called “Afghan Arab” veterans of the anti-Soviet conflict in Afghanistan to Qatar in the early 1990s and operated a farm where some of those individuals lived and worked over a period of several years...

In January 1996, FBI officials narrowly missed an opportunity to capture Khalid Shaykh Mohammed in Qatar, where he held a government job at Qatar’s Ministry of Electricity and Water. Mohammed had been targeted for arrest in connection with an investigation of his nephew—1993 World Trade Center bombing mastermind Ramzi Yousef…

The FBI dispatched a team to arrest Mohammed, but he fled Qatar before he could be detained. Some former U.S. officials have since stated their belief that a high-ranking member of the Qatari government alerted Mohammed to the impending raid, allowing him to flee the country…Any discussions by U.S. officials with the government of Qatar regarding these allegations have not been made public. U.S. security officials working to ensure the safety and security of U.S. facilities, citizens, and assets in Qatar have reported that their relationships with Ministry of Interior officials, including serving Minister of State for Interior Affairs Shaykh Abdullah bin Nasir bin Khalifah Al Thani, are positive and cooperative. The emir reappointed Shaykh Abdullah bin Khalid as minister of the interior in April 2007 and did not alter his status in a 2008 expansion of the cabinet or in recent cabinet reshuffles

As is the case with other GCC states, however, Qatar has recently made efforts to not only restrict the international movement of terrorists, but to also diminish the influence of radical Islamic ideology. According to the State Department’s Country Report on Terrorism 2011:

As a result of a stringent visa and sponsorship regime, Qatar regularly refused entry to and deported foreign residents suspected of extremist sympathies. Qatari authorities implemented biometric scans for most immigration entries and exits.

...Qatar was a member of the Middle East and North Africa Financial Action Task Force (MENAFATF), a Financial Action Task Force-style regional body. It received positive MENAFATF reaction to improvements made in its banking/financial sector and regulatory and enforcement framework in early 2011. Qatar had a Financial Information Unit (FIU) in its Central Bank, and local banks worked with the Central Bank and the FIU. However, significant work remains to fully implement laws and policies regarding freezing terrorist assets without delay, financial regulation, and the investigation and prosecution of terrorist financiers. Qatari authorities recorded several prosecutions for money laundering but none for terrorist finance. The Government of Qatar has made progress on strengthening its oversight of foreign financial activities of Qatari non-governmental organizations.
...Qatari government authorities were recognized as regional leaders in improving educational standards and curricula, which included civic instruction that criticized violent extremist views.

The State Department report issued on May 30, 2013 reported that:

**Overview:** In 2012, Qatar did not experience any terrorist attacks or any political changes that would affect the Government of Qatar’s ability to combat terrorism. During the year, the Middle East and North Africa Financial Action Task Force (MENAFATF), a Financial Action Task Force-style regional body, removed Qatar from its regular follow-up process after the Task Force determined that Qatar had improved its anti-money laundering/combating the financing of terrorism regime and was either “Compliant or Largely Compliant” with all of the Task Force’s recommendations. Still, Qatar’s monitoring of private individuals’ and charitable associations’ contributions to foreign entities remained inconsistent. The Government of Qatar also maintained public ties to Hamas political leaders.

**Legislation, Law Enforcement, and Border Security:** Qatar did not pass any new terrorism legislation or make significant changes to border security procedures. There were no significant arrests or prosecutions in terrorist cases, or incidents requiring response, including terrorism affecting U.S. citizens or facilities in 2012.

**Countering Terrorist Finance:** Qatar is a member of the MENAFATF. In 2012, in addition to regular outreach to financial institutions, Qatar’s Financial Intelligence Unit, a member of the Egmont Group, launched a multi-year strategy to promote greater transparency in financial transactions including issuing guidelines obligating reporting on suspicious transactions. Qatar’s Combating Money Laundering and Terrorist Financing Law of 2010 requires Qatar’s Public Prosecutor to freeze the funds of terrorist organizations designated by the UNSC, and the government has begun to distribute lists of UN-designated terrorist entities and individuals to financial institutions. Implementation, however, remained inconsistent. For further information on money laundering and financial crimes, we refer you to the 2013 International Narcotics Control Strategy Report (INCSR), Volume 2, Money Laundering and Financial Crimes: http://www.state.gov/j/inl/rls/nrcrpt/index.htm.

**Regional and International Cooperation:** Qatar is a member of the Global Counterterrorism Forum, the Arab League, and the Gulf Cooperation Council. The Qatari government did not participate in any notable counterterrorism activities with those organizations in 2012, however.

**Countering Radicalization and Violent Extremism:** The Doha International Center for Interfaith Dialogue (a semi-public institute established by executive decree in 2007) organized a lecture series in 2012, with the Faculty of Islamic Studies at the Qatar Foundation, to help Qatari teachers “equip students with the skills and understanding to interact and communicate effectively and respectfully with other cultures.” The Government of Qatar also contracted a Doha-based private institute to study best practices in countering narratives used by terrorist groups to recruit members. The first of three research papers, published in February 2012, focused on EU engagement programs to reduce violent conflict.

As the later analysis of the structural problems in GCC country internal security problems shows, Qatar is relatively free of internal tensions other than those with some tribal groups with a Saudi background. It does, however, suffer from many of the same problems in its security forces and legal system as the other GCC states.

**Implications for US Policy**

The US has a good security partner in Qatar, but it needs to continue to respect Qatar’s exposed strategic position and Qatar’s search for an individual political identity. While the US must support efforts to create a stronger and more unified GCC, it also needs to accept the fact that some of the other Gulf states still see Saudi efforts at leadership as a threat, and that progress will be slow and evolutionary.
The US also needs to work closely with the Qatari government – as well as other GCC governments like the UAE – to coordinate as closely as possible in providing outside aid to insurgents and dissidents like those in Libya and Syria. It also needs to work with Qatar in trying to reduce the level of crisis in Egypt while remembering that Qatar is more supportive of the Moslem Brotherhood and other Islamist movements than its neighbors. As is the case with the other Arab Gulf states, a strong US country team, and quiet and patient diplomatic efforts, will be the key to success.
## Figure 30: Qatari Military Strength in 2013

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military Spending (2011 Expenditures) (US Millions)</td>
<td>$3,460*</td>
</tr>
<tr>
<td>Total Active Military Manpower</td>
<td>11,800</td>
</tr>
<tr>
<td>Total Reserve Military Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Total Paramilitary Manpower</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Army Forces</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Manpower</td>
<td>8,500</td>
</tr>
<tr>
<td>Reserve Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Main Battle Tanks</td>
<td>30</td>
</tr>
<tr>
<td>Other Armored Vehicles</td>
<td>269</td>
</tr>
<tr>
<td>Self-Propelled Artillery</td>
<td>28</td>
</tr>
<tr>
<td>Towed Artillery</td>
<td>12</td>
</tr>
<tr>
<td>Multiple Rocket Launchers</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Air and Major Surface-to-Air Missile Forces</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Force Active Manpower</td>
<td>1,500</td>
</tr>
<tr>
<td>Combat Aircraft</td>
<td>18</td>
</tr>
<tr>
<td>Armed/Attack Helicopters</td>
<td>8</td>
</tr>
<tr>
<td>AEW&amp;C, Intelligence, and AWACs Aircraft</td>
<td>-</td>
</tr>
<tr>
<td>Tankers</td>
<td>-</td>
</tr>
<tr>
<td>Maritime Patrol Aircraft</td>
<td>-</td>
</tr>
<tr>
<td>Air Defense Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Surface-to-Air Missile/Launchers</td>
<td>75</td>
</tr>
<tr>
<td>Surface-to-Surface Missile Launchers</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Naval and Marine Police Forces</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Manpower</td>
<td>1,800</td>
</tr>
<tr>
<td>Marines</td>
<td>-</td>
</tr>
<tr>
<td>Submersibles</td>
<td>-</td>
</tr>
<tr>
<td>Major Surface Ships</td>
<td>-</td>
</tr>
<tr>
<td>Missile Patrol Boats/Craft and Corvettes with Missiles</td>
<td>7</td>
</tr>
<tr>
<td>Other Patrol Boats/Craft</td>
<td>14</td>
</tr>
<tr>
<td>Mine Warfare</td>
<td>-</td>
</tr>
<tr>
<td>Amphibious</td>
<td>1</td>
</tr>
<tr>
<td>Helicopters</td>
<td>-</td>
</tr>
</tbody>
</table>

The UAE is a wealthy state with a small native population. It is composed of seven separate Emirates – Abu Zaby (Abu Dhabi), 'Ajman, Al Fujayrah, Ash Shariqah (Sharjah), Dubayy (Dubai), Ra's al Khaymah, Umm al Qaywayn (Quwain). Abu Dhabi and Dubai are the leading powers and control the positions of the President and Prime Minister.

Key statistics are shown in Figure 31. According to the CRS, only 10% of the population of the UAE holds citizenship status, with 23% of the population from elsewhere in the Arab world and Iran; roughly 10% of the country’s Muslim population is Shia. It can buy its way out of most security and stability problems – although a recent economic crisis in Dubai showed there are limits to its wealth, and its northern and eastern Emirates are less wealthy than Abu Dhabi and Dubai.

Recent CIA reporting describes the UAE as follows:

The Trucial States of the Persian Gulf coast granted the UK control of their defense and foreign affairs in 19th century treaties. In 1971, six of these states - Abu Zaby, 'Ajman, Al Fujayrah, Ash Shariqah, Dubayy, and Umm al Qaywayn - merged to form the United Arab Emirates (UAE). They were joined in 1972 by Ra's al Khaymah.

The UAE's per capita GDP is on par with those of leading West European nations. Its generosity with oil revenues and its moderate foreign policy stance have allowed the UAE to play a vital role in the affairs of the region. For more than three decades, oil and global finance drove the UAE's economy.

However, in 2008-09, the confluence of falling oil prices, collapsing real estate prices, and the international banking crisis hit the UAE especially hard. In March 2011, about 100 Emirati activists and intellectuals posted on the Internet and sent to the government a petition calling for greater political reform, including the establishment of a parliament with full legislative powers and the further expansion of the electorate and the rights of the Federal National Council (FNC), the UAE's quasi-legislature.
In an effort to stem further unrest, the government announced a multi-year, $1.6-billion infrastructure investment plan for the poorer northern emirates. In late September 2011, an FNC election - in which voting was expanded from 6,600 voters to about 12 percent of the Emirati population - was held for half of the FNC seats. The other half are appointed by the rulers of the Emirates.

The UAE has not seen serious unrest since 2011, but the country does suffer from numerous social issues that challenge its government. These issues do not stem from the Sunni-Shia divide, but are rather the result of over dependence on foreign labor, unemployment issues, and insufficient progress toward creating an effective and popular government – issues caused by and leading to a rigid economic, political, and social power system controlled by both the central government and the still large independent leaders of its member Emirates.

Leadership

The country is ruled by a Council of Ministers appointed by the President (Khalifa bin Zayid Al-Nuhayyan of Abu Dhabi), although the Vice President and Prime Minister (Muhammad Bin Rashid of Dubai) is a de facto partner and each Emirate is consulted. The leaders of the various Emirates also participate in a Federal Supreme Council (FSC). The CIA describes the FSC as, “the highest constitutional authority in the UAE; establishes general policies and sanctions federal legislation; meets four times a year; Abu Zaby (Abu Dhabi) and Dubayy (Dubai) rulers have effective veto power.”

The UAE does have an advisory legislative body, the Federal National Council. However, the council cannot create or veto laws and members of the cabinet have limited accountability to the body. Moreover, the electorate is only authorized to comprise of 129,000 people – this in a country of roughly 1 million citizens. In September 2012, 60 members of a group reportedly linked to the Muslim Brotherhood were taken into custody after they admitted to coup efforts.

There has been enough unrest for the government to step up its internal security efforts, act preemptively against opposition elements, strengthen its counterterrorism capacity, expel some Iranians felt to support the Iranian government, and crackdown on or expel some think tanks and outside research centers.

The government has also taken steps to mitigate unemployment issues for its own nationals, such as the 2011 directive for the state to hire 6,000 new personnel, but the result has been to enlarge an already oversized public sector, where roughly 90% of employed citizens already work for the government.

Furthermore, one initiative to enhance employment through an employment council has led workers to leave their jobs, believing that the council will help them to secure other employment, leading to rising unemployment. This, coupled with the fact that the private sector in the UAE largely relies on expatriate labor, has created a serious problem for Abu Dhabi that is considered “fiscally untenable” by The Economist, which also reports that the size of the UAE federal government will quadruple by 2030.
Figure 31: The UAE – A Statistical Overview

<table>
<thead>
<tr>
<th>Key Data and Indicators</th>
<th>Figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population in Millions</td>
<td>5.3</td>
</tr>
<tr>
<td>Median Age in Years</td>
<td>30.2</td>
</tr>
<tr>
<td>Percent 0-14 Years</td>
<td>20.50%</td>
</tr>
<tr>
<td>Urban Population</td>
<td>84%</td>
</tr>
<tr>
<td>Literacy Rate</td>
<td>77.90%</td>
</tr>
<tr>
<td>GDP (in $ US billions) Official Exchange Rate</td>
<td>$336.50</td>
</tr>
<tr>
<td>GDP PPP Per Capita World Ranking</td>
<td>12</td>
</tr>
<tr>
<td>Labor Force in Thousands</td>
<td>4,111</td>
</tr>
<tr>
<td>Unemployment, ages 15-24</td>
<td>12.10%</td>
</tr>
<tr>
<td>Annual entrants to the workforce (male)</td>
<td>27,439</td>
</tr>
<tr>
<td>Annual entrants to the workforce (female)</td>
<td>24,419</td>
</tr>
</tbody>
</table>

UAE’s Relations with Iran

The UAE and Iran have had tense diplomatic relations since the Shah seized full control of three disputed islands in the Gulf from Sharjah – Abu Musa and the Tunbs – following British withdrawal from the Trucial States in November 1971. These islands had great strategic value because they are located near the main shipping channels through the Gulf and the Strait of Hormuz.

This seizure was a key factor leading Sharjah to join the UAE, and a formal dispute over control of the islands between Iran and the UAE began in 1974 that continues to this day. It was made worse when Iran expelled the worker that operated the UAE sponsored school, power station, and clinic on Abu Musa in 1992, the creation of a large military airstrip and sheltered areas on the island, and President Ahmadinejad’s visit to the island in 2012.

The UAE backed Iraq in the Iran-Iraq War, and the US in the reflagging of Kuwaiti tankers and the US “tanker war” with Iran that took place between 1987 and 1988. It aligned itself more closely with the US after Iraq’s invasion of Kuwait in 1990, and the US and the UAE have had close relations ever since. Abu Dhabi has sought to maintain a balance between containing Iranian power – including backing diplomatic efforts to curb the Iranian nuclear program – and maintaining amicable enough ties so as to avoid confrontation.

The UAE has, however, had close economic relations with Iran, particularly in the case of Dubai, but tense relations in political, diplomatic, and security terms. During the period before the US and EU adopted new, far stronger sanction in late 2011 and early 2012, the UAE was the largest source of Iranian imports (30.9%), and Iran was the third-largest export market for the UAE (10.9%), according to the CIA.

Based on data from the European Commission, the UAE was Iran’s second-largest trading partner in 2010 after the EU and Iran was the UAE’s fifth-largest partner. It is reported by Bloomberg that bilateral trade from Dubai to Iran surged three-fold between 2005 and 2009, and that there were roughly “8,000 Iranian businesses and at least 1,200 trading companies” in Dubai alone before the UAE began to pressure many to leave in 2012.

Dubai is also reported to have been an important logistical node in the A.Q. Khan nuclear proliferation network that is believed to have supplied nuclear weapons technology to Iran, as well as other states. Several businesses in the Emirates have been identified by the US government as facilitating the movement of materials for nuclear weapons to the Islamic Republic.

In 2009, the Institute for Science and International Security claimed Iranian transfers of other illicit technologies moved through the UAE. According to the CRS, “The [Institute for Science and International Security] report asserted that Iran has used UAE companies to obtain technology from U.S. suppliers, and that the components obtained have been used to construct improvised explosive devices (IEDs) shipped by Iran to militants in Iraq and Afghanistan.”

Other forms of smuggling from the UAE to Iran involve the transfer of sanctioned consumer goods – some of which are reportedly of US origin – as well as aviation and
computer materials that could aid the Iranian military and nuclear program. It is also believed that there are still companies in the UAE that provide Iran with gasoline despite US sanctions.

The Iranian expatriate population of Dubai is also large – reported at 400,000 of some 2.3 million in a 2010 CRS report – and is viewed with concern by the UAE leadership due to the prospect of unrest. This demographic represented roughly 30% of Dubai’s population, according to population data from the 2005 Dubai census. The CIA, however, estimated a very different demographic in 2013 for a population of around 2.5 million: Emirati 19%, other Arab and Iranian 23%, South Asian 50%, other expatriates (includes Westerners and East Asians) 8%, although it drew on data dating back to 1982.

These economic ties and demographic issues have not, however, kept UAE and Iranian relations from deteriorating. Iran has blocked numerous Emirati attempts to resolve this issue diplomatically with Abu Dhabi. UAE-Iran relations were further undermined in 2012 when President Ahmadinejad traveled to Abu Musa, resulting in the recalling of the Emirati ambassador to Iran. Another such episode occurred earlier in December 2009 when, following a GCC call for resolution of the dispute through the ICJ, the Iranian Foreign Ministry claimed permanent Iranian sovereignty of the disputed islands, rather than at least entertaining the ICJ proposal.

In December 2012, the UAE again expressed its interest in engaging Iran over the islands when President Khalifa bin Zayed al-Nahayan suggested opening talks with Iran. The Iranian Foreign Ministry, however, responded with a firm statement that left little room for agreement between the two states on the matter. The Iranian Foreign Minister stated, “Repeating baseless claims will not have any influence on existing realities. The three Iranian islands have been and will remain an integral part of the Islamic Republic of Iran’s territory.” Given Iran’s reluctance to engage the UAE in negotiating the status of the islands, this issue will likely remain a key point of contention between the two states through the long term.

The UAE has become steadily more aggressive in dealing with the Tunbs and Abu Musa islands, and has moved its military aircraft and ships near the islands. Illicit trade continues to be of great value to Iran and crucial to the Iranian financial sector, which could mitigate more hostile Iran-UAE tensions.

The UAE, including the leaders of Dubai, have also become increasingly concerned over the buildup of Iranian asymmetric warfare capabilities in the Gulf, Iran’s influence in Iraq, and Iran’s support of the Assad regime in Syria. The UAE has been a major backer of Sunni movements in Libya and of the Syrian resistance.

The UAE has reacted by selectively expelling some Iranian residents and citizens with Iranian backgrounds, and acted against Iranian intelligence and smuggling operations in the UAE. The Emirati leadership is also concerned about the Iranian expatriate population – particularly in Dubai, but the likelihood of serious unrest being provoked by Iran seems limited. The UAE’s main internal security problems seem to be a lack of political rights and jobs for its citizens, and rights and citizenship for its foreign workers.
The obstacles to UAE-Iran trade has helped lead to large declines in the value of the Iranian Rial, although it is believed that the UAE still has Iranian banks functioning within the country. In August 2012, the New York Times reported that Iran was laundering money through Afghanistan, where it is converted into US Dollars, and transferred to financial institutions in the Gulf.

According to the report, “[i]n 2011, an estimated $4.6 billion, a sum equivalent to roughly a third of Afghanistan’s gross domestic product, was stuffed into suitcases, shrink-wrapped onto pallets or packed into boxes and flown out of Kabul’s airport on commercial airline flights, most of them headed for Dubai…” The report did not make clear how much of that $4.6 billion was laundered Iranian capital.

The foreign banking sector in the Emirates has also been of concern when it comes to providing financial assistance to Iran. It has been reported that UAE personnel for the British bank Lloyds TSB facilitated the movement of capital via US networks for Iran, resulting in penalization from the US Justice Department and Manhattan District Attorney.

While this situation is changing as a result of the growing tensions between the UAE and Iran, it is important to keep in mind the internal political dynamics between each of the emirates – particularly between Dubai and Abu Dhabi. While Dubai has been a hotbed for smuggling to Iran, Abu Dhabi – as the seat of power – has been concerned about Iran and its infringement on the Gulf islands. Abu Dhabi has ensured that Dubai remains financed – notably through a 2009 grant valued at $20 billion in funds, and Abu Dhabi has pushed Dubai to restrict Iranian transactions.

Abu Dhabi has taken measures to protect its economic interests against the prospect of attack from Iran. One notable measure has been the development of the Abu Dhabi Crude Oil Pipeline (ADCOP), which circumvents the Strait of Hormuz by moving oil via pipeline from Abu Dhabi to Fujairah. Another pipeline may also be developed to Fujairah.

**UAE Relations with the US**

US relations with the UAE have focused principally on security and economic cooperation. The US entered formal military cooperation with the UAE in 1994, which allowed for “U.S. equipment pre-positioning,” as well as for US Navy calling rights at the port of Jebel Ali and US use of the Al Dhafra Air Base, according to the CRS.

**Military Cooperation**

The UAE has become another a solid security partner of the US. It provides naval and air base facilities, and is one of the few Gulf countries to openly state the nature of its security relations with the US. A UAE document described UAE security cooperation with the US as follows:

The UAE and the United States share a common resolve to preserve security and stability in the Gulf. US homeland security is tied directly to the UAE’s role as a source of that security and stability.

The foundation for the UAE-US bilateral security relationship is the 1994 Defense Cooperation Agreement. The pact permits the United States to base troops and equipment within UAE.
federation borders. Jebel Ali port, in Dubai, is crucial to US naval operations, as it is the only harbor in the Gulf deep enough to berth an aircraft carrier.

...The UAE is only one of three countries and the only Arab nation to participate with the US in five coalition actions over the last 20 years: Afghanistan, Libya, Somalia, Bosnia-Kosovo, and the 1990 Gulf War. The UAE has deployed forces and/or provided assistance in:

- **Afghanistan:** The UAE's special forces are the only Arab personnel undertaking full-scale operations in the country, an ongoing ten-year commitment.
- **Libya:** The UAE deployed a dozen fighter jets for combat missions under NATO command to protect the Libyan people throughout the conflict, and support the National Transitional Council.
- **Somalia:** In 1992 the UAE joined other countries, led by the US Central Command, to secure the environment and provide humanitarian relief. The UAE is also fighting piracy and helping to stabilize Somalia.
- **Bosnia-Kosovo:** The UAE was among the first non-NATO states to express support for NATO’s air operations. The UAE participated in peacekeeping operations, and provided humanitarian assistance during and after the conflict.
- **1990 Gulf War:** The UAE was one of the first countries to support the United States at the advent of the war.

The UAE provides ongoing and essential support for US forces, and contributes to efforts to fight terrorism and extremism, while working to increase stability and peace in the region. The UAE is:

- Combating extremists such as Al Qaeda.
- Facilitating a peaceful transition in Yemen and preventing extremist control.
- Actively supporting the Mideast peace process.
- Hosting more than 2,000 US military personnel.
- Headquarters for Hedayah, the new Global Center for Excellence in Countering Violent Extremism. Hedayah was created in response to the growing desire from Global Counter-Terrorism Forum members and the wider international community for the establishment of an independent, multilateral center devoted to training, dialogue, collaboration, and research.
- Providing critical logistics support for US Navy fleet operations; US Naval vessels visit UAE ports more than any other foreign ports in the world.
- Supporting US Air Force operations by assisting with logistics at facilities in the UAE.
- Hosting the Joint Air Warfare Center and joint training exercises with US forces.
- ...The UAE and the United States share a deep concern over Iran’s nuclear development and its impact on peace and stability in the entire region. The UAE fully supports and enforces United Nations Security Council resolutions barring shipment of sensitive materials and technologies to Iran.
- ...The UAE has a military presence in Afghanistan, with a strictly defensive purpose, consistent with the UAE Constitution. The UAE Armed Forces on the ground are focused on the protection of humanitarian initiatives and ensuring safety and stability for local communities. Personnel are also directly involved in culturally sensitive community development activities, especially necessitating knowledge of the Arabic language or Islamic traditions, alongside representatives of key humanitarian organizations such as the Red Crescent.
As is the case with Qatar, however, the US must continue to respect the UAE’s need to pursue its own approach to Iran and the problems sanctions create for the UAE’s economy, as well as the UAE’s search for an individual political identity. While the US again needs to support efforts to create a stronger and more unified GCC, it also needs to accept the fact that progress will be slow and evolutionary.

The US also needs to work closely with the UAE’s government — as well as other GCC governments — to coordinate as closely as possible in providing outside aid to insurgents and dissidents like those in Libya and Syria — remembering that its allies are Arab, Sunni, and often have different priorities and values. Strong US country teams, and quiet and patient diplomatic efforts, will be the key to success.

According to the CENTCOM 2013 Posture Statement:

The United Arab Emirates (UAE) has been a valued partner through Operations Desert Shield/Desert Storm, Bosnia, Kosovo, Somalia, Afghanistan and Libya. The Emirates participated in Operation Unified Protector in Libya, flying as part of NATO's effort and the Emiratis have increased the number of their troops and aircraft deployed to Afghanistan even as other nations are drawing down. The UAE is also a leader in the Gulf for air and missile defense capabilities. Their Foreign Military Sales purchases total $18.1 billion and include the Theater High Altitude Area Defense (THAAD) system, valued at approximately $3.5 billion, a highly capable and wholly defensive system that will contribute to regional stability and our interoperability. The UAE was the first foreign government to purchase this system. Their many contributions to collective defense and their close military ties over decades mark UAE as one of our strongest friends within the region, deserving of our continued close engagement and tangible FMS support.

There were approximately 3,000 US troops in the UAE as of late 2011, the majority of whom were Air Force personnel. Al Dhafra Air Base has accommodated US KC-10 refueling tankers as well as — allegedly — F-22 stealth fighter aircraft. These facilities played a role in the recent US wars in Iraq and Afghanistan.

The UAE has also turned to the US to build up an air force that is becoming far more modern — and arguably more capable — than that of Iran, and has gained combat experience in Libya. The UAE’s Navy is also one of the most effective forces in the region, leading some US experts to refer to the UAE as the “little Sparta” of the Gulf. The UAE’s military forces are summarized in Figure 32.

A CRS analysis of the state of US and UAE security cooperation in mid-2013 states that:

The framework for U.S.-UAE defense cooperation is a July 25, 1994, bilateral defense agreement, the text of which is classified, including a “status of forces agreement” (SOFA)...Under the pact, the UAE has allowed U.S. equipment pre-positioning and U.S. warship visits at its large Jebel Ali port, which is capable of handling aircraft carriers, and it permitted the upgrading of airfields in the UAE that were used for U.S. combat support flights during Operation Enduring Freedom in Afghanistan and Operation Iraqi Freedom (OIF)

According to UAE officials, there are about 5,000 U.S. forces—an increase from 2010-2012 levels of about 3,000, and up substantially from 800 before OIF. The U.S. forces in UAE are mostly Air Force, deployed primarily at Al Dhafra air base (mostly KC-10 refueling) and at naval facilities at Fujairah. They support U.S. operations in the Persian Gulf and in Afghanistan, and they supported OIF before all U.S. troops left Iraq in December 2011. In April 2012—possibly to signal additional resolve over Iran’s nuclear program—the United States reportedly deployed
several “Stealth” F-22 Raptor combat aircraft to Al Dhafra—a deployment that could explain why U.S. forces in UAE have increased since early 2012.11

The U.S.-UAE defense pact has also reportedly included U.S. training of UAE armed forces, UAE forces are relatively small—about 51,000—but have benefited from U.S. and other training. At the Air Warfare Center near Al Dhafra Air Base, UAE and U.S. forces conduct extensive exercises on early warning, air and missile defense, and logistics. The UAE also hosts the Integrated Air Missile Defense Center, a major training facility for Gulf and U.S.-GCC cooperation on missile defense. Since 2009, UAE Air Force personnel have participated in the yearly Desert Falcon exercises at Nellis Air Force Base in Nevada, according to UAE representatives. About 350 UAE military personnel study and train in the United States each year, mostly through the Foreign Military Sales program, through which the UAE buys most of its U.S.-made arms. U.S. military officers say that UAE operators of HAWK surface-to-air missile batteries are on par with U.S. operators of that system and that UAE fighter pilots are “combat ready,” as demonstrated in operations in Libya in 2011.

With the exception of Saudi Arabia, the UAE was the world leader in commitments to US Foreign Military Sales (FMS) purchases between 2007-2010.453 As Figure 21 shows, Abu Dhabi was the second-largest recipient of commercial exports of defense articles in the Arabian Peninsula between FY2007-FY2011, with just under $1.5 billion in US exports. The UAE signed $2,662.8 million in FMS arms agreements with the US between FY1950 and FY2004. It signed new agreements worth $39.4 million in FY2005 to $765.7 million in FY2006, $1,638 million in in FY2007, $664.3 million in FY 2008, $7,599.6 million in FY2009, $501.6 million in FY2010, $1,532.9 million in in FY2011, and $3,851.0 million in FY2012. US aid in terms of Foreign Military financing – with all payment waived – ranged from $7 million to $20 million during FY2005 to FY2012. The UAE spent roughly an additional $1 billion a year on commercial arms sales during FY2005-FY2008. Like its Gulf neighbors, however, the UAE has relied on FMS since FY2008, and has made no major commercial purchases since that time.454

These sales have led the US to make large arms transfers to the UAE, including 79 F-16 fighter ground attack aircraft (13 of which will stay in the US,) 30 AH-64 Apache attack helicopters, 9 Bell 412 Twin Huey multi-role helicopters, and numerous helicopter and fixed-wing transport aircraft including CH-47F Chinook, UH-60 Black Hawk, Bell 407, C-17, C-130, and L-100-30 platforms.

Weapon transfers include AGM-65 Maverick, AGM-114 Hellfire, AGM-88 HARM, and Hydra-70 air-to-surface missiles as well as AIM-9 Sidewinder and AIM-120 AMRAAM air-to-air missiles. Other US-origin systems are TOW MANPATS and naval assets including 21 Camcraft patrol boats.455 In November 2011, the DSCA informed Congress of a possible procurement of 4,900 Joint Direct Attack Munitions (JDAM) kits to the UAE, worth roughly $304 million to supplement kits sold previously.456

The CRS summarizes these arms transfers as follows:457

The UAE views arms purchases from the United States as enhancing the U.S. commitment to UAE security. The United States views these sales as a means to enhance the U.S.-led security architecture for the Gulf by enabling the Gulf states to take on increased responsibilities. From 2007 to 2010, the UAE agreed to acquire more U.S. defense articles and services through the Foreign Military Sales program—$10.4 billion worth

…Until 2008, the most significant buy was the March 2000 purchase of 80 U.S. F-16 aircraft, equipped with the Advanced Medium Range Air to Air Missile (AMRAAM) and the HARM (High Speed Anti-Radiation Missile), a deal exceeding $8 billion. Congress did not try to block
the aircraft sale, although some Members questioned the AMRAAM as an introduction of the weapon into the Gulf. Defense industry sources say that the equipment and capabilities on the F-16s provided to the UAE exceed those of the F-16s flown by the U.S. Air Force.

In September 2006, the United States sold UAE High Mobility Artillery Rocket Systems (HIMARS) and Army Tactical Missile Systems (ATACMs), valued at about $750 million.

In conjunction with the international defense exhibit (IDEX) in Abu Dhabi in March 2009, the UAE signed agreements with Boeing Co. and Lockheed Martin Corp. to buy $3 billion worth of military transport aircraft (C-17 and C-130, respectively). On November 4, 2010, the Defense Security Cooperation Agency notified Congress of two potential sales: $140 million worth of ATACMs (see above) and associated support; and a possible $5 billion worth of AH-64 Apache helicopters (30 helicopters, remanufactured to Block III configuration)....

In 2011, a notification was made for $300 million worth of support for UAE’s F-16 fleet and AIM-9X missiles. On September 22, 2011, there was notification to Congress of a possible sale of 500 “Hellfire” missiles and related equipment and services, a total estimated cost of $65 million. There was a December 14, 2011, notification of a potential sale to the UAE of 260 JAVELIN anti-tank guided missiles and associated equipment and support at a total value of $60 million.

Congress was notified by DSCA on November 30, 2011, of a potential sale that has caused discussion (transmittal number 10-56). The sale is for 4,900 Joint Direct Attack Munitions (JDAM) kits with an estimated value of $304 million. The widespread perception was that the munitions could potentially be used to strike hard targets, such as nuclear facilities in Iran, although there are no indications the UAE would contemplate such a strike on its own, no matter its concerns about Iran. The United States had previously sold the UAE JDAM kits worth $326 million value, announced January 3, 2008.

During a visit to the UAE on April 25, 2013, Secretary of Defense Chuck Hagel reportedly finalized a sale to UAE of an additional 25 F-16 aircraft and associated “standoff” air-to-ground munitions, with an estimated value of about $5 billion. The sale was in conjunction with similar weapons sales to Israel and Saudi Arabia, and which Secretary Hagel and other officials clearly indicated were intended to signal U.S. and partner resolve to Iran... A formal notification to Congress has not been transmitted to date. The sale agreement came about one week after President Obama met visiting Abu Dhabi Crown Prince Shaykh Mohammad bin Zayid at the White House on April 16, 2013; the meeting focused on regional security issues and U.S.-UAE economic relations, according to a U.S.-UAE joint statement released after the meeting.

to a commercial sale, worth about $200 million, for Predator unmanned aerial vehicles (UAVs), although the system apparently would be unarmored and for surveillance only. Still, Defense Department officials say they have not completed formulating a policy for the sale of such equipment to the Gulf states and it is possible that the deal might not be permitted by DOD

Washington has made the development of air defense capabilities a priority for support to the UAE. US-origin air defense assets include the MIM-23B I-HAWK system, Javelin MANPADS, and a sale made public in 2007 of PAC-3 PATRIOT missile defense capabilities. In 2011 Washington indicated that the UAE would be the first foreign state to buy the Terminal High Altitude Area Defense (THAAD) system – a deal valued at roughly $3.48 billion and which will involve the transfer of 96 missiles.

Ken Katzman describes the events leading to the possible sale as follows:

Several major sales to the UAE have been in concert with the U.S.-led “Gulf Security Dialogue,” intended to help the Gulf states contain Iran. The UAE is a key participant in U.S. efforts to build a missile defense shield for the Gulf, primarily intended to defend against Iran’s growing missile force. The joint missile defense effort has been discussed extensively with the Gulf states, and was the focus of Secretary of State Clinton’s March 31, 2012, attendance at the first ministerial meeting of the U.S.-GCC Strategic Cooperation Forum in Riyadh, Saudi Arabia.
Subsequently, Deputy Assistant Secretary of State Frank Rose spoke in Abu Dhabi on April 12, 2012, on the missile defense issue, saying, “As our partners acquire greater missile defense capabilities, the United States will work to promote interoperability and information sharing among the GCC states. This will allow for more efficient missile defenses and could lead to greater security cooperation in the region.” Then Secretary of State Clinton continued to press for greater GCC cooperation in establishing a Gulf-wide missile defense at a meeting on September 28, 2012, with GCC leaders attending the U.N. General Assembly meetings in New York.

The UAE is pivotal to the U.S. effort to forge a Gulf-wide missile defense network because the UAE has ordered the Terminal High Altitude Air Defense System (THAAD), the first sale ever of that sophisticated missile defense system. A sale of THAAD equipment was first announced September 9, 2008, valued at about $7 billion. The main manufacturer, Lockheed Martin, said in June 2010 that a firm agreement for three THAAD fire units with 147 THAAD missiles and four radar sets might be signed in the next few months, although the firm said in August 2011 that the UAE might reduce the buy somewhat.

On December 31, 2011, the Defense Department announced the two countries had reached a final deal to sell the UAE 96 of the THAAD missiles, along with two firing units, with a total estimated value of the sale at $3.48 billion, about half of what was first envisioned. The delivery schedule has not been announced. On November 2, 2012, DSCA notified Congress of a potential sale to the UAE of additional THAAD equipment: 9 launchers, 48 missiles, and associated equipment with total estimated value of $1.135 billion.

Also on November 5, 2012, DSCA announced the first sale of the THAAD to neighboring Qatar. Among significant other recent missile defense sales to the UAE are the advanced Patriot antimissile systems (PAC-3, up to $9 billion value, announced December 4, 2007). Also announced on September 9, 2008, were sales to UAE of vehicle mounted “Stinger” anti-aircraft systems ($737 million value).

In April 2013, it was reported that Abu Dhabi was in the midst of closing a deal nearing $5 billion for the purchase of 26 F-16 aircraft as well as the weapons system that would be transferred to Saudi Arabia, which is believed to be the AGM-88 HARM.

The US Navy also maintains a Fujairah-Jebel Ali land link, which allows naval cargo to be trucked between the two ports and around the Strait. These could help offset some of the risks of Iranian naval actions against the Strait of Hormuz, but by no means insulates the UAE from the Iranian threat which could cripple Emirati commerce beyond the capabilities of the ADCOP – which bypasses the Strait – or the land transfer of ocean freight to fully compensate.

Other security cooperation involving the UAE includes the country being an “observer” in the North Atlantic Treaty Organization (NATO), as well as a growing partner in counter-terrorism efforts and efforts to contain Iran. The UAE took steps in late 2010 to prevent financial transactions between institutions in the UAE and Iran, leading to 15% depreciation of the Iranian Rial. However, it is reported that there are still banks within the UAE that conduct transactions with Iran. Abu Dhabi has also agreed to the Container Security Initiative Statement of Principles, which involves the inspection of containers destined for the US – including containers shipped from Iran.

Commercial links with the US are another important component of bilateral ties with Washington for the UAE. According to the CIA, the US was the third-largest source of the UAE’s imports in 2011. When grouping together the 27 states of the EU, the US was the UAE’s seventh largest trading partner in 2010, with just under 10.5 billion Euros in bilateral trade, according to the European Commission. The bulk of this trade consisted
of Emirati imports from the US. Washington is reportedly working towards the establishment of a free trade agreement with the UAE.

The UAE is, however, sensitive to any outside source of criticism. Despite otherwise strong US-Emirati relations, in 2012 the UAE prevented the National Democratic Institute (NDI) and the RAND Corporation from maintaining a presence in the country.

Problems in Force Development

The UAE is perhaps the most effective single Gulf state in terms of building up its air power and developing effective overall military capabilities – although it’s limited manpower pool presents problems.

- The UAE has better standards of readiness than many of its neighbors, but it too is impacted by the failure to develop truly effective BM capabilities and related C4I/BM and IS&R systems.

- The UAE needs to support and benefit from truly interoperable GCC-wide systems that are linked in peacetime to US systems that include far more advanced collection and IS&R assets so all GCC forces can actually practice and test unified military action on a continuing basis, rather than in sporadic exercises.

- These problems are reinforced by a lack of central training, maintenance, and other common facilities that would help smaller countries achieve economies of scale.

Counterterrorism

Counterterrorism has been another important avenue of cooperation between the US and the UAE. According to the State Department’s Country Reports on Terrorism 2011:

The United Arab Emirates (UAE) government improved border security measures and renewed its efforts to counter terrorist financing. In December, the UAE agreed to implement the U.S. Customs and Border Protection's Immigration Advisory Program at Abu Dhabi Airport. Prominent officials and religious leaders continued to publicly criticize extremist ideology.

…The UAE participated in the Megaports and Container Security Initiative (CSI); on average, approximately 250 bills of lading were reviewed each week, resulting in about 25 non-intrusive inspections per month of U.S.-bound containers. Examinations were conducted jointly with Dubai Customs officers, who shared information on transshipments from high-risk areas, including those originating in Iran.

In 2011, memoranda of cooperation signed in 2010 between the UAE Ministry of Interior and the Abu Dhabi Customs Authority with U.S. Immigration and Customs Enforcement (ICE) went into effect. These agreements facilitated ICE assistance to provide technical support and instruction in the establishment of two separate training academies to further build Emirati Customs and Police capacity. The Abu Dhabi Customs Academy established last year now hosts six retired ICE and Customs and Border Protection instructors. The academies trained nearly a thousand personnel in 2011.

…The UAE Central Bank provided training programs to financial institutions on money laundering and terrorist financing. The United States and the UAE continued working together to strengthen efforts to combat bulk cash smuggling (BCS), in particular from countries at higher risk of illicit finance activity, and have stressed the importance of countering BCS to other countries in the region. However, BCS to the UAE remains a serious problem.

…In order to prevent extremist preaching in UAE mosques, the General Authority of Islamic Affairs and Endowments provided guidelines for all Friday sermons and monitored compliance. The UAE worked to keep its education system free of radical influences and emphasized social tolerance and moderation. Also, the UAE has a cyber-crime law criminalizing the use of the Internet by terrorist groups to “promote their ideologies and finance their activities.”
The State Department report issued on May 30, 2013 provided the following update:

**Overview:** The United Arab Emirates (UAE) government continued to build its counterterrorism capacity and strengthened international counterterrorism cooperation. Over the course of the year, the UAE government improved border security measures and renewed efforts to combat terrorist financing. The United States and UAE governments were in negotiations to establish a pre-clearance facility at the Abu Dhabi International Airport. Prominent officials and religious leaders continued to publicly criticize violent extremist ideology.

**Legislation, Law Enforcement, and Border Security:** The UAE participated in the Megaports and Container Security Initiatives (CSI). The CSI, which became operational at Port Rashid and Jebel Ali Port in the Emirate of Dubai in 2005, has two U.S. Customs and Border Protection (CBP) officers co-located with the Dubai Customs Intelligence Unit at Port Rashid. On average, CSI reviewed approximately 250 bills of lading each week, resulting in about 25 non-intrusive inspections per month of U.S.- bound containers; examinations were conducted jointly with Dubai Customs officers, who shared information on transshipments from high risk areas, including those originating in Iran.

In 2012, the UAE implemented the use of retina scanning devices at international airport arrival terminals. The risk analysis or targeting practice, i.e., who is subjected to the scans, remained unclear.

In 2010, Immigration and Customs Enforcement (ICE) signed two Memoranda of Cooperation (MOCs) to support the respective training academies of the UAE Ministry of Interior’s (federal) Immigration Authority and the Abu Dhabi (emirate) Customs Authority (ADCA) and enhance capacity building of its police and customs authorities. The aforementioned MOCs remain in effect. In 2012, five retired ICE and CBP personnel were under direct contract of the UAE Ministry of Interior while six were under direct contract of the ADCA. All served the respective academies as subject-matter experts, course developers, and instructors. The two academies trained approximately 700 immigration and customs personnel in 2012.

A critical factor that poses a challenge to the effectiveness of the UAE’s law enforcement, border security, and judicial system is the country’s lack of human capacity. Emiratis compose only 11 percent of the country’s total population, making it structurally difficult to develop the country’s human resources to counter the full range of terrorist activities. Despite this, the UAE government remains vigilant in its overall counterterrorism pursuits.

**Countering Terrorist Finance:** The UAE is a member of the Middle East and North Africa Financial Action Task Force, a Financial Action Task Force-style regional body, and chairs the Training and Typologies Working Group. It is a major international banking and trading center. Its Financial Intelligence Unit (FIU), the Anti-Money Laundering and Suspicious Cases Unit in the UAE Central Bank, is a member of the Egmont Group. The UAE continued efforts to strengthen its institutional capabilities to combat terrorist financing, but challenges remained with its enforcement of local and international law. The UAE’s last mutual evaluation report in 2008 recommended it amend the federal anti-money laundering (AML) law and increase dedicated resources available to the Central Bank's Financial Intelligence Unit.

The Central Bank continued to conduct AML training both locally and regionally, and was expanding its cooperation with FIUs worldwide to bolster its ability to counter terrorist finance. Exploitation of money transmitters by illicit actors, which included licensed exchange houses, hawalas, and trading firms acting as money transmitters, remained a significant concern. This vulnerability was compounded by the voluntary registration regime for hawalas and their lack of enforceable Anti-Money Laundering/Combating the Financing of Terrorism of terrorism obligations. Regional hawalas and associated trading companies in various expatriate communities, most notably Somalis, have established clearinghouses, the vast majority of which are not registered with the UAE government. There are some indications that trade-based money laundering occurs in the UAE and that such activity might support terrorist groups in Afghanistan, Pakistan, and Somalia. The UAE Central Bank provides direct oversight to the Foreign Exchange and Remittance Group, the UAE’s exchange house industry group, but its capacity and willingness to effectively monitor the sector remained unclear. Currently Emirati authorities are not capable of supervising the vast number of hawalas in the country or enforcing hawala compliance. Continuing from previous years, the United States and the UAE worked
together to strengthen efforts to counter terrorist finance, including cross-border Bulk Cash Smuggling (BCS) and money laundering, with training, collaborative engagement with the local financial community, and other bilateral government cooperation.

In September, the U.S. Federal Bureau of Investigation (FBI) Legal Attaché established a sub-office at the U.S. Consulate in Dubai to assist with Counterterrorism/Terrorist Financing Matters and provide a viable means to enhance cooperation between the FBI and UAE. Additionally, the FBI provided training courses to Gulf Cooperation Council (GCC) law enforcement counterparts.

In March, ICE and CBP provided BCS and AML training to UAE Customs and Law Enforcement officials in Dubai. The training consisted of academic and practical exercises concentrating on land-border interdiction and investigation of smuggled currency.

Regarding routine distribution of UN lists of designated terrorists or terrorist entities to financial institutions, the UAE’s communication with the local financial community is largely driven by follow-up on suspicious transactions reports and close bilateral cooperation with partner governments. However, most if not all banks receive the UN lists by means of their own internal compliance offices. Operational capability constraints and political considerations sometimes prevented the UAE government from immediately freezing and confiscating terrorist assets absent multilateral assistance.

For further information on money laundering and financial crimes, we refer you to the 2013 International Narcotics Control Strategy Report (INCSR), Volume 2, Money Laundering and Financial Crimes: [http://www.state.gov/j/inl/rls/nrcrpt/index.htm](http://www.state.gov/j/inl/rls/nrcrpt/index.htm).

**Regional and International Cooperation:** The UAE is a founding member of the Global Counterterrorism Forum (GCTF). At the GCTF launch in September 2011, the UAE announced that it would open the first-ever international center for training, dialogue, research, and strategic communication on countering violent extremism (CVE): the International Center of Excellence for Countering Violent Extremism, known as Hedayah. Hedayah was formally launched on December 13-14, 2012, at the GCTF’s Third Coordinating Committee and Ministerial meetings in Abu Dhabi. The UAE and UK co-chair the GCTF CVE Working Group, whose meetings the UAE had earlier hosted on April 3-4, in Abu Dhabi. The UAE will be the permanent host of Hedayah.

In October, the UAE Ministry of Interior hosted the fifth regional field meeting for the “Project al Qabdaah: Counterterrorism for the Middle East and North Africa.” The project’s goal is to increase information exchange among member countries and the Arab Interior Minister Councils. Participating organizations included the UN Office on Drugs and Crime, Naif Arab University for Security Sciences, Europol, and the Secretariat General of the Corporation Council for Arab States in the Gulf.

The UAE government routinely invited participation from GCC countries at counterterrorism-related training sessions conducted by the FBI in the UAE.

**Countering Radicalization and Violent Extremism:** In order to prevent violent extremist preaching in UAE mosques, the General Authority of Islamic Affairs and Endowments (Awqaf) provided guidelines for all Friday sermons and monitored compliance. Abroad, Awqaf has trained cohorts of Afghani imams on preaching messages of moderation and tolerance, a program they have conducted since 2010. During key periods of Muslim religious observance, especially the fasting month of Ramadan, the UAE government aired commercials on television warning its Muslim citizens and residents to refrain from donating money at mosques, as the funds could unknowingly go to support terrorist causes. The UAE worked to keep its education system free of radical influences, and it emphasized social tolerance and moderation. Also, the UAE has a cyber crime law criminalizing the use of the internet by terrorist groups to “promote their ideologies and finance their activities.” The UAE government repeatedly condemned terrorist acts in Libya, Syria, and elsewhere.

The UAE has not had major internal security problems, but has a divided internal security system that varies by Emirate and which has had many of the same structural weaknesses as other Gulf states. It is also beginning to experience problems with some of its Shia and Iranian residents. The internal security forces also tended to turn a blind eye to operations
that did not threaten individual Emirates – particularly Dubai – but this has changed and security efforts have tightened since 2011.

**Implications for US Policy**

The UAE is key military power in the GCC and a major security partner of the US. As is the case with Qatar, however, the US needs to continue to respect the UAE’s need to pursue its own approach to Iran and the problems sanctions create for the UAE’s economy, as well as the UAE’s search for an individual political identity. While the US again needs to support efforts to create a stronger and more unified GCC, it also needs to accept the fact that progress will be slow and evolutionary, and it must be sensitive to both the UAE’s differences with other members of the GCC and the differences among its Emirates.

The US cannot separate its policies towards Iran without considering the UAE’s special interests in Abu Musa and the Tumbs. It needs to pay close attention the UAE sensitivities over the release of US military arms and technology, areas of special sensitivity to several key members of the UAE’s royal families. The UAE is emerging with some of the most effective military forces in the Gulf and the US needs to show it fully supports such efforts and is a reliable partner.

The US needs to work closely with the UAE’s government – as well as other GCC governments like Qatar – to coordinate as closely as possible in providing outside aid to insurgents and dissidents like those in Libya and Syria – remembering that its allies are Arab, Sunni, and often have different priorities and values. Strong US country teams and quiet and patient diplomatic efforts will be the key to success.
Figure 32: UAE Military Strength in 2013

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military Spending (2011 Defense Budget) ($US Millions)</td>
<td>$9,320</td>
</tr>
<tr>
<td>Total Active Military Manpower</td>
<td>51,000</td>
</tr>
<tr>
<td>Total Reserve Military Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Total Paramilitary Manpower</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Army Forces</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Manpower</td>
<td>44,000</td>
</tr>
<tr>
<td>Reserve Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Main Battle Tanks</td>
<td>471</td>
</tr>
<tr>
<td>Other Armored Vehicles</td>
<td>1,815</td>
</tr>
<tr>
<td>Self-Propelled Artillery</td>
<td>221</td>
</tr>
<tr>
<td>Towed Artillery</td>
<td>93</td>
</tr>
<tr>
<td>Multiple Rocket Launchers</td>
<td>92+</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Air and Major Surface-to-Air Missile Forces</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Force Active Manpower</td>
<td>4,500</td>
</tr>
<tr>
<td>Combat Aircraft</td>
<td>193 (13 in US)</td>
</tr>
<tr>
<td>Armed/Attack Helicopters</td>
<td>-</td>
</tr>
<tr>
<td>AEW&amp;C, Intelligence, and AWACs Aircraft</td>
<td>8</td>
</tr>
<tr>
<td>Tankers</td>
<td>-</td>
</tr>
<tr>
<td>Maritime Patrol Aircraft</td>
<td>-</td>
</tr>
<tr>
<td>Air Defense Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Surface-to-Air Missile/Launchers</td>
<td>?</td>
</tr>
<tr>
<td>Surface-to-Surface Missile Launchers</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Naval, Coast Guard, and National Infrastructure Authority Forces</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Manpower</td>
<td>2,500+*</td>
</tr>
<tr>
<td>Marines</td>
<td>-</td>
</tr>
<tr>
<td>Submersibles</td>
<td>10*</td>
</tr>
<tr>
<td>Major Surface Ships</td>
<td>-</td>
</tr>
<tr>
<td>Missile Patrol Boats/Craft and Corvettes with Missiles</td>
<td>14</td>
</tr>
<tr>
<td>Other Patrol Boats/Craft</td>
<td>85</td>
</tr>
<tr>
<td>Mine Warfare</td>
<td>2</td>
</tr>
<tr>
<td>Amphibious</td>
<td>28</td>
</tr>
<tr>
<td>Helicopters</td>
<td>18</td>
</tr>
</tbody>
</table>
Yemen

Yemen is the most troubled state in the Arabian Peninsula. It remains in a low-level state of civil war, and is deeply divided on a sectarian, tribal, and regional level. A largely Shi’ite Houthi rebellion still affects much of the northwest border area and has serious influence in the capital of Sana and along parts of the Red Sea coast. Al Qa’ida in the Arabian Peninsula (AQAP) poses a threat in central Yemen, along with other elements of violent Sunni extremism, there are serious tensions between the northern and southern parts of Yemen, and power struggles continue between key elements of the military ruling elite both in the capital and outside it.

The CIA estimates that Yemen’s population had reached 25.4 million, and that some 42% of its population is 14 years of age or younger and 62% is under 25 years of age. The population growth rate is an extremely high 2.575%, and the median age is only 18.3 years. Yemen’s population growth has sharply outpaced both its economic development and its water and food supplies; it has declining petroleum reserves and exports, and has become a narco-economy with most of its male population addicted to Qat. It is a major route for drug and human trafficking across the Saudi border, and Saudi Arabia has faced major pressures from the illegal immigration of Yemeni workers.
that has led it to crack down and expel many since 2012. The US and Saudi Arabia both see Iranian influence over the Houthi as a threat, and cooperate in supporting the Yemeni government in fighting AQAP and UCAV strikes on AQAP leaders – some from facilities in Saudi Arabia. 

Figure 33 provides a statistical summary of Yemen’s current population and economy, with the most striking figure the country’s per capita income. This income has shrunk steadily since 2008, dropping to $2,300 in 2012. This is one of the lowest in the world, and ranks 186th in a region where Qatar is the highest per capita income in the world and the next lowest is Iran at 92nd. The CIA estimates that Yemen’s GDP shrank by over 10% in 2011, and that over 45% of the population is below a dismally low standard for a poverty line. The most recent unemployment figure dates back to a far more stable 2003, and that number was 35%. 

Over 287,000 males and 277,000 females reach employment age each year, and both the UN and US Census Bureau predict Yemen will be under intensive demographic pressure through 2050. One third of Yemen’s population is going hungry, at least 500,000 children are at risk of dying of malnutrition, the wells in the country are expected to dry out by 2015 and almost half of the country lives on less than $2 a day.

Yemen’s central government remains highly unstable, and its forces are weak and deeply divided. A sectarian rebellion continues in the Houthi areas in the northwest, which is now the location of the main elements and leadership of Al Qa’ida in the Arabian Peninsula (AQAP). Serious tribal warfare continues in other areas, and there is a risk that parts of the south will again seek to secede. Illegal immigration totaling some 400,000 a year, border clashes and smuggling, and terrorism present major problems for Saudi Arabia, which fought a recent border war against the Houthi rebels in the area and is now seeking to create a security zone along the border, while also creating a mix of concrete barriers and a multi-billion dollar electronic fence to separate the two countries.

May 2013 reporting by the World Bank provides broad warnings regarding Yemen’s challenges:

After almost a year of crisis, in the wake of the Arab Spring, Yemen has embarked on a political transition based on an agreement brokered by the Gulf Cooperation Council (GCC). The Government of National Reconciliation was formed and confirmed by the Parliament in December 2011. Presidential elections were held in February 2012, and President Abd Rabbuh Mansur Al-Hadi was sworn in soon afterward. During the transition the government is expected to host a National Dialogue, draft a new constitution, and reform the army and security establishments. The transition is expected to end in February 2014 with legislative and presidential elections, to be held under the new constitution, followed by the inauguration of a new president and formation of a new parliament. Implementation of the GCC agreement is largely on track, though gains achieved so far are fragile and important challenges lie ahead.

...Implementation of the GCC agreement is largely on track though gains achieved so far are fragile and important challenges lie ahead.

...The National Dialogue process launched on March 18, 2013, offers an opportunity to bring together rival factions and enhance the state’s authority, but it could run the risk of a stalemate if violence or debilitating political conflict persists or if major stakeholders do not take part in the process. The 565-member National Dialogue aims at drafting a new constitution and an electoral law that would pave the way for parliamentary and presidential elections scheduled for February 2014. It is not clear yet if all factions in the Southern Movement (Hirak) will join the dialogue although an agreement has been reached to have equal representation from the south and the north
as well as 30% representation of women and 20% youth. Success of the political transition is contingent on continued support from the international community, successful restructuring of the military and security establishments, and delivering tangible, visible and quick results on the economic front, especially in terms of enhanced access to basic services and job and income opportunities.

... Security in Yemen remains calm but fragile. The lead up to the National Dialogue introduced a new level of unpredictability to the security environment as many delegations are unwilling to name delegates due to the possible security risks. There is a growing concern of possible Al Qaeda attacks. The past year of political transition has witnessed slow-paced progress in restructuring of the army and the security and dismantling of ex-regime remnants in senior government positions. Widespread arms possession, lawless regions, armed tribal groups, sustained sabotage to energy supplies, an active Al Qaeda network, political assassinations, and kidnappings continue to pose threats to the political transition and the security of the Yemeni civilians. Tensions between Al-Hirak and Al-Islah are expected to continue in the south.

... Yemen’s economic situation has been very difficult in 2012. There have been continued attacks on oil pipelines and electricity transmission lines leading to interruptions of oil production and electricity delivery. Nonetheless, there are signs of economic activity revival after a 10 percent decline in 2011. Inflation has come down to single digits. The exchange rate has appreciated then stabilized at pre-crisis levels and foreign exchange reserves (including the recently received US$1 billion deposits from Saudi Arabia) have increased to over US$5.0 billion. These developments have allowed the authorities to reduce the policy interest rate from 20 percent to 18 percent. The fiscal deficit is expected at around 5.5 percent of GDP as a result of the Saudi oil grant and cuts in capital expenditures and transfers. Non-hydrocarbon revenues have also exceeded the budget estimates due to strengthened collection efforts. All indicative targets under the government’s reform program that is supported by the International Monetary Fund’s (IMF) Rapid Credit Facility have been met. IMF is considering a medium term reform program.

... The U.N. Security Council envoys completed a visit to Yemen amid tight security on January 27, 2012, and issued a statement expressing the international community’s support to Yemen, and highlighting the following: (i) an inclusive and transparent national dialogue; (ii) the establishment of an Executive Bureau for the Acceleration of Aid Absorption (which is currently being supported by the World Bank); (iii) possible sanctions under Article 41 of the UN charter to any potential spoilers to the political transition (naming former president Saleh and former vice president Al Biedh); (iv) Yemen’s territorial integrity and unity (with a clear signal to Hirak that a separation by the South will not be supported by the international community); and (v) concern over arms and money transfers to Yemen from outside (hinting at recent alleged Iranian arms shipments to Yemen). Most recently, on March 7, 2013, the Friends of Yemen meeting was held in London to reiterate the international community’s continued support to the country’s transition on the political and security fronts. They also underscored their commitment to deliver on the US$7.5 billion pledged for Yemen’s economic and social development through humanitarian assistance and visible high impact investment projects.

...The transition government has an opportunity to start addressing the underlying causes of instability and social strife in order to rebuild Yemen’s social and economic base and restore macroeconomic stability. Despite a history of conflict and recent unrest, there is an overall sense of optimism and hope for inclusive change in post-revolution Yemen. However, Yemen’s transition may face significant risks if reforms do not materialize quickly and if substantive changes are not felt in the population, thus contributing to disillusionment with the efforts of the new government and potentially a return to unrest and a reversal of gains made.

The economy, already under significant strain prior to the crisis, has been severely disrupted by recent events. Reduced availability of fuel, particularly diesel, has aggravated electricity and water shortages. Agricultural, service, and industrial sectors have faced significant cost increases for inputs such as irrigation, transportation, and marketing, ultimately reducing production and exports. The interruption of production processes has resulted in business closures and job losses. Food and consumer prices have also risen steeply, and official price data for 2011 show an
upsurge in annual inflation to 23 percent (at end-2011). While maintaining a relatively stable exchange rate throughout the crisis has helped to anchor expectations and counter food price inflation, Yemen remains one of the world’s most food insecure countries.

Even before the crisis, Yemen was one of the poorest countries in the Arab region with a per-capita GDP of US$1,209. The country has one of the highest population growth rates in the world, placing pressure on educational and health services, drinking water, and employment opportunities. Yemen is not expected to meet any of the Millennium Development Goals (MDGs).[1]

Poverty, which was already increasing prior to the crisis, is estimated to have risen further from 42 percent of the population in 2009 to 54.5 percent in 2012…Poverty is particularly high in rural areas, which are home to about 73 percent of the population and 84 percent of the poor. An estimated 806,586 people are now considered most vulnerable due to current and previous conflicts in Yemen,[3] including children who have been directly involved in or affected by the infighting and violence, as well as 213,000 vulnerable returnees and war-affected persons in the north, 203,900 refugees and asylum seekers,[4] and approximately 150,000 displaced people in the south.[5]

Women, who are already severely disadvantaged in Yemen, have suffered disproportionately as a result of the crisis. Preliminary figures from 2011 indicate decreased access to basic and social services and economic opportunities, as well as high levels of gender-based violence as a result of the unrest. These effects have compounded the severe gender imbalances that already existed.

The CIA draws similar conclusions:479

Yemen is a low income country that is highly dependent on declining oil resources for revenue. Petroleum accounts for roughly 25% of GDP and 70% of government revenue. Yemen has tried to counter the effects of its declining oil resources by diversifying its economy through an economic reform program initiated in 2006 that is designed to bolster non-oil sectors of the economy and foreign investment. In October 2009, Yemen exported its first liquefied natural gas as part of this diversification effort. In January 2010, the international community established the Friends of Yemen group that aims to support Yemen's efforts toward economic and political reform. In 2012, the Friends of Yemen pledged over $7 billion in assistance to Yemen. The Yemeni government also endorsed a Mutual Accountability Framework to facilitate the efficient implementation of donor aid. The unrest that began in early 2011 caused GDP to plunge more than 15% in 2011, and about 2% in 2012. Availability of basic services, including electricity, water, and fuel, has improved since the transition, but progress toward achieving more sustainable economic stability has been slow and uneven. Yemen continues to face difficult long term challenges, including declining water resources, high unemployment, and a high population growth rate.
Figure 33: Yemen - A Statistical Overview

<table>
<thead>
<tr>
<th>Key Data and Indicators</th>
<th>Figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population in Millions</td>
<td>24.7</td>
</tr>
<tr>
<td>Median Age in Years</td>
<td>18.3</td>
</tr>
<tr>
<td>Percent 0-14 Years</td>
<td>42.50%</td>
</tr>
<tr>
<td>Urban Population</td>
<td>32%</td>
</tr>
<tr>
<td>Literacy Rate</td>
<td>63.90%</td>
</tr>
<tr>
<td>GDP (in $ US billions) Official Exchange Rate</td>
<td>$33.22</td>
</tr>
<tr>
<td>GDP PPP Per Capita World Ranking</td>
<td>186</td>
</tr>
<tr>
<td>Labor Force in Thousands</td>
<td>6,956</td>
</tr>
<tr>
<td>Unemployment, ages 15-24</td>
<td>NA</td>
</tr>
<tr>
<td>Annual entrants to the workforce (male)</td>
<td>287,141</td>
</tr>
<tr>
<td>Annual entrants to the workforce (female)</td>
<td>277,612</td>
</tr>
</tbody>
</table>

Yemen’s Relations with Iran

Relations between Iran and Yemen are tense. The government in Sana’a perceives that Tehran has involved itself in Yemeni domestic affairs. Sana is concerned with Iran’s support for the Shia Houthi community in northern Yemen, and of supporting a faction of the southern separatist movement (Herak), which has proven a threat to Yemeni security.

The Yemeni government has repeatedly turned down Iranian visits to Yemen as a result of this tension. It is believed that in 2009, Houthi and IRGC figures met in a plot to increase tensions between the Houthis on one hand and Sana’a and Riyadh on the other. Iran’s Foreign Minister was denied a visit to Yemen as a result. Additionally, Yemen’s military claims that it stopped multiple Iranian arms shipments to the Houthis.

During 2012, various reports suggested that Iran expanded its interests in Yemen through links to the Houthi militia and an Iranian espionage network within the country. In March 2012, a report by the New York Times, citing a high-level US government source, stated that the IRGC Quds Force was “using small boats to ship AK-47s, rocket-propelled grenades and other arms to replace older weapons used by the rebels.” Four months later, it was reported that President Hadi had turned down a meeting with an Iranian envoy, apparently as a result of an Iranian espionage network run by an ex-IRGC official that was exposed by the Yemeni government. Iran has also tried to bring material that is used to make explosive devices in to Yemen material; the material was shipped in freighters from Turkey and Egypt that docked in Aden.

Despite the diplomatic tension caused by Iran’s covert activities in Yemen, a report from Asharq Alawsat indicated several months later that Iranian espionage had continued through the Iranian Medical Center in Sana’a, as well as through “trade guises.” The article cited a Yemeni government source as stating that:

‘Tehran is providing financial and logistical support to the secessionist movement, whilst it is also working to train some armed movements in southern Yemen, in addition to establishing a network of relations with Yemeni parliamentarians, political activists, journalists and writers […] funding media operations and political parties with the objective of thwarting the transition of power in Yemen.’

Other reports note a Hezbollah presence in Yemen as well, and Iran not only seems to be engaged with the Houthi faction in the north, but possibly is aiding the Southern Mobility Movement (SMM) and/or otherwise hostile Al Qaeda in the Arabian Peninsula (AQAP) factions in the south, which could have more serious security implications for the US, Saudi Arabia, and the other Gulf states.

The possibility of a relationship between Iran and AQAP is uncertain. Very senior Saudi experts feel that such cooperation exists in spite of AQAPs hostility to Shi’ites and Iran. One Arab media report suggests such a relationship, although open source reporting on any possible ties is limited. An NBC News blog posting from August 2011 cites US government sources in suggesting the possible trafficking of a small firearm and AK-47s between Iran and AQAP.

US experts feel that any support that Tehran does provide to AQAP is very limited – similar in strategic value to the limited support that Iran is accused of providing the Taliban in Afghanistan. They also feel that any such support does not reflect any Iranian backing for AQAP’s goals and ideology, but rather an effort to make the group a
tool for pressuring Saudi Arabia, the US, and the Gulf Arab states through violence and instability. They feel Iran’s more assertive support to the Houthis is also rooted in regional objectives and – like support to the Taliban – is a function of Iran’s competition with the Gulf Arab states and the US.

There are no reliable data, however, that can put Iran’s level of commitment to covert activities in Yemen into reliable perspective and show the extent to which it is assisting factions that seek to undermine the authority of the Gulf Arab and US-backed government in Sana’a. It is also impossible to verify claims that Iran is assisting groups in the south.

Commercial links between Iran and Yemen are limited, and total bilateral trade amounted to less than 1% of Yemen’s total trade in 2010 – or 5.8 million Euros.489

**Yemen’s Relations with the US and Gulf States**490

The US has sent military aid and advisory teams to Yemen on a number of occasions – first to north Yemen and then to Yemen once it unified with the PDRY. The US ended military support after Yemen sided with Iraq over Iraq’s invasion of Kuwait in 1990, but has resumed cooperation with Yemen with a heavy focus on counterterrorism since Al Qa’ida’s attack on the USS Cole in Aden Harbor in 2000.

The History of Relations

The US formally renewed strategic cooperation with Yemen in 2009 as part of, “a new U.S. strategy toward Yemen referred to as the National Security Council’s Yemen Strategic Plan. This strategy is essentially three-fold, focusing on combating AQAP in the short term, increasing development assistance to meet long-term challenges, and marshaling support for global efforts to stabilize Yemen.” The US has also deployed a small Marine detachment to protect its Embassy in Sana since an attack on the embassy by some 200 young Yemenis on September 13, 2012. It also has deployed advisory teams and aid in counterterrorism and counterinsurgency since 2011, including personnel from the CIA and Joint Special Operations Command (JSOC) as well as used Unmanned Combat Aerial Vehicles (UCAVs).491

US relations with Yemen are now shaped by its political instability and security problems, the fact that it is the base of AQAP, and an insurgency on its northwest border that has recently led to serious clashes with Saudi forces. As has been discussed earlier in the section on Saudi Arabia, the Kingdom fought a low level border war with Yemeni rebels in 2010-2011, and sees Yemen’s Houthi rebels and their ties to Iran and AQAP as major security threat.

Saudi Arabia has built a security fence along its 1,458 kilometer border with Yemen and reorganized is Frontier forces, military forces and National Guard, and elements of its intelligence services and Ministry of Interior internal security forces to better secure its border as a result of the problems it had in operating against the Houthi and defending Saudi territory near the border. These steps include more emphasis on helicopter mobility and fire support, better training for counterinsurgency and mountain warfare, and the use of more advanced sensor and other IS&R assets.
Oman has a long history of problems with Yemen dating back to the Dhofar Rebellion in the 1960s and 1970s, and shares a 288-kilometer border with Yemen. More of its border area is in desert area than is the case with Saudi Arabia, and a high plateau area and mountains create barriers to movement in the border area near the Indian Ocean coast. Both countries do not share the same populated areas and tribal groups to anything like the extent that exists along the Saudi border, and there has been only limited tension between Oman and Yemen since they re-established diplomatic relations in 1987. Oman has, however, maintained security forces in the border area and has detected AQAP elements infiltrating Oman from Yemen.492

The Emerging Role of AQAP

AQAP was formed in 2009 when the Al Qa’ida movements in Saudi Arabia and Yemen merged after the Saudi branch was crippled by Saudi counterterrorism operations and was forced to locate its headquarters in Yemen. AQAP is only one of the Sunni Islamist extremist groups operating in Yemen, but it has been the source of attacks in both Yemen and Saudi Arabia.

Earlier Al Qa’ida affiliates in Yemen are responsible for the attack on the USS Cole in October 2000, murders of US, foreign, and Saudi citizens in Saudi Arabia; a shooting attack on a US military recruiting office in Little Rock on June 1, 2009; the so-called “underwear” bombing attempt on Northwest Airlines Flight 253 on December 25, 2009; and an attempt to place bombs on cargo planes flying to the US in October 2010. AQAP has made serious attempts to attack targets in the US, and seems to have played a role in the attack on the US consulate in Jeddah in Saudi Arabia in December 2004.493 Both US and Yemeni official sources have reported that it has continued to plan attacks on Yemeni and foreign targets, and made plans for attacks on US and other embassies in Yemen as well as ports and other targets in August 2013.494

The political tensions and uprisings that forced President Ali Abdullah Saleh to resign on February 27, 2012 – after serving at the leader of the YAR from 1978 to 1990 and of a united Yemen from 1990 to 2012 – have given AQAP the opportunity to exploit both the regional and tribal differences in the country, as well as the more conservative Sunni factions.

Since the uprising began in early 2011, AQAP has worked with Yemeni Salafist extremists to seize control of territory in Yemen and exploit Yemen’s internal tensions and civil conflicts. It has attacked targets in Yemen, but has also trained outside supports of Al Qa’ida including British volunteers and members of Al Shabaab, an Al Qa’ida affiliate in Somalia.

The US State Department report on terrorism, issued in May 2013, described AQAP as follows:495

al-Qa’ida in the South Arabian Peninsula; al-Qa’ida in Yemen; al-Qa’ida of Jihad Organization in the Arabian Peninsula; al-Qa’ida Organization in the Arabian Peninsula; Tanzim Qa’idat al-Jihad fi Jazirat al-Arab; AQAP; AQY; Ansar al-Shari’a

Description: Al-Qa’ida in the Arabian Peninsula (AQAP) was designated as a Foreign Terrorist Organization (FTO) on January 19, 2010. In January 2009, the leader of al-Qa’ida in Yemen (AQY), Nasir al-Wahishi, publicly announced that Yemeni and Saudi al-Qa’ida (AQ) operatives were working together under the banner of AQAP. This announcement signaled the rebirth of an
AQ franchise that previously carried out attacks in Saudi Arabia. AQAP’s self-stated goals include establishing a caliphate in the Arabian Peninsula and the wider Middle East, as well as implementing Sharia law.

On September 30, 2011, AQAP cleric and head of external operations Anwar al-Aulaqi, as well as Samir Khan, the publisher of AQAP’s online magazine, Inspire, were killed in Yemen.

Activities: AQAP has claimed responsibility for numerous terrorist acts against both internal and foreign targets since its inception in January 2009. Attempted attacks against foreign targets include a March 2009 suicide bombing against South Korean tourists in Yemen, the August 2009 attempt to assassinate Saudi Prince Muhammad bin Nayif, and the December 25, 2009 attempted attack on Northwest Airlines Flight 253 from Amsterdam to Detroit, Michigan. AQAP was responsible for an unsuccessful attempt to assassinate the British Ambassador in April 2010, and a failed attempt to target a British embassy vehicle with a rocket in October of that year. Also in October 2010, AQAP claimed responsibility for a foiled plot to send explosive-laden packages to the United States via cargo plane. The parcels were intercepted in the UK and in the United Arab Emirates.

In 2012, the Yemeni government carried out a two-month offensive to uproot AQAP from portions of Abyan Governorate, and Yemeni forces eventually regained control over the towns of Zinjibar and Jaar. However, approximately 3,000 land mines, planted by AQAP militants before they fled, killed 72 residents in the aftermath of AQAP’s departure. Other AQAP attacks in 2012 targeted the Yemeni military, including a February 2012 suicide car bombing that killed 26 Yemeni soldiers in Hadramawt Governorate.

The FTO designation for AQAP was amended on October 4, 2012, to include the alias Ansar al-Shari’a (AAS). AAS represents a rebranding effort designed to attract potential followers in areas under AQAP’s control. AQAP, operating under the alias AAS, carried out a May 2012 suicide bombing in Sanaa that killed 96 people. AQAP/AAS claimed responsibility for the attack, which targeted Yemeni soldiers rehearsing for a parade to celebrate Yemen’s National Day, and said the bombing was intended to target the Yemeni military brass. Also in May, press reported that AQAP allegedly plotted to detonate a bomb aboard a U.S.-bound airliner using an improvised explosive device. Though there was no imminent threat to U.S. jetliners, the device, which was acquired from another government, was similar to devices that AQAP had previously used in attempted terrorist attacks.

Strength: Although it is difficult to assess the number of AQAP’s members, the group is estimated to have close to one thousand members.

Location/Area of Operation: Yemen

Funding and External Aid: AQAP’s funding primarily comes from robberies and kidnap for ransom operations and to a lesser degree from donations from like-minded supporters.

The US National Counterterrorism Center (NCTC) described AQAP as follows in its Counterterrorism Calendar for 2013:

Al-Qa’ida in the Arabian Peninsula (AQAP) is a Sunni extremist group based in Yemen that has orchestrated numerous high-profile terrorist attacks. One of the most notable of these operations occurred when AQAP dispatched Nigerian-born Umar Farouk Abdulmutallab, who attempted to detonate an explosive device aboard a Northwest Airlines flight on 25 December 2009—the first attack inside the United States by an al-Qa’ida affiliate since 11 September 2001. That was followed by an attempted attack in which explosive-laden packages were sent to the United States on 27 October 2010. The year 2010 also saw the launch of Inspire magazine, an AQAP-branded, English-language publication that first appeared in July, followed by the establishment of AQAP’s Arabic-language al-Madad News Agency in 2011. Dual US-Yemeni citizen Anwar al-Alulaqi, who had a worldwide following as a radical ideologue and propagandist, was the most prominent member of AQAP; he was killed in an explosion in September 2011.

AQAP’s predecessor, al-Qa’ida in Yemen (AQY), came into existence after the escape of 23 al-
Qa’ida members from prison in the Yemeni capital, Sanaa, in February 2006. AQAP emerged in January 2009 following an announcement that Yemeni and Saudi terrorists were unifying under a common banner, signaling the group’s intent to serve as a hub for regional terrorism in Yemen and Saudi Arabia. The leadership of this new organization was composed of the group’s amir, Nasir al-Wahishi; deputy amir Sa’id al-Shahri; and military commander Qasim al-Rimi, all veteran extremist leaders. The group has targeted local, US, and Western interests in the Arabian Peninsula, but is now pursuing a global strategy. AQAP elements recently withdrew from their southern Yemen strongholds in June 2012, when Yemeni military forces under new President Abdu Rabbo Mansour Hadi—with the support of local tribesmen—regained control of cities in Abyan and Shabwah that had served as AQAP strongholds since 2011.

AQY operatives conducted near-simultaneous suicide attacks in September 2006 against oil facilities in Yemen, the first large-scale attack by the group. AQY later claimed responsibility for the attack and, in its first Internet statement in November 2006, vowed to conduct further operations. AQY in early 2008 dramatically increased its operational tempo, carrying out small-arms attacks on foreign tourists and a series of mortar attacks against the US and Italian Embassies in Sanaa, the presidential compound, and Yemeni military complexes. In September 2008 the group conducted its largest attack to date, targeting the US Embassy in Sanaa using two vehicle bombs that detonated outside the compound, killing 19 people, including six terrorists.

AQAP is based primarily in the tribal areas outside of Sanaa, which for the most part remain largely outside the control of the Yemeni Government. The US Government has designated AQAP as a Foreign Terrorist Organization.

Opinions differ over the extent to which AQAP is tied to the leadership of Al Qa’ida “central” in Pakistan. The US government referred to conversations between Ayman al-Zawahiri, the leader of Al Qai’da “Central”, and Nasir al-Wuhayshi, the leader of AQAP in Yemen, as a key reason for shutting embassies in the Gulf because of an imminent threat in early August 2013.497 It did not, however, cite the overall mix of sources it had on such a threat or attempt to describe the degree to which Al Qa’ida “central” could actually direct AQAP actions. Some experts feel Zawahiri can exercise considerable influence or control. Other experts note that relatively few Al Qa’ida plots have originated in Al Qa’ida “central” since 2010, and feel that AQAP is a largely independent “franchise” with a relatively loose hierarchy, ties to other groups in Yemen, and control over the planning of its own operations.

These debates over AQAP’s ties to Al Qa’ida “central” does not, however, affect the fact it remains a serious factor in Yemeni politics and can infiltrate enough activists into Saudi Arabia to present continuing challenges to Saudi security forces. AQAP was able to seize parts of Yemen’s southern province of Abyan for some 10 months before Yemeni forces could limit its operations and then was able to join with tribal factions in areas like the Hadramaut and reportedly organized an attempt to seize its capital of Mukalla and one of Yemen’s major ports. This latter threat has been serious enough to lead to a significant shift in the pattern of US UCAV strikes in Yemen and also implies that AQAP has significantly increased their ability to infiltrate across the Saudi border near the Hadramaut.498

In the last decade, Al-Qaeda has successfully taken advantage of popular discontent in many parts of the country – especially the south, which has been neglected by the ruling elites in Sana’a – to increase support for its cause and help recruit more members to the group. One of the ways AQAP does this is by providing communities with social
services, such as teachers and water. Another group which has begun to successfully provide basic needs to the populations of the areas it controls is Jabhat Al Nusra in Syria. AQAP has also used the internet effectively to further garner support by targeting the disenfranchised and those with popular feelings of anger and humiliation. AQAP combines this with their own extremist religious views and messages that blame the US.

There has also been a growing interaction between AQAP in Yemen and the flow of outside volunteers into Yemen for both AQAP operations in the area and training for operations in other areas like Somalia, Iraq, and Syria. AQAP still has a focus on Yemen and Saudi Arabia, but it remains a terrorist threat to the US and other Western states, and is expanding its ties and role in dealing with other Al Qa`ida affiliates, and violent Sunni Islamist extremists.

The Interaction of Terrorism and Broader Security Concerns

These forces have increasingly led the US to step up its cooperation with the Yemeni Ministry of Defense. US policy toward Yemen is now driven by US efforts to promote security in the region by assisting the central government of Yemen, carrying out counterterrorism activities and strikes, working with Saudi Arabia, and promoting reform and economic development. As has been noted earlier, there have been numerous terrorist plots against US interests – some successful – with links to Yemen and to Al Qa’ida entities within the country:

- **October 2000:** 17 Americans are killed and 39 injured when Al Qa’ida bombs the US Navy destroyer USS Cole in Aden, Yemen. The perpetrators pulled alongside the Cole with a small explosives-laden boat. Fahd al Quso, who is believed to have been involved in the plot, was killed in an aerial attack in Yemen in spring 2012. Al Quso is considered to have held a key position in AQAP.

- **December 2009:** Umar Faruq Abdulmuttalab attempts to detonate a bomb developed by an AQAP explosives specialist aboard a Northwest Airlines flight on Christmas Day while it was above Detroit.

- **September 2010:** A Boeing 747 flying for the US logistics company UPS crashes in Dubai. Later that year, AQAP asserts involvement in the crash, although Emirati investigators and UPS do not believe a bomb was present on the aircraft.

- **October 2010:** Two bombs are shipped in packages aboard cargo aircraft and consigned to Chicago synagogues. The bombs were discovered and disarmed in the UAE and the UK, with AQAP claiming responsibility for the plot.

- **March 2012:** An employee of the CIA is asserted to have been killed in Yemen by AQAP, according to the group. Later in the month, AQAP killed an American who was teaching in Yemen.

- **October 2012:** A Yemeni security worker at the US Embassy in Sana’a is shot and killed. It is believed that Al Qa’ida was behind the attack.

While security links between Washington and Sana’a existed under President Saleh, these security and counterterrorism efforts have been enhanced since President Hadi came to power. The US has pursued multilateral efforts to combat terrorism and promote the change of power in Sana’a. UN Security Council Resolution 2051 in June 2012 allowed for sanctions against parties that obstruct the GCC political transition plan for Yemen.
President Hadi has made gradual progress toward developing a government that is less and less associated with the previous president. In April 2012, the chief of the Yemeni Air Force and President Saleh’s half-brother, Gen. Mohammed Saleh al-Ahmar, resigned, though after he and others initially dodged calls from President Hadi to leave their positions. In August, President Hadi shifted elements of the Republican Guard that were under the leadership of Saleh’s son to within the structure of a Presidential Protection Force created by Hadi.

By April 2013, the former president’s son was shifted from holding the senior position with the Republican Guard to the ambassadorial post in the UAE, while Saleh’s nephews – who also held high-profile government positions – were given defense attaché assignments outside of Yemen. Unlike the changes made a year earlier, there has been no apparent resistance to the orders, and Saleh’s son publically “welcomes the decision.”

As of August 2013, Yemen did seem to have more political stability in its capital and its forces seem to be becoming more effective in dealing with tribal factions, AQAP, and other security problems. It does, however, remain politically unstable, have a weak central government that faces serious challenges, and is not able to establish a high level of security even in the capital. Its ability to cooperate with Saudi and other Gulf forces, and US and other outside advisors, is mixed. Both Iranian influence and AQAP remain serious challenges, and the government has shown the capability to establish either the level of governance in the field or economic progress necessary to achieve popular support and unity.

**Military Cooperation**

The level of US military assistance to Yemen has varied sharply according to the internal conditions in Yemen. Total US FMS arms agreements with Yemen totaled $339.1 million during 1950-2012, but have been low in recent years. They totaled $12.9 million in FY2005, $3.8 million in FY2006, $10.3 million in FY2007, $11.3 million in FY2008, $2.6 million in FY2009, $7.2 million in FY2010, $1.4 million in FY2011, and $9.1 million in FY2012. US aid in terms of Foreign Military financing – with all payment waived – was slightly larger. It totaled $10.4 million in FY2005, $8.4 million in FY2006, $9.7 million in FY2007, $4 million in FY 2008, $2.8 million in FY2009, $12.5 million in FY2010, $20 million in FY2011, and $20 million in FY2012. Recent commercial arms sales have been virtually non-existent.


Work by the Congressional Research Service summarizes the current level of US and Yemeni military cooperation as follows:

**Foreign Military Financing**
The United States provides Yemen’s conventional armed forces modest amounts of FMF grants mainly to service aging and outdated equipment. The FMF program is managed by the Defense Security Cooperation Agency (DSCA).

According to documentation provided to CRS by DSCA, FMF grants help Yemen’s Air Force to sustain their two C-130H aircraft originally purchased in 1979, as well as a handful of their serviceable F-5 fighter aircraft. The United States also has provided Yemen’s Coast Guard, which was partially developed and trained by the United States, with fast response boats (Archangel and Defender Class) using FMF grants. FMF also funds Yemen’s regular purchase of small arms ammunition, spare parts, and power generators. It also covers overseas transportation of equipment to Yemen, the costs of which can be high due to piracy attacks in nearby waters.

FMF funds also are used to supplement training for Yemen’s Ministry of Interior Forces, specifically from the U.S.-funded Counterterrorism Unit (CTU) inside the Central Security Force, an internal unit controlled directly by General Yahya Mohammed Abdullah Saleh, the former president’s nephew.

**Nonproliferation, Antiterrorism, Demining, and Related Programs Funds**

(NADR) Managed by the State Department, the NADR account, funds police training programs, export control and border security programs, conventional weapons destruction and demining, and antiterrorism training.

**International Counter Narcotics and Law Enforcement (INCLE)**

Managed by the State Department, INCLE funding provides technical assistance, training, and equipment to Yemen’s civilian law enforcement and judicial institutions.

**International Military Education and Training (IMET)**

Like most recipients, Yemen uses IMET funds to send its officers to the United States to study at select military colleges and institutions. IMET funds also have paid for English language instruction from the Defense Language Institute for Yemeni officers, including the construction of a language lab in Yemen. IMET funds typically support the training of between 10 to 20 students per year.

**1206 Defense Department Assistance**

In recent years, the Defense Department’s 1206 train and equip fund has become the major source of overt U.S. military aid to Yemen. Section 1206 Authority is a Department of Defense account designed to provide equipment, supplies, or training to foreign national military forces engaged in counterterrorist operations. In general, 1206 aid aims to boost the capacities of Yemen’s air force, its special operations units, its border control monitoring, and coast guard forces. Since FY2006, Yemen has received a total of $290.026 million in 1206 aid.

**Aid to Yemen’s Ministry of Interior Forces**

Section 1207 (n) © of the FY2012 National Defense Authorization Act (P.L. 112-81) established a new transitional authority that would permit the Secretary of Defense, with the concurrence of the Secretary of State, to assist counterterrorism and peacekeeping efforts in Yemen during FY2012. Assistance may include the provision of equipment, supplies, and training, as well as assistance for minor military construction, for the following purpose: “To enhance the ability of the Yemen Ministry of Interior Counter Terrorism Forces to conduct counter-terrorism operations against al-Qaeda in the Arabian Peninsula and its affiliates.” On June 7, 2012, the secretaries of Defense and State jointly certified that up to $75 million in U.S. aid to Yemen’s Ministry of Interior Counterterrorism Forces is important to U.S. national security interests. The GSCF FY2012 aid includes, among other things, funds for night vision goggles, armored wheeled vehicles, and operational training.
Counterterrorism

The US cooperates with the Yemeni government in seeking to defeat AQAP, and has provided Special Forces and other US advisors and assistance. It has conducted a serious of UCAV strikes from a facility in Saudi Arabia as well as from Djibouti. An Estimate by the Long War Journal states that, “Since 2002, the US has been conducting a covert program to target and kill al Qaeda commanders based in Yemen. Reports show that strikes have numbered 75 since 2002, with enemy deaths numbering 367 and civilian deaths numbering 82.”

As of August 2013, the Long War Journal estimates that the US had conducted one strike in 2002, two in 2009, four in 2010, ten in 2010, 42 in 2011, and 16 in 2012. Strikes continued in the first seven months of 2013, but the number since has been cut. The US strikes have been highly controversial, partly because of civilian casualties, and partly because AQAP has managed to portray them as coming from non-believers and as somehow being “unfair” compared to acts of terrorism.

The Yemeni government shares a common interest in defeating Al Qa’ida but faces serious problems. The State Department’s Country Reports on Terrorism 2011 describes the limits to Yemen’s counterterrorism efforts as follows:

Yemen experienced significant political instability throughout the year, which reduced the Yemeni government's ability to address potential terrorist safe havens. Yemeni security forces struggled to project power beyond Sanaa and other major cities, which allowed al-Qa’ida in the Arabian Peninsula (AQAP) and other extremist groups to expand their influence in Yemen. AQAP suffered significant losses in 2011, including the deaths of AQAP leader Anwar al-Aulaqi, Samir Khan, Ammar al-Wa’ili, and hundreds of militants and their commanders in Abyan. The Yemeni government launched large-scale operations against AQAP in the country's south, including the deployment of U.S.-trained and equipped counterterrorism forces. Despite successes in disrupting some operations, AQAP has continued to carry out attacks against Yemeni government targets, foreigners, and the Houthi movement in the north.

…The opposition walked out of Parliament in November 2010, and the body did not reconvene until December 2011. Accordingly, no progress was made on a package of counterterrorism laws first introduced in 2008. As a result, the Yemeni government lacked a clear legal framework for prosecuting terrorism-related crimes, often having to resort to charging suspects with “membership in an armed gang,” which hampered law enforcement efforts. The Yemeni government continued to face legal, political, and logistical hurdles, hindering effective detention and rehabilitation programming for Guantanamo returnees. The government also lacked a legal framework to hold former Guantanamo detainees for more than a short period of time.

…Official media published messages from President Saleh and other high-level officials and opinion leaders denigrating violent extremism and AQAP. At the same time, opposition figures, some of whom are now members of the new National Consensus Government, also publicly discussed their commitment to combating AQAP and other violent extremist groups. However, Yemeni government messaging often intentionally blurred the line between terrorist organizations and political opposition groups, regularly making unsubstantiated claims that the opposition, particularly the Islamist Islah party, had ties to AQAP. The government also often identified the Hirak or Southern Mobility Movement and the Houthi movement in the north as “violent extremist” organizations.

The State Department report issued on May 30, 2013 showed Yemen was making limited progress:

Overview: The Government of Yemen successfully implemented a peaceful change of government and a military campaign against al-Qa’ida in the Arabian Peninsula (AQAP) strongholds in its southern
governorates in 2012, while facing multiple challenges including military and police units of varying loyalties, tribal adversaries, anti-government Houthi groups, a southern secessionist movement, and lawlessness in many areas. After their setback in Abyan, AQAP terrorists took advantage of Yemen’s climate of instability, employing asymmetric tactics in a campaign of bombings and targeted assassinations against government targets, pro-government tribal militias known as Popular Committees (PCs), as well as civilian and international targets.

The Yemeni government, under President Abdo Rabbo Mansour Hadi, remained a strong U.S. counterterrorism partner. Hadi demonstrated Yemen’s commitment as a counterterrorism partner soon after taking office by ordering the military to dislodge AQAP militants from areas they occupied in Abyan and Aden governorates including the towns of Zinjibar, Jaar, and Shuqra. By June, these AQAP forces had been dislodged or withdrawn. AQAP elements continued to remain active in Abyan and Aden governorates, however, as well as in Sanaa and other governorates.

The U.S. conducted counterterrorism operations in Yemen and trained Yemeni forces. Two U.S.-trained counterterrorism units, the Yemen Special Operations Forces (YSOF) and the Counter Terrorism Unit (CTU), remained in the vicinity of Sanaa and did not participate in the early summer campaign against AQAP in the southern governorates. Fractures within the chain of command and reluctance on the part of these units’ pro-Saleh leadership to commit forces contributed to this performance. YSOF was under the command of the son of former President Ali Abdullah Saleh, Ahmed Ali Saleh, and the CTU fell under the nephew, Yahya Saleh, Chief of Staff of the Central Security Forces. The CTU deployed to the southern governorates and participated in the counterterrorism fight later in 2012. In December 2012, President Hadi issued a decree that unified some of Yemen’s various counterterrorism units and special operations forces under one command as part of a broader military reorganization.

In the spring of 2012, a Yemeni military offensive, with the help of armed residents, regained government control over territory in the south, which AQAP has seized and occupied in 2011. AQAP increasingly turned to asymmetric tactics to target Yemeni government officials, pro-government PCs and their leaders, soldiers, civilians, and U.S. embassy personnel.

Yemeni government officials accused some pro-secessionist members of the Southern Movement (Hirak), of carrying out violent acts in the south. Senior security and military officials accused Hirak in the south and Houthi groups in the north of receiving weapons and funding from Iran in an effort to destabilize Yemen. They also accused Iranian elements of raising political and sectarian tensions through disinformation that promoted and encouraged violent extremism.

2012 Terrorist Incidents: AQAP and AQAP-affiliated groups carried out attacks throughout Yemen using improvised explosive devices (IEDs), ambushes, car bombs, VBIEDs, suicide bombers, and targeted assassinations by gunmen riding motorcycles. The list below is not comprehensive and does not include all of the engagements that occurred almost daily between AQAP and other militants and government forces or pro-government PCs.

- On January 11, in Aden, suspected AQAP gunmen opened fire on a vehicle carrying Yemeni intelligence officers, killing at least one and wounding five.
- On February 25, a suicide car bombing killed 26 Republican Guard troops outside of the presidential palace in Mukalla, the capital of Hadramawt governorate. It occurred while President Abdo Rabbo Mansour Hadi was taking the oath as president in Sanaa. AQAP later claimed responsibility for the attack.
- On March 4, AQAP militants stormed an army base in Kod, south of Abyan’s capital, Zinjibar, and then fighting spread to other military posts in the area. The attack reportedly began with coordinated VBIEDs at military posts at Zinjibar’s southern and western entrances, which killed at least seven Yemeni soldiers and wounded 12 others. Overall, over 185 Yemeni soldiers were killed in the assault, and over 70 were taken captive by AQAP.
- On March 14, AQAP militants kidnapped a Swiss woman in the port city of al Hodeidah. Two weeks later, they reportedly demanded certain conditions for her release, calling for the release of Usama bin Laden’s widows, who were being held in Pakistan, the release of several women being
held in Iraq and Saudi Arabia, the release of 100 AQ-affiliated militants from Yemeni jails, and 50 million Euros (approximately US $66 million). Mediation efforts failed, according to a tribal negotiator, because of the prohibitive demands. (The Swiss woman was released in February 2013.)

- On March 18, AQAP gunmen killed American citizen Joel Shrum on his way to work in Taiz. Shrum worked as an administrator and English teacher at a vocational institute. On March 22, AQAP claimed responsibility in a communiqué posted on violent extremist forums.

- On March 28, Abdullah al-Khaldi, the deputy counsel at the Saudi consulate in Aden, was kidnapped on his way to work.

- On April 21, armed tribesmen kidnapped a French employee of the International Committee Red Cross 20 miles outside of Hodeidah. Tribal sources indicated later that he was subsequently handed over to AQAP and was being held in Abyan governorate. He was released on July 14.

- On May 21, a suicide bomber disguised as a soldier struck at a rehearsal for a military parade in Sabeen Square in Sanaa, leaving over 90 soldiers dead. AQAP claimed responsibility for the attack.

- On May 25, a suspected AQAP bomber attacked and killed at least 12 Shia in a bombing of a Houthi mosque in al-Jawf governorate in northern Yemen.

- On June 18, Southern Military Region Commander Major General Salem Qatan was assassinated by a suicide bomber as he was leaving his residence in Aden. AQAP claimed responsibility for the attack.

- On July 11, a suicide bomber targeted cadets at the Sanaa Police Academy as they were leaving class. At least nine were killed in the blast.

- On July 16, suspected AQAP gunmen ambushed the Deputy Director of Taiz Central Prison, killing him and three others.

- On August 5, a suicide bomber struck at a funeral in Yemen's southern city of Jaar, killing at least 45 people and wounding dozens more. The attack targeted a local Popular Committee that had sided with the government against AQAP militants.

- On August 18, militants with suspected ties to AQAP attacked a Political Security Organization compound in Aden. The militants first detonated a VBIED and then raided the building. At least 14 members of the security forces were killed and seven others were injured in the attack.

- On August 19, a gunman opened fire on worshippers in a mosque in al-Dhale, killing at least seven people and injuring 11 others. Security sources indicated that the gunman may not have had ties to AQAP.

- On August 19, a suicide bomber with suspected ties to AQAP attacked a group of tribesmen in Mudia in Abyan governorate. The attack killed Nasser Ali Daiheh, leader of the local Popular Committee, along with two of his bodyguards.

- On September 11, Yemen's defense minister Major General Muhammad Nasir Ahmad escaped assassination in a VBIED attack on his motorcade in Sanaa. The attack, which was carried out by suspected AQAP militants, killed 12 people including seven security guards and five civilians.

- On September 13, hundreds of violent protesters broke into the U.S. Embassy compound and looted and vandalized the property. The attack caused an estimated $20 million in damages to U.S. buildings, vehicles, and facilities.

- On October 30, saboteurs bombed the Yemen gas pipeline 300 kilometers north of Balhaf terminal.

- On November 2, a senior officer in the Central Security Forces was shot and killed by masked gunmen in a drive-by shooting near his house in Sayun in Hadramawt governorate.
• On November 24, three worshippers were killed in Sanaa by unknown assailants in an attack on a Houthi gathering commemorating the Shia holy day of Ashura.

• On November 28, a Saudi diplomat and his bodyguard were shot and killed in an ambush in the Hadda district of Sanaa. The attackers, who remained unidentified, reportedly wore Central Security Force uniforms.

• On December 8, eight Yemeni soldiers including one senior officer, were killed in Marib governorate in an ambush by suspected AQAP gunmen.

• On December 10, 17 Yemeni soldiers and officers were killed in an ambush by suspected AQAP militants. The ambush took place in the Wadi Obeida area of Marib province as the soldiers were patrolling the Marib Oil Pipeline.

• On December 11, suspected AQAP militants on a motorcycle shot and killed Deputy Director of the Political Security Organization in Hadramawt governorate, Ahmed Barmadah, as he was leaving his house in Mukalla.

• On December 28, AQAP’s media arm al-Mahalem Media Organization posted a YouTube video announcing rewards of 3,000 grams of gold for killing the U.S. ambassador to Yemen and five million Yemeni riyals (approximately US $23,000) for killing an American soldier in Yemen. The communiqué was posted on violent extremist websites and reported in public media.

Legislation, Law Enforcement, and Border Security: Parliament has yet to vote on a package of counterterrorism laws first introduced in 2008, despite efforts of the Ministry of Legal Affairs to advocate for the legislation’s passage. As a result, the Yemeni government continued to lack a clear legal framework for prosecuting terrorism-related crimes. The government often resorted to charging terrorism suspects with “membership in an armed gang.”

There were a number of arrests of terrorist suspects in 2012. However the continued weakness of the Yemeni justice system left many traditional law enforcement counterterrorism responsibilities to the Yemeni military.

A series of decrees by President Hadi in late December marked an important step in implementing some key military and security reforms by establishing a more unified command structure suited to Yemen’s security challenges.

Yemen continued to participate in the Department of State’s Antiterrorism Assistance program.

Countering Terrorist Finance: Yemen is a member of the Middle East and North Africa Financial Action Task Force (MENAFATF), a Financial Action Task Force (FATF)-style regional body, and enacted its first comprehensive anti-money laundering/combating the financing of terrorism (AML/CFT) law in 2010.

In 2012, the FIU participated in training to enhance its operational capacity. Yemen has a cross-border cash declaration or disclosure requirement for cash amounts over $15,000. Compliance is lax and customs inspectors do not routinely file currency declaration forms if funds are discovered. There are approximately 532 registered money exchange businesses in Yemen. Money transfer businesses are required to register with the Central Bank of Yemen and can open offices at multiple locations. Yemen has a large underground economy. The Yemeni government lacks specific legislation with respect to forfeiture of the assets of those suspected of terrorism.

Since February 2010, Yemen has been publicly identified by the FATF as a jurisdiction with strategic AML/CTF deficiencies, for which it has developed an action plan with the FATF to address these weaknesses. The Yemeni government has since committed to an action plan with the FATF to address these weaknesses. Yemen’s Financial Investigations Unit at the Central Bank of Yemen drafted updated legislation to address the recommendations of the MENAFATF.

Regional and International Cooperation: In February, Yemen participated in the Global Counterterrorism Forum’s Horn of Africa region capacity building working group in Dar es Salaam. The Government of Yemen cooperated with U.S., European, Jordanian, and regional partners on counterterrorism issues.

Jordanian and U.S. teams advised the Ministry of Defense as it made plans to restructure Yemen’s military and defense forces, and European teams advised the Ministry of Interior on restructuring Yemen’s police and interior security forces.

Countering Radicalization and Violent Extremism: Official media published messages from President Hadi and other senior officials highlighting the importance of countering terrorism by addressing the conditions that terrorists exploit. State broadcasters also featured limited messaging designed to raise awareness among the Yemeni people about the dangers of terrorism and violent extremism. They frequently highlighted the threat of terrorism and violent acts on Yemen’s economy and development. Many political leaders and groups (including the former opposition Joint Meeting Party alliance) publicly condemned terrorism and violent attacks, while stressing that a unified army and security service would help to eradicate terrorism. Many Yemeni officials and media professionals have expressed support for expanding messaging efforts aimed at countering violent extremism, but point to a lack of resources and expertise that impede their efforts.

Counterterrorism Strikes

The US has supported Yemen’s counterterrorism efforts in ways guided by the US National Security Council’s Yemen Strategic Plan – which involves “focusing on combating AQAP in the short term, increasing development assistance to meet long-term challenges, and marshaling support for global efforts to stabilize Yemen.”

During 2011, US Joint Special Operations Command (JSOC) and the CIA worked together to address the threat of terrorism in Yemen, and the CIA was permitted to use a facility in Saudi Arabia to launch unmanned aerial combat vehicles (UCAVs) attacks on individuals in Yemen who may be planning to strike the US. These strikes are regarded as “signature strikes.” In addition, US military aircraft and UCAVs based in Djibouti, Saudi Arabia, and at sea carried out strikes in southern Yemen in 2012 that targeted the Ansar al Sharia insurgency. It is believed that there were at least 41 US strikes in Yemen in 2012 alone. There was a noticeable spike in the number of attacks in 2012 – 42 attacks compared to just 17 in the previous ten years combined, according to the Long War Journal. Eight airstrikes have been reported thus far for 2013.

Data from the Long War Journal suggests that there have been a total of 67 US airstrikes in Yemen from 2002 to the time of writing, leaving a total of 411 people dead. The New America Foundation places the number of total airstrikes at 73 with 472-979 fatalities. Of the total airstrikes, the Bureau of Investigative Journalism suggests that 44-54 of the strikes were executed by US drones, whereas the New America Foundation suggests 66, while 35 drone strikes have been recorded in the last 12 months. New media reports that 34 suspected Al-Qaeda militants have been killed since late July, 2013.

These US strikes are having an important effect in killing key terrorists and aiding the Yemeni forces dealing with areas where AQAP and extremists have taken power or challenge the government. They also, however, have produced civilian casualties and resentment, and this has been exploited by AQAP and anti-US elements with some success. It is reported that as recently as April 29, 2013, there were anti-drone demonstrations in the vicinity of the US Embassy in Yemen. However, while many US
Drone strikes have been successful, there have been many serious failures; many of these strikes have resulted in the deaths of young children and innocent families, and some prominent anti Al Qaeda sheikhs have also been targeted. A day after Obama was re-elected, he ordered a strike which resulted in the death of a tribal leader who was negotiating with Al Qaeda to cut down on their lethal methods.\textsuperscript{530}

However, the Obama Administration has signaled a shift in policy on the use of drones that may have an impact on future operations in Yemen. In May 2013, it became clear that responsibility for US drone strikes would shift from the CIA to the Department of Defense – at least in part. Moreover, the possibility of “judicial review” prior to strikes has been introduced by the President. In future operations, certain criteria must be met prior to a strike, namely the identification of the target as a “continuing, imminent threat to US persons”. It has also been suggested that the policy shift could lead to a possible stoppage in the signature strikes aforementioned.\textsuperscript{531}

There is no good answer to this problem. The strikes are the only effective way the US can achieve its counterterrorism goals and they produce fewer civilian casualties and collateral damage than any other option. They never, however, will be perfect and the trade-off between making strikes effective and political backlash will always be uncertain unless the Yemeni forces become strong enough so that targeting is clearly seen as aiding a popular central government and not a function of the US acting largely on its own.

**Military Cooperation**

The US has consistently sought to use military assistance to support the reform of the Yemeni central government, bring unity to the armed forces, and give them the capability to deal with terrorist and extremist groups. In December 2012, the US and Yemen began cooperation under the US-Yemen Political-Military Strategic Dialogue, when Assistant Secretary of State for Political-Military Affairs Andrew J. Shapiro and US CENTCOM Commander General James Mattis visited the country for an initial meeting.

According to the US State Department, the dialogue is focused on “U.S. support for a Yemeni-led transition initiative and a wide range of political-military issues, including security cooperation, counterterrorism, border security, and military restructuring.”\textsuperscript{532}

CENTCOM’s \textit{2013 Posture Statement} emphasizes the reform of Central government and military forces: \textsuperscript{533}

In Yemen, President Hadi has made important progress implementing the GCC-sponsored political transition agreement. He continues to exhibit sound leadership and a strong commitment to reform. To support the Yemeni government's implementation of the agreement, we are working closely with the Ministry of Defense to restructure and professionalize the military and security apparatus to effectively deal with critical national security threats. The economic situation, already degraded by a long period of unrest, remains vulnerable and poses a significant threat to stability. The security situation remains fragile due to the threats posed by Al Qaeda in the Arabian Peninsula (AQAP) and Iran's destabilizing activities. We continue our support to the national unity government to reduce the opportunity for violent extremists to hold terrain, challenge the elected government, or conduct operations against U.S. interests in the region or the homeland.

While the US has involved itself directly in counterterrorism operations in Yemen’s south, US involvement has taken a different form in the north against the Shia Houthi uprising. Although Yemen and Saudi Arabia have been eager to target Houthis, it appears that the US has been more reluctant to directly engage – likely due to the less significant
threat the Houthis pose to US national security relative to AQAP, and due to Iran’s possible relationship with the Houthis.

In contrast to the US airstrike operations against militants in the south, it appears that the US only recently began strikes in the north. The Iranian news outlet PressTV and The Hill both reported in October 2012 that a US UAV killed three people in northern Yemen. According to The Hill, those killed were reportedly linked to Al Qa’ida. It is uncertain if these targets were also linked to the Houthis, but Abdolmalek al-Houthi spoke out against the attack according to PressTV.534

Yemen’s military forces are summarized in Figure 34. They are now somewhat fragmented by the internal political divisions in Yemen, but have a number of elements that have proved to be effective fighters in counterinsurgency roles. They are relatively well-equipped in terms of major weapons numbers, but much of the weaponry is old and/or worn, maintenance and sustainment levels are usually poor, and substantial portions are dead-lined or in storage. Unlike the other Arab Gulf states, Yemen lack the resources, political unity, and modern force structure to used many of its military resources effectively.

Yemen has had significant arms transfers from the US and is the largest recipient of NADR funds and FMF funds of any country on the Arabian Peninsula, as was indicated in Figures 3, 4, and 26. Between FY2007 and FY2011, the US made nearly $28.5 million in FMS deliveries to Sana’a and $4.1 million in commercial exports of defense articles, as reflected in Figure 21. Sana’a also receives Department of Defense 1206 support ($37.4 million allocated in FY2012) that is geared toward developing Yemeni airpower and maritime security.535

US-origin Yemeni military assets include 50 M60A1 main battle tanks (though Soviet armor far outnumbers US armor in the Yemeni arsenal), 10 F-5 fighter aircraft, 2 C-130 transport aircraft, and 6 Bell transport helicopters. Munitions provided by the US include the AIM-9 Sidewinder air-to-air missile. Yemen also owns 4 US-origin Archangel patrol boats. Despite these transfers, the majority of Yemeni tanks and aircraft assets originated in the Former Soviet Union.536

Yemen’s commercial links with the US are minor, but more substantial than those with Iran. According to 2011 data from the CIA, the US was the sixth-largest export market for Yemen (5.8%) and the seventh-largest import market (4.2%).537 2010 data from the European Commission show a slightly smaller trade relationship, with bilateral trade with the US amounting to only 3.4% of Yemeni trade – or 474.6 million Euros – making the US Yemen’s ninth-largest trading partner when grouping the EU-27 as one entity.538 The US also backs Yemeni efforts to join the World Trade Organization (WTO), and Yemen currently serves as an observer state on the body.539

**Humanitarian Aid**

Yemen used to have a vibrant farming economy, though today it imports almost 80% of its food needs.540 In 2012 a group of seven charity organizations stated that around 10 million Yemenis – 44% of the total population - are undernourished, with five million requiring urgent emergency aid.541 Malnutrition rates have doubled since 2009, high fuel and food prices have added to this. The problem is increased due to the increasing levels...
of violence and political turmoil which has hundreds of thousands of people displaced from their homes.

Most experts believe that Sana’a, which is considered to be the fastest growing capital in the world at 7% a year, will run out of economically viable water by 2017. Almost half the nation’s domestic water supply is used on growing Qat (an addictive plant chewed by the majority of men.) Yemen’s water table is reportedly falling by 6.6 feet per year and the central government has been ineffective at managing the drilling of water wells or regulating water management in the more distant parts of the country.

In order to increase donor coordination to Yemen and increase the scope of support, the US and Great Britain helped to form the Friends of Yemen group, a forum that consists of 24 countries, and was launched in January 2010. Arab donors too have held meetings with their Yemeni counterparts in order to speed up the delivery of $5.7 billion in pledges made in 2006. Only 25% of those pledges have been distributed so far. In September 2012, donors pledged an additional $6.4 billion for post-election economic reconstruction at a conference in Riyadh, co-hosted by Saudi Arabia, Yemen and the World Bank.

The slow disbursement of international aid is linked to concerns of widespread domestic corruption. The economy, political system, and its tribal and military elites are connected in a patronage system that makes reform efforts extremely difficult. The Yemeni government currently lacks the capabilities to receive such large amounts and the ability to disburse the funds into much needed areas. By the government’s own estimates, it is only capable of distributing about $700 million of economic aid a year. Aid to the country usually becomes tied up in politics: the organizations that foreign NGOs choose to work with are often seen as giving approval to certain groups or factions. This helps explain why many Yemenis complain of not having benefitted much from the international aid.

Implications for US Policy

Yemen presents major challenges to the US, Saudi Arabia, Oman, and the other GCC states. It is in the middle of political upheavals that currently center around power struggles in the capital, but affect different factions throughout the country, and have no clear solution.

The immediate challenges are daunting. They include creating a fully effective government to replace Saleh, either by backing President Hadi or supporting other efforts that move towards national political unity. The US must support every meaningful effort to reconcile Yemen’s different factions, bring some kind of unity to divided military security forces, deal with AQAP and terrorism, end it rebellions, and secure its border with Saudi Arabia and Oman. Some progress has already been made, though successes have been limited and the country remains unstable. Moreover, the US and Saudi roles supporting the government and counterterrorism is unpopular and is as much a limited part of the country’s problems as it is part of the solution.

Moreover, Yemen’s underlying demographic and economic and water challenges will ultimately prove to be even more serious. These challenges include finding some approach to nation-wide governance and economics that can create stability in a grindingly poor country with small and diminishing petroleum exports; a narco-economy
that consumes a large part of its domestic resources; inadequate water supplies; major demographic pressures; and deep sectarian, tribal, and regional divisions. So far, the Yemeni government, the World Bank, the GCC, US aid planners, and NGOs have all failed to present a credible path forward in creating a credible, fundable plan to deal with these pressures.

The end result almost has to be to find the least bad set of options for dealing with Yemen’s near-term political and security problems, hoping that some credible path can be found to deal with its deep structural and development problems. Iran is one of these problems but scarcely the most serious one. Its spoiler role is marginal and likely to remain so, although it highlights the problem Saudi Arabia has in securing its border with Yemen – one that forces the Kingdom to deploy significant forces in the south to deal with Houthi and other factions, creates a major illegal immigration and smuggling problem, and has led to new – as well as costly and technically uncertain – efforts to create electronic and physical barriers along its entire border.

The problem of terrorism and extremism, coupled to regional and tribal divisions, is critical. It is also difficult for the US to deal with. Support for Yemeni military counterterrorism efforts has to be carefully managed to avoid making the US an inadvertent party in Yemen’s internal power struggles. Direct US attacks on AQAP and other terrorist groups using systems like UCAVs are achieving positive results, but are also producing enough civilian casualties in polarized tribal areas to create a significant popular backlash.

The US faces new problems with the announcement of the temporary closures of its embassies throughout the region and evacuation of its staff in Yemen. Though many have expected the US to review its drone activity in the Southern Gulf state, many believe that actions such as closures and staff evacuations are in preparation for increased drone strikes. While many senior US officials claimed that the threat of AL Qaeda has greatly decreased and close to being over, actions such as these show that AQAP is still a serious threat, and the organization’s single most dangerous and active arm. The Yemeni government has slammed the US decision stating “The evacuation of embassy staff serves the interests of the extremists.”

Terrorist groups such as AQAP and others in the region have successfully exploited weak governments in Yemen and Iraq to further recruit new members and re-emerge as a vital threat to US goals in the region and other governments. It is of great importance to the US and Gulf states to make sure Yemen has a strong, functioning, and efficient central government in Sana, which through popular will is in a position to take action against such groups. Only the Yemeni government can find solutions to the problems that groups like AQAP revel on, such as development, poverty, corruption and an unfair distribution of wealth.

AQAP gets its main backing and safety net from the southern tribes of Yemen, who are generally opposed to the Yemeni government and the many northern tribes that support it. Once again, this is a part of AQAP’s successful attempt to leverage local sentiment as a means of gaining control. The US, in collaboration with the Yemeni government, would need to create a strategy that would help create a holding force consisting of its tribal supporters. While on the issue of the southern tribes who feel the northern half of the
country has benefited the most out of the unification of Yemen, the government needs to include them in dialogue, actively help in developing the region, and use AQAPs tactic on working off such issues against the terrorist organization.

The restrictions announced by the Obama Administration on drone use can trigger a shift away from the use of such tactics. However, if the threat posed to the US and its allies by AQAP in Yemen grows, Washington will still be required to employ the use of drones – or risk less accurate strikes from manned aircraft that could drive up the rate of civilian casualties. This means the US must do its best to deal with the fact that any civilian casualties, whether caused by drones or manned aircraft, increase the animosity towards the US and the Yemeni central government , and allows groups such as AQAP to use the hostile sentiment to recruit and add more willing members to their terrorist organization.

The US should seek to persuade Yemeni authorities that the next government should be a technocratic one, based on merit, rather than position or tribal affiliation. The US and its GCC allies should help Yemen create the vital institutions that Yemen requires to disperse aid throughout the economy in a transparent and effective manner. However, certain questions must be asked and answered, such as what type of aid is best for a state like Yemen, and how are organizations going to overcome the problems posed by corrupt institutions and inefficient bureaucracies.

The US is in a position to help Yemen to develop human capacity through education and training. Without addressing low human capacity and a great skills mismatch, it will be difficult for Yemen to make any progress. The US should also support a sustained post-dialogue outreach program that would allow delegates to travel throughout the country to share the conclusions reached by the participants of the dialogue.

The US should carefully encourage progress towards a more democratic system and expanded human rights. It should also understand that such progress is likely to be slow and limited, and may suddenly be halted by new internal power struggles, internal conflicts, and the rises of centers of extremism and terrorism.

The US must also work with Saudi Arabia and the GCC to try to find some workable approach to the sheer scale of Yemen’s economic and demographic problems, its growing population of nearly 25 million, its lack of effective governance, and poverty. Such progress is likely to be negligible in real terms in the near future because of the country’s inability to absorb aid and halt corruption.

The magnitude of Yemen’s problems also preclude any credible combination of US, Saudi, and other aid efforts from buying Yemen out of these challenges and makes real membership in the GCC a serious potential liability to the council. The real question is whether Yemen can slowly be put on a credible path in the future. The answers are uncertain, and may force the US and other southern Gulf states into a strategy focused more on containment than development.

Dealing with these issues requires a grim degree of realism and pragmatism. Slogans, good intentions, and half-formed concepts are not going to buy the US and its Gulf allies a significant amount of time.
### Figure 34: Yemeni Military Strength in 2013

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military Spending (2012 Defense Budget) ($US Millions)</td>
<td>$1,630</td>
</tr>
<tr>
<td>Total Active Military Manpower</td>
<td>66,700</td>
</tr>
<tr>
<td>Total Reserve Military Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Total Paramilitary Manpower</td>
<td>71,200</td>
</tr>
</tbody>
</table>

#### Army Forces

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Manpower</td>
<td>60,000</td>
</tr>
<tr>
<td>Reserve Manpower</td>
<td>-</td>
</tr>
<tr>
<td>Main Battle Tanks</td>
<td>866</td>
</tr>
<tr>
<td>Other Armored Vehicles</td>
<td>458+ (additional 470 in store, also reports of T-54/55s)</td>
</tr>
<tr>
<td>Self-Propelled Artillery</td>
<td>25</td>
</tr>
<tr>
<td>Towed Artillery</td>
<td>310</td>
</tr>
<tr>
<td>Multiple Rocket Launchers</td>
<td>294</td>
</tr>
</tbody>
</table>

#### Air and Major Surface-to-Air Missile Forces

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Force Active Manpower</td>
<td>3,000</td>
</tr>
<tr>
<td>Combat Aircraft</td>
<td>79</td>
</tr>
<tr>
<td>Armed/Attack Helicopters</td>
<td>9</td>
</tr>
<tr>
<td>AEW&amp;C, Intelligence, and AWACs Aircraft</td>
<td>-</td>
</tr>
<tr>
<td>Tankers</td>
<td>-</td>
</tr>
<tr>
<td>Maritime Patrol Aircraft</td>
<td>2</td>
</tr>
<tr>
<td>Air Defense Manpower</td>
<td>2,000</td>
</tr>
<tr>
<td>Surface-to-Air Missile/Launchers</td>
<td>?</td>
</tr>
<tr>
<td>Surface-to-Surface Missile Launchers</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Naval Forces and Coast Guard

<table>
<thead>
<tr>
<th>Force Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Manpower</td>
<td>2,900*</td>
</tr>
<tr>
<td>Marines</td>
<td>-</td>
</tr>
<tr>
<td>Submersibles</td>
<td>-</td>
</tr>
<tr>
<td>Major Surface Ships</td>
<td>-</td>
</tr>
<tr>
<td>Missile Patrol Boats/Craft and Corvettes with Missiles</td>
<td>-</td>
</tr>
<tr>
<td>Other Patrol Boats/Craft</td>
<td>36</td>
</tr>
<tr>
<td>Mine Warfare</td>
<td>1</td>
</tr>
<tr>
<td>Amphibious</td>
<td>4</td>
</tr>
<tr>
<td>Helicopters</td>
<td>-</td>
</tr>
</tbody>
</table>

**Gulf Cooperation Council**

The US has established a strong foundation for a security partnership with the Gulf states, and Iran’s conduct and military actions – along with the need for cooperation in dealing with extremism and terrorism – seem likely to sustain that partnership indefinitely. Much still depends, however, on actions only the Arab Gulf states can take – although they are actions the US and other outside powers can encourage.

Only the Gulf states can deal with their own internal political, demographic, economic, and social challenges. It must be stressed that meeting these non-military internal challenges will be at least as important to their stability, regional security, and the success of US and Gulf cooperation in competing with Iran as any improvement in their military and internal security forces. If there is any one lesson that emerges from the upheavals that have already taken place in the Arab world, it is that no state can ignore the demands and needs of its people, but that evolutionary progress offers far more hope than violent revolution and insurgency in any case where the regime is willing to change and make reforms.

At the same time, the US needs to make a far more active commitment to building up real partners at a time it faces serious resource constraints, is making force cuts, and must deal with the domestic political impact of “war fatigue” growing out of the conflicts in Afghanistan and Iraq. The US needs both strong individual partners and the strongest possible regional alliance.

There is a clear need for more military integration, interoperability, and cooperation of the kind King Abdullah of Saudi Arabia called for in recent GCC ministerial meetings. It has been clear since the GCC was formed that each nation in the council could benefit from creating more interoperable forces and integrated warning, intelligence, surveillance, and reconnaissance (IS&R), and command tailored to the key missions necessary to meet the security needs of all the GCC states.

The new momentum provided by the Riyadh Declaration creates an opportunity to move forward in many areas, particularly if the GCC builds on the experience of alliances like NATO where “unity” serves common interests while preserving individual national forces and sovereignty.

**Creating an Effective Alliance**

So far, the efforts of leaders like King Abdullah, the GCC Secretary Generals and military officers, have had little practical impact on the overall effectiveness of Arab Gulf military forces in key areas like mission focus, interoperability, integration, and creating effective cooperation at the planning level. The problem has not been a lack of dialogue, concepts, declarations, and studies. It has been a lack of effective action by the rulers of the Arab Gulf states – which seem to prefer the rivalries and bickering of the past to meeting the needs of the present and the future.

A look at the GCC efforts to create a single market provides an example of the weaknesses and problems the GCC faces. Five years after its inception, the GCC single market is failing in a variety of ways; Serious restrictions remain on the movement of goods, capital and labor across political boundaries. The fundamental cause of the GCC’s
The single markets malfunction is the fact that the GCC’s institutions are ill equipped to enforce a single market (something which can be seen in military ventures).

In the case of the GCC, the only supranational institution with significant power is the Supreme Council, though it is not designed for a time and resource-intensive task. Instead, the GCC institution that would be most suitable for the task – the GCC Secretariat General – functions as a consultative body and lacks the power to enforce rules.552

**Figure 35: The Structure of the GCC**

![Diagram of the GCC structure](image)

Table taken from: Omar Al Ubaydli And Omar Mahmood and Mohamed AbdulGhaffar “The Malfunctioning of the Gulf Cooperation Council Single Market: Features, Causes and Remedies”

The biggest cause of malfunction is simply a failure to implement agreed upon piece of legislation, a common occurring issue in all pillars of the GCC. Power is highly concentrated in the Supreme Council, a body that meets infrequently and that requires unanimity for important decisions. The Supreme Council is not independent of the member states and is not designed to serve the holistic interests of the GCC in the event that they diverge from the interests of a member country. No body has been created that is independent of the member states and commands substantial power or resources.553

A most important recommendation to the GCC states would be to grant a supranational body the legal and financial power to monitor and enforce different agreements and legislations of the GCC states. Another major problem the GCC states face when it comes to matters of greater integration and union is that the current structure does not allow many innovative projects to prosper, most of the time due to bureaucratic creep, a
lack of initiative on the lower levels of decision making, and a bad flow of information.\textsuperscript{554}

**Critical Failures in Institution Building**

These failures have two major components. The first is the failure to give the GCC the institutional capabilities it needs to function effectively. To be specific, the GCC is either ineffective or inadequate in all of the following areas where institution-building is critical to an effective alliance:

- GCC force planning exercises
- Developing a standardization and interoperability committee and staff for the GCC and partnership with the US, UK, and France
- Developing a technology and procurement committee and staff
- Creating a working group on arms control
- Coordinating logistics, sustainability, and readiness
- Surveying training facilities to determine how to ensure best use on a GCC-wide basis
- Developing a joint intelligence center
- Forging a GCC-wide intelligence effort for counterterrorism and dealing with popular unrest
- Creating a GCC internal security center
- Developing common counterterrorism training

**Critical Failures in Mission Capability and Focus**

What is even more important is that the GCC has failed to develop effective mission capability and focus in ways that provide a coherent approach to key aspects of deterrence and defense:

- Creating a fully integrated air and surface-to-air missile unit control and warning system
- Creating a joint, integrated missile defense system
- Examining the “extended deterrence” option
- Focusing on Iraq, the Iraqi border, and the Kuwaiti “hinge”
- Focusing on Yemen border security and threats
- Creating a fully integrated maritime surveillance system
- Integrating mine, anti-submarine, and naval asymmetric warfare
- Developing air-sea coverage of Strait of Hormuz/Gulf of Oman/Indian Ocean/Red Sea/Horn of Africa
- Creating a GCC-wide intelligence effort for counterterrorism and dealing with popular unrest.
- Creating a GCC internal security center
- Developing common counterterrorism training
- Giving proper priority to passive defense
- Creating more effective cooperation with power projection forces outside the GCC
Effective Institution Building

Making alliances into effective organizations is far more difficult than simply creating alliances. NATO has never developed an agreed upon strategy that it has fully implemented, many aspects of its force planning process have been little more than pro forma paper chases, it has never developed effective tools for assessing the impact of its plans and capabilities on the NATO-Warsaw Pact balance, and some of its most critical alliance activities – like its NATO Air Defense Ground Environment (NADGE) – were nearly crippled by politically-driven favoritism and corruption. The Association of Southeast Asian Nations (ASEAN) is more a series of meetings than a meaningful alliance.

The past and current failures of other alliances, however, do not translate to inevitable failure for the GCC. In fact, the GCC has the opportunity to learn from both the past failures and the past strengths of alliances like NATO.

GCC military forces now have a very diverse mix of equipment, command and control systems, munitions, support facilities, and power projection capabilities. They cannot be easily and quickly made fully interoperable, and countries will preserve sovereign decision making authority.

One way to make steady improvements in interoperability is to set up planning staffs within the GCC that address the key tasks necessary to change this situation, and to report regularly to a committee of Ministers of Defense or their delegates. NATO has used somewhat similar methods. While the GCC has different needs, it could build on its existing efforts and adapt NATO methods as follows to produce a higher degree of unity and common effort:

Create a GCC Force Planning Exercise

Create a Defense Planning Committee similar to that in NATO, and take the first steps towards creating a common defense planning system that would examine each member’s current forces and force plans for the next five years to evaluate areas where it may be possible to improve mission capability, interoperability and standardization, and supplement national C4I on a GCC-wide basis.

Such a committee could combine civil and military expertise to support top-level decision makers. It would meet regularly to review the force plans of each nation to find ways to better coordinate them and create steadily more interoperable forces.

There is a good precedent for such planning. NATO developed a Defense Planning Questionnaire in the 1960s where every member now submits a standard and regularly-updated report on its current forces, manpower, major weapons, munitions, and five-year plans – plus a longer-term supplement on procurement. This does not require any compromise of sovereignty, and allows the civilian and military experts to develop informal and formal recommendations to ministers to develop better-integrated plans, as well as to make tangible suggestions as to ways to both create more effective force mixes over time, and make forces more interoperable.

The need to seek a better integrated and more interoperable force structure has been illustrated in depth throughout Volumes I and II. It is all too apparent, however, from the
data shown in Figure 35 on the many different types of major combat equipment currently in service in Gulf forces – and the lack of standardization within the GCC and within given Gulf countries – that better cooperation in procurement alone could lead to major savings and improvement in interoperability and military capability. The same is true of the data on major new arms purchases in Figure 36, and even in reviewing the lack of standardization in US sales data shown in Annex A.

There are always partial “work arounds” to these problems between given Gulf forces. The US can compensate in part by offering its advanced BM, C4I, and intelligence, surveillance, and warning capabilities. The US cannot, however, keep all of the scarce assets needed constantly deployed in the Gulf, and the interoperability it creates can only be practiced during a limited number of joint exercises, and leaves the Southern Gulf states with only limited effectiveness.

The US cannot make up for key mission gaps like mine warfare. It cannot compensate for a lack of integrated air defense systems, maritime surveillance systems, and common land warfare doctrine for dealing with key areas of vulnerability like the “Kuwaiti hinge” near Iran. It cannot provide economies of scale in training, logistics, maintenance, and purchasing. It cannot help the smaller Gulf military forces compensate for their lack of force size by taking advance of their large neighbors’ C4I/BM, training, and maintenance assets.
**Figure 35: Uncertain Standardization and Interoperability in Key Arab Gulf Weapons Systems – Part One: Land Systems**

<table>
<thead>
<tr>
<th>Land Systems</th>
<th>Tanks</th>
<th>OAFVs</th>
<th>APCs</th>
<th>SP Artillery</th>
<th>MLRS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bahrain</strong></td>
<td>M-60A3</td>
<td>YPR-265</td>
<td>M113A2</td>
<td>155mm M-109A5</td>
<td>M270</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AML-90 S52</td>
<td>AT105</td>
<td>8” M110A2</td>
<td></td>
</tr>
<tr>
<td><strong>Iraq</strong></td>
<td>M1A1 T-72 T-55</td>
<td>Cascavel BDRM-2</td>
<td>FV103</td>
<td>152mm Type 83</td>
<td>BM-21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BMP-1 BTR-4</td>
<td>M113A2</td>
<td>155mm M109A1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Scorpion MT-LB</td>
<td>M109A1</td>
<td>155mm M109A5</td>
<td></td>
</tr>
<tr>
<td><strong>Kuwait</strong></td>
<td>M1A2 M-84</td>
<td>BMP-2 BMP-1</td>
<td>M113A2 M577</td>
<td>G-6</td>
<td>9A52</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Desert/Fahd</td>
<td>AMX F3 PLZ45</td>
<td>N/A</td>
<td>Smerch</td>
</tr>
<tr>
<td><strong>Oman</strong></td>
<td>Challenger CR2</td>
<td>Scorpion Sultan</td>
<td>FV103</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>M60A1 M60A3</td>
<td>VBL AT105</td>
<td>FV4333 Piranha</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Qatar</strong></td>
<td>AMX-30 AMX-10P</td>
<td>EE-9 Casavel</td>
<td>AMX-VCI PiranhaII</td>
<td>AMX F3</td>
<td>ASTROS II</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Scorpion/Ferret</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chaimite AMX-10P</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Saudi Arabia</strong></td>
<td>M1A2 M-60A3</td>
<td>M-2 Bradley AMX-10P M-113A1/2/3</td>
<td>A-U-F1</td>
<td>ASTROS II</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>AMX-10P AML-60 AML-90</td>
<td>M3 Panhard</td>
<td>M109AB/A2 PLZ45</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>IVF-25 LAV-25</td>
<td>M-Panhard V-150</td>
<td>CAESAR</td>
<td></td>
</tr>
<tr>
<td><strong>UAE</strong></td>
<td>LeClerc OF-409 Mk2</td>
<td>Scorpion AML-90</td>
<td>A-APC G6</td>
<td>LAU-97</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AMX-30</td>
<td>TPz-1 BMP-3</td>
<td>BTR-3U Mk F3</td>
<td>Firos 25 Type 90</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fuchs AMX-10P</td>
<td>EE-11 M-3 Panhard</td>
<td>HIMARS</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>BMP-3 BMP-3</td>
<td>VCR 9A52 Smerch</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Yemen</strong></td>
<td>M-60A1 T-72 T-80 T-62 T-55 T-54</td>
<td>AML-90 BDRM-2 BMP-2 BMP-1</td>
<td>M113A2 2S1 Carnation</td>
<td>BM-21</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>BTR-40 BTR-60 BTR-152</td>
<td></td>
<td>BM-14</td>
<td></td>
</tr>
</tbody>
</table>

Based on Data in the IISS. *Military Balance, 2013.*
Figure 35: Uncertain Standardization and Interoperability in Key Arab Gulf Weapons Systems – Part Two: Air Systems

<table>
<thead>
<tr>
<th>Air Systems</th>
<th>Fighter</th>
<th>Attack Helicopter</th>
<th>AWACS/ISR</th>
<th>Tanker</th>
<th>Major SAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahrain</td>
<td>F-16C/D</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>IHawk</td>
</tr>
<tr>
<td></td>
<td>F-5E/F</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iraq</td>
<td>N/A*</td>
<td>N/A</td>
<td>CH-2000 SB7L-360 Cessna</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Kuwait</td>
<td>F/A-18C/D</td>
<td>AH-64D SA342 HOT</td>
<td>N/A</td>
<td>N/A</td>
<td>Patriot PAC-2 IHawk</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oman</td>
<td>F-16C/D Jaguar Hawk</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Qatar</td>
<td>Mirage 2000ED Alphajet</td>
<td>Commando Mk3** SA341 SA341L HOT</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A***</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>F-15C/D Tornado IDS Typhoon</td>
<td>AH-64</td>
<td>E-3A RE-3A/B Tornado GR-1A KE-3A A330 KC-130H</td>
<td>IHawk</td>
<td>Patriot PAC-2</td>
</tr>
<tr>
<td>UAE</td>
<td>F-16E/F Blk60 Mirage 2000-9 EAD Mirage 2000</td>
<td>AH-64</td>
<td>Mirage 2000RAD Saab 340 Erieye</td>
<td>N/A</td>
<td>I-Hawk****</td>
</tr>
<tr>
<td>Yemen</td>
<td>MiG-29SMT MiG-29UBT F-5E-II Su-22D Su-22UMS</td>
<td>Mi-35 Ka-27**</td>
<td>DHC-8 MPA</td>
<td>N/A</td>
<td>SA-6 SA-2</td>
</tr>
</tbody>
</table>

*F-16C/D on order
**ASW
***THAAD on order

Based on Data in the IISS. *Military Balance, 2013.*
Figure 35: Uncertain Standardization and Interoperability in Key Arab Gulf Weapons Systems – Part Three: Naval Systems

**Bahrain:** US Oliver Perry class frigate with SM1 and Harpoon, 2 German Lurssen 62M Frigates with Exocet, 4 German Lurssen 42M missile patrol boats with Exocet, 2 US Swift FPB-20 and 2 Lurssen 38m patrol boats. Bo-105 helicopters. *No mine warfare vessels.*

**Iraq:** No major surface ships at present. 2 River Hawk coastal patrol boats, 4 Italian Diciotti coastal patrol craft, and 9 Swiftships 35, 5 Predator, and 3 Al Faw small patrol boats. *No mine warfare vessels.*

**Kuwait:** German Lurssen TNC-45 with Exocet and German Lurssen FPB-57 with Exocet guided missile patrol boats. US Mk V Pegasus patrol boat. French P-37 patrol boat with Sea Skua. *No mine warfare vessels.*

**Oman:** SDV 2 Mk. 8 small submersibles. 1 Frigate with Exocet, 2 Corvettes with Exocet, 4 Guided missile patrol boats with Exocet, 3 French P-400 patrol boats, 4 British Vosper small patrol boats. *No mine warfare vessels.*

**Qatar:** 4 UK Vita with Exocet and 3 French Combattante with Exocet missile patrol boats, 3 Q-31 small police patrol boats. *No mine warfare vessels*.


**UAE:** 10 swimmer delivery vehicles, 1 French Baynunah, 1 French Abu Dhabi, 2 German Lurssen 62M guided missile frigates with Exocet; 2 German Lurssen 45M and 6 German Lurssen TNC-45 missile patrol boats with Exocet; 6 British Vosper 33M patrol boats; 2 German Frankenthal Type 332 mine countermeasure craft, 7 AS332 Super Puma ASW helicopters.

**Yemen:** 1 Soviet coastal missile patrol boat with SS-N-2C, 3 Hounan patrols boats fitted for C-802 or CSS-N-4, 6 Soviet Baklan fast patrol boats, 10 P-1000 Austal 37M patrol boats, 2 Soviet Osa II patrol boats, 1 Soviet Natya mine warfare craft

Based on Data in the IISS. *Military Balance, 2013.*
Figure 36: Selected US and Non US Arms Sales in the Gulf

Kuwait

<table>
<thead>
<tr>
<th>Designation</th>
<th>Type</th>
<th>Quantity</th>
<th>Contract Value</th>
<th>Supplier Country</th>
<th>Prime Contractor</th>
<th>Order Date</th>
<th>First Delivery Due</th>
<th>Notes</th>
</tr>
</thead>
</table>

Bahrain

<table>
<thead>
<tr>
<th>Designation</th>
<th>Type</th>
<th>Quantity</th>
<th>Contract Value</th>
<th>Supplier</th>
<th>Prime Contractor</th>
<th>Order Date</th>
<th>First Delivery Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arma 6x6</td>
<td>APC(W)</td>
<td>60-80</td>
<td>US$63.2m</td>
<td>TUK</td>
<td>Otokar</td>
<td>2011</td>
<td>2012</td>
<td>For national guard. Follow-on order to initial 2010 contract.</td>
</tr>
</tbody>
</table>

Qatar

<table>
<thead>
<tr>
<th>Designation</th>
<th>Type</th>
<th>Quantity</th>
<th>Contract Value</th>
<th>Supplier Country</th>
<th>Prime Contractor</th>
<th>Order Date</th>
<th>First Delivery Due</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRTP 34</td>
<td>PBF</td>
<td>3</td>
<td>n/k</td>
<td>TURK</td>
<td>Yonka-Onuk Shipyard</td>
<td>2012</td>
<td>n/k</td>
<td>-</td>
</tr>
<tr>
<td>MRTP 16</td>
<td>PBF</td>
<td>3</td>
<td>n/k</td>
<td>TURK</td>
<td>Yonka-Onuk Shipyard</td>
<td>2012</td>
<td>n/k</td>
<td>-</td>
</tr>
<tr>
<td>AW139</td>
<td>MRH Hel</td>
<td>3</td>
<td>n/k</td>
<td>ITA</td>
<td>Finmeccanica (Agusta Westland)</td>
<td>2011</td>
<td>n/k</td>
<td>-</td>
</tr>
</tbody>
</table>

Oman

<table>
<thead>
<tr>
<th>Designation</th>
<th>Type</th>
<th>Quantity</th>
<th>Contract Value</th>
<th>Supplier Country</th>
<th>Prime Contractor</th>
<th>Order Date</th>
<th>First Delivery Date</th>
<th>Notes</th>
</tr>
</thead>
</table>
### Saudi Arabia

<table>
<thead>
<tr>
<th>Designation</th>
<th>Type</th>
<th>Quantity</th>
<th>Contract Value</th>
<th>Supplier Country</th>
<th>Prime Contractor</th>
<th>Order Date</th>
<th>First Deliver y Due</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAV II</td>
<td>APC (W)</td>
<td>724</td>
<td>US$2.2bn</td>
<td>CAN</td>
<td>General Dynamics (GDLS)</td>
<td>2009</td>
<td>2011</td>
<td>For national guard.</td>
</tr>
<tr>
<td>Patriot PAC3</td>
<td>AD system upgrade</td>
<td>n/k</td>
<td>US$1.7bn</td>
<td>US</td>
<td>Raytheon</td>
<td>2011</td>
<td>n/k</td>
<td>Including ground-systems, training, package and support equipment.</td>
</tr>
<tr>
<td>Saab 2000 Erieye</td>
<td>AEW&amp;C ac</td>
<td>1</td>
<td>US$670m</td>
<td>SWE</td>
<td>Saab</td>
<td>2010</td>
<td>n.k.</td>
<td>-</td>
</tr>
<tr>
<td>F-15E Strike</td>
<td>FGA ac</td>
<td>84</td>
<td>US$11.4bn</td>
<td>US</td>
<td>Boeing</td>
<td>2012</td>
<td>n/k</td>
<td>F-15SA variant. Part</td>
</tr>
</tbody>
</table>
Eagle

F-15S Eagle  FGA ac upg  68  n/k  US  Boeing  2012  n/k  Upgrade to F-15SA standard. Part of a package incl F-15S upgrades, AH-64 and AH-6i helicopters that could total US$24bn.

UH-60M Black Hawk  Tpt Hel  24  n/k  US  Sikorsky  2012  n/k  For national guard.

MD530F  MRH Hel  12  US$40.7m  US  MD Helicopters  2012  2013  All to be delivered in 2013

### UAE

<table>
<thead>
<tr>
<th>Designation</th>
<th>Type</th>
<th>Quantity</th>
<th>Contract Value</th>
<th>Supplier Country</th>
<th>Prime Contractor</th>
<th>Order Date</th>
<th>First Delivery Due</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Patriot</strong></td>
<td>AD System</td>
<td>10 fire units, 172 msl</td>
<td>US$3.3bn</td>
<td>US</td>
<td>Raytheon</td>
<td>2008</td>
<td>2012</td>
<td>To replace HAWK. First bty delivered 2012.</td>
</tr>
<tr>
<td><strong>Agrab (Scorpion) 120mm MMS</strong></td>
<td>Arty (120mm SP Mor)</td>
<td>72</td>
<td>US$214m</td>
<td>RSA/SGP/UAE/UK</td>
<td>IGG</td>
<td>2011</td>
<td>n/k</td>
<td></td>
</tr>
<tr>
<td><strong>Agrab (Scorpion) MMS</strong></td>
<td>120mm SP Mor</td>
<td>48</td>
<td>US$106m</td>
<td>RSA/SGP/UAE/UK</td>
<td>IGG</td>
<td>2007</td>
<td>n/k</td>
<td>Delivery status unclear</td>
</tr>
<tr>
<td><strong>Abu Dhabi-class</strong></td>
<td>FFGHM</td>
<td>1</td>
<td>n.k.</td>
<td>ITA</td>
<td>Fincantieri</td>
<td>2009</td>
<td>2012</td>
<td>Delivery scheduled for late 2012.</td>
</tr>
<tr>
<td><strong>Baynunah-class</strong></td>
<td>FSGHM</td>
<td>6</td>
<td>US$820m</td>
<td>FRA/UAE</td>
<td>ADSB</td>
<td>2003</td>
<td>2011</td>
<td>Fourth vessel launched Feb 2012. Delivery expected to be complete</td>
</tr>
<tr>
<td></td>
<td>Class/Type</td>
<td>#</td>
<td>Cost</td>
<td>Country</td>
<td>Supplier/Builder</td>
<td>Year 1</td>
<td>Year 2</td>
<td>Notes</td>
</tr>
<tr>
<td>---------------------</td>
<td>------------</td>
<td>----</td>
<td>------</td>
<td>--------------</td>
<td>--------------------</td>
<td>--------</td>
<td>--------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td><strong>Ghannatha II-class</strong></td>
<td>PBFG</td>
<td>12</td>
<td>AED935m</td>
<td>SWE/UAE</td>
<td>Swedeship Marine/ADSB</td>
<td>2009</td>
<td>n/k</td>
<td>3 to be built in Sweden; remaining 9 in UAE. First UAE-built vessel launched in Jul 2012.</td>
</tr>
<tr>
<td><strong>At Saber-class</strong></td>
<td>PB</td>
<td>12</td>
<td>US$34.6m</td>
<td>UAE</td>
<td>ADSB</td>
<td>2009</td>
<td>2011</td>
<td>For coast guard.</td>
</tr>
<tr>
<td>MRTP16</td>
<td>PB</td>
<td>34</td>
<td>AED460m</td>
<td>TUR/UAE</td>
<td>Tonca-Onuk Shipyard/ADSB</td>
<td>2009</td>
<td>2010</td>
<td>First 12 to be built in Turkey; remaining 22 in UAE. 20 delivered by Aug 2012.</td>
</tr>
<tr>
<td><strong>C-17 Globemaster</strong></td>
<td>Tpt ac</td>
<td>2</td>
<td>n.k.</td>
<td>US</td>
<td>Boeing</td>
<td>2010</td>
<td>2012</td>
<td>-</td>
</tr>
<tr>
<td><strong>C-130 Hercules</strong></td>
<td>Tpt ac</td>
<td>12</td>
<td>AED5.9bn</td>
<td>US</td>
<td>Lockheed Martin</td>
<td>2009</td>
<td>n.k.</td>
<td>-</td>
</tr>
<tr>
<td><strong>PC-21</strong></td>
<td>Trg ac</td>
<td>25</td>
<td>US$492.4m</td>
<td>CHE</td>
<td>Pilatus</td>
<td>2009</td>
<td>2011</td>
<td>First aircraft flew in 2011. Deliveries underway</td>
</tr>
</tbody>
</table>
UH-60M Black Hawk | Tpt Hel | 26 | n.k. | US | Sikorsky | 2008 | 2010 | 16 delivered by end 2011; up to 23 to be upgraded with Battle Hawk kits. |
---|---|---|---|---|---|---|---|---|
UH-60M Black Hawk | Tpt Hel | 14 | US$171m | US | Sikorsky | 2009 | n.k. | To be delivered by end of 2012. |

**Iraq**

<table>
<thead>
<tr>
<th>Designation</th>
<th>Type</th>
<th>Quantity</th>
<th>Contract Value</th>
<th>Supplier Country</th>
<th>Prime Contractor</th>
<th>Order Date</th>
<th>First Delivery Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>BTR-4 APC (W)</td>
<td>420</td>
<td>US$2.5bn</td>
<td>UKR</td>
<td>Khariv Morozov</td>
<td>2010</td>
<td>2011</td>
<td>Contract value includes 6 An-32 tpt ac.</td>
<td></td>
</tr>
<tr>
<td>Swiftships 35m PB</td>
<td>15</td>
<td>US$181m</td>
<td>US</td>
<td>Swiftships</td>
<td>2009</td>
<td>2012</td>
<td>For navy.</td>
<td></td>
</tr>
<tr>
<td>F-16C/D Fighting Falcon Block 52 FGA ac</td>
<td>18</td>
<td>US$3bn</td>
<td>US</td>
<td>Lockheed Martin</td>
<td>2011</td>
<td>n.k.</td>
<td>Initial order for 18 in 2011, with additional 18 ordered 2012, 24 C and 12 D models. Delivery to be completed in 2018</td>
<td></td>
</tr>
<tr>
<td>Beech 350ER King Air Tpt ac</td>
<td>6</td>
<td>US$10.5m</td>
<td>US</td>
<td>Hawker Beechcraft</td>
<td>2008</td>
<td>2010</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>AN-32 Tpt ac</td>
<td>6</td>
<td>US$2.5bn</td>
<td>UKR</td>
<td>Antonov ASTC/Aviant</td>
<td>2010</td>
<td>2011</td>
<td>Delivery delayed</td>
<td></td>
</tr>
<tr>
<td>Lasta-95 Trg ac</td>
<td>20</td>
<td>US$230m</td>
<td>SER</td>
<td>UTVA</td>
<td>2007</td>
<td>2010</td>
<td>Option for further 16</td>
<td></td>
</tr>
<tr>
<td>EC635 Tpt Hel</td>
<td>24</td>
<td>US$490m</td>
<td>FRA</td>
<td>Eurocopter</td>
<td>2009</td>
<td>n.k.</td>
<td>Cost incl. training and maintenance. First delivery reported mid-2011</td>
<td></td>
</tr>
<tr>
<td>Bell 407 Tpt Hel</td>
<td>27</td>
<td>US$60.3</td>
<td>US</td>
<td>Bell</td>
<td>2009</td>
<td>n.k.</td>
<td>For army, AR-407 configuration.</td>
<td></td>
</tr>
<tr>
<td>MT-LB</td>
<td>APC (T)</td>
<td>EUR150m</td>
<td>BLG</td>
<td>Terem</td>
<td>2012</td>
<td>n/k</td>
<td>Delivery scheduled for late 2012.</td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>---------</td>
<td>---------</td>
<td>-----</td>
<td>-------</td>
<td>------</td>
<td>--------</td>
<td>----------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Al Basra-class</td>
<td>PCC</td>
<td>2</td>
<td>US$86m</td>
<td>US</td>
<td>River Hawk Fast Sea Frames</td>
<td>2010</td>
<td>2012</td>
<td></td>
</tr>
</tbody>
</table>

Source: IISS Military Balance 2013

Create a Joint Intelligence Center

Sharing intelligence at the military, counterterrorism, and popular unrest levels is one of the most difficult aspects of alliance operations. Once again, however, there are precedents. The Gulf states – Saudi Arabia, Qatar, and the UAE – have already held conferences on cooperation in counterterrorism that examined options for cooperation, even in some of the most sensitive areas of intelligence. The NATO MC-161 process involved semi-annual meetings of national intelligence experts supported by the NATO civil and military staffs, and produced an annual threat assessment to present to ministers.

Creating an expanded GCC joint intelligence center to handle military tasks and then expand into counterterrorism and sources of popular unrest could be a way of slowly building up both added GCC capabilities and trust, and common joint collection and analysis capabilities. Creating a GCC-wide annual threat assessment would be one way to begin to tie intelligence cooperation to policy in a way that reinforces unity.

GCC Net Assessment Group

Effective security planning requires more than a threat assessment. It requires an analysis of the trends in the balance relative to key threats and mission areas, and the analysis of current capabilities and priorities for improving them. One option that would bridge the gap between military planning and intelligence at the civil-military level would be to create a GCC Net Assessment group that could address internal and external extremist and asymmetric threats.

Such an effort could focus on Iran and common threats from violent extremism. The group could report on GCC-wide patterns to avoid spotlighting Bahrain or other states, but give common legitimacy to efforts to check such threats. It could aid the defense planning effort by providing annual threat assessments highlighting key threats and showing how the GCC states are moving to deal with them.

Create a Working Group on Arms Control

The GCC and its member states have supported the creation of a weapons of mass destruction free zone in the Middle East. The GCC might create a small staff to examine such options and play an active role in encouraging studies and diplomatic activity.

Create a Technology and Procurement Directorate and Committee

Create a directorate within the GCC, supported by a high-level committee of member country representatives within the GCC headquarters, to analyze military technology and
procurement needs with a focus on technical issues, test and evaluation methods, and the other aspects of military procurement that would help develop common approaches to acquiring weapons systems and technology.

At the same time, give the directorate a matching mandate to focus on ways to develop immediate interoperability, provide common support and sustainability for power projection and redeployment capability, and set common standards for stockpiling and sharing munitions and key supplies.

Support the directorate with an expert staff at GCC headquarters and designated centers of excellence in defense colleges and research centers in member states to assist in national implementation efforts and coordinate in planning and reporting.

**Create a Logistics, Sustainability, and Readiness Directorate and Committee**

Create a matching directorate within the GCC, supported by a high-level committee of member country representatives within the GCC headquarters, to develop plans to create common levels of logistics support, sustainability, and readiness. Give the practical and material aspects of war fighting capability the same emphasis as equipment procurement. Set common standards, require common reporting, and put meeting real-world military readiness standards on a competitive basis equal to the glitter factor in making major prestige-oriented arms buys.

At the same time, give the directorate a matching mandate focus on ways to develop immediate interoperability, provide common support and sustainability for power projection and redeployment capability, and set common standards for stockpiling and sharing munitions and key supplies.

Support the directorate with an expert staff at GCC headquarters and designate centers of excellence in defense colleges and research centers in member states to assist in national implementation efforts and coordinate in planning and reporting. Use these capabilities to develop proposals for GCC country action and analyze common needs and cost-effective approaches to meeting them.

**Building Common Training and Exercise Capacity**

The GCC states already have some exceptional training facilities at the national level, and do cooperate in military exercises, but there are gaps. Many states do relatively little large-scale training that simulates real combat, and member states still have limited cross and common training. There also is a need for joint training that cuts across service lines.

There are several measures that the GCC staff could examine on a civil-military level to improve cooperation and develop interoperability of the kind King Abdullah referred to in his speech to the GCC.

**Survey Training Facilities to Determine How to Make Best Use on a GCC-wide Basis**

The GCC could create a commission of civilian staff and senior military officers to survey training facilities and methods by service and mission focus to determine where creating a common specialized facility is necessary, how to improve joint and common
training, ways to increase cross training of officers and other ranks from other countries, and options for large-scale air and land combat training. Such a commission could report annually to ministers on proposals and progress.

**Focus on Key Contingencies**

The GCC could encourage expanded field and command post training at the GCC level, with a focus on key missions and contingencies like operations to secure the borders with Yemen, deal with efforts to “close the Strait,” and deploy joint forces to deal with a contingency directed against Kuwait and secure the Iraqi-Saudi border.

**Create a Directorate to Coordinate the Creation of GCC-wide Training Facilities and Standards and Centers of Excellence**

Go further, and create a directorate and staff to develop and manage an integrated approach to training and exercise activity. Develop plans to create GCC-wide facilities in member countries. Work with key partners like the US, the UK, and France to develop outside centers of excellence for training, educating, and exercise activity that stress sending mixes of member country students and teams for outside training, and for obtaining outside partners to help improve GCC training and education programs and facilities.

**Focusing on Key Mission Areas**

Security cooperation should focus on developing improved deterrence and defense capabilities in key mission priorities rather than formal generic improvements in military capability or competing for prestige or “glitter factor” arms buys. It should look beyond national needs and recognize the reality that the Arab Gulf states can only defend themselves individually if they cooperate together, develop common military plans and capabilities, take advantage of economies of scale, and are seen by potential threats as nations that cannot be intimidated or defeated on a divide and conquer basis.

This requires a shift from national efforts, tailored to individual service-by-service development, to a focus on GCC-wide efforts that take a joint warfare approach to finding the best way of improving mission capabilities.

Critical mission areas where joint planning efforts and integrated or interoperable joint warfare capabilities are needed include:

- Fully integrated air and surface-to-air missile unit control and warning system
- Fully integrated maritime surveillance system
- Joint, integrated missile defense system
- Planning for “extended deterrence” options and/or a GCC deterrent
- Integrated mine, anti-submarine, and naval asymmetric warfare
- Air-sea coverage of Strait of Hormuz/Gulf of Oman/Indian Ocean/Red Sea/Horn of Africa
- Iraq, the Iraqi border, and the Kuwaiti “hinge”
- Yemen border security and threats
- GCC-wide counterterrorism and internal security
• Passive defense
• More effective cooperation with power projection forces outside the GCC

Create Fully Integrated Air and Surface-to-Air Missile Systems

The GCC has the shell of common or integrated C4I, sensor, and battle BM systems in some areas like air defense. What it needs, however, are truly integrated C4I/BM systems in several key areas, tied to common efforts to develop IS&R systems.

The changes in the Iranian threat and the threat of terrorist and extremist movements creates a broad spectrum of areas where the GCC needs to be able to react in real-time or near real-time to threats ranging from long-range missiles to asymmetric naval attacks to complex attacks by terrorists and extremists.

The highest priorities for such efforts include measures that could play a critical role in deterring – and defending against – Iran. In many cases, the GCC would have only 7-15 minutes of warning of a major air or missile attack, or would need integrated maritime and air surveillance to determine the status of Iran’s asymmetric forces and whether they were deploying to present a threat or were involved in complex operations.

Such a system would integrate sensors like the Saudi E-3A AWACs, other GCC airborne warning and intelligence platforms, ground-based radars, and fighter and major surface-to-air missile systems into a Gulf-wide, secure mix of C3I, BM, and IS&R capabilities. This could be based on expanding the existing Saudi air control and command facility near Riyadh and links between each GCC country and the US Combat Air Operations Center (CAOC) in Qatar.

As the NATO Air Defense Ground Environment (NADGE) system has shown over past decades, sovereignty and national security issues can be addressed by using the systems that mix national control of all national assets with the ability to operate on an alliance-wide basis through an integrated system.

The technical side could be supported by creating a separate technical staff on a contract level controlled by the GCC and military officers. NATO established a NATO Air Defense Ground Environment Management Office (NADGEMO) specifically for such an effort, and found it could work out compromises at a technical level that bridged over national tensions and differences.

Create a Joint, Integrated Missile Defense System

No single area presents a more serious military threat to the GCC than Iran’s acquisition of long-range missiles and movement towards acquiring nuclear weapons. The GCC needs to expand its air defense capabilities to develop a common and integrated approach toward missile defense in cooperation with the US – the only real-world provider and integrator of such a system.

This is critical both in ensuring the creation of any effective system that is truly interoperable, has the proper wide-area coverage, can be reinforced by US ships with SM-2 missile defenses, and is linked effectively to US satellite systems. It also
potentially represents the most expensive GCC investment in new types of military capability over the next decade.

The best way of handling these issues would be to create an integrated missile defense system as an expanded part of an integrated GCC air defense system. The GCC states already have made a massive investment in upgrading their surface-to-air missile defenses to the PAC-3 PATRIOT missile, and the UAE and Qatar are buying THAAD system at a combined cost of over $10 billion.

There is no way such purchases can become a fully effective defense and deterrent unless all Gulf states have such defenses and integrate them at the C4I/BM level to provide a unified wide-area defense capability. At the same time, countries would find it easier and less sensitive to focus on a new aspect of GCC capability.

**Preventing for Missile and WMD Threats**

Defense alone will not be enough; The GCC needs to improve cooperation in several key areas by:

- Developing a common policy towards sanctions and incentives/disincentives in persuading Iran to halt such policies.
- Creating a GCC estimate of the Iranian-Israeli nuclear and missile balance and the risks the rising arms race and potential use of such forces presents to the GCC states.
- Working collectively with the US to explore former Secretary Clinton’s offer of “extended deterrence” to counter Iran if it deploys nuclear weapons.
- Evaluating GCC options for acquiring a GCC deterrent.
- Evaluating the costs-benefits of supporting US preventive military action.

These are all sensitive areas, and involve data that are classified and need to be closely controlled in several areas. At the same time, a lack of GCC coordination and unity will encourage Iran, waste a vast amount of money on less effective defenses, and steadily increase military risks over time.

**Create a Fully Integrated Maritime Surveillance and Battle Management (BM) System**

The growth of Iranian asymmetric warfare capabilities in the Gulf has reached the point where an integrated approach to naval warfare is as important as an integrated approach to air and missile warfare. A common or integrated C4I, sensor, and BM system could integrate command and control data – as well as IS&R sensors and systems for naval operations, related air operations, and coastal defense activity.

It could plan for, manage, and provide C4I/BM/IS&R support for using ships, maritime patrol aircraft, and coastal facilities along the Gulf Coast, in Oman at Goat Island, and along the Omani coast. It could monitor and react to threats like the deployment of the naval guards, mining, stack threats near the Strait of Hormuz, and clusters of missile-equipped smaller ships.
Bahrain has already proposed the creation of such a center in Bahrain, which could have close links to the US fleet command in Bahrain, British forces in Oman, and the French facility in the UAE, as well as standardized links to US, British, and French ships.

Such a system would need to be tailored to the special conditions of asymmetric warfare created by Iran’s submarines, surface navy, naval guards, and growing air and anti-ship missile capabilities. Ideally, it would have some capability to integrate mine warfare operations as well. Coverage could begin in the Gulf, Strait of Hormuz, and Gulf of Oman – but the model could be expanded to cover the Indian Ocean and Red Sea over time.

**Mine and Anti-Submarine (ASW) Warfare**

It is unclear just how far Iran has gone in acquiring or building smart mines. Even older “dumb” mines, however, present a critical threat. This became all too clear during the Iran-Iraq War in 1987-1988. Today, however, the GCC only has four aging minesweepers in the Saudi Navy, and the US, British, and French Navies have limited capabilities. The GCC badly needs to reassess requirements for mine warfare capability.

In contrast, the cost of effective anti-submarine warfare against a limited Iranian threat, and establishing an effective and well-trained GCC force, is probably a waste of resources if the US takes responsibility for the mission inside and outside the Gulf. Resolving the relative role of the US (and British and French) Navy and GCC navies is a critical common security issue.

**Strait of Hormuz/Gulf of Oman/Indian Ocean/Red Sea/Horn of Africa**

The current command and mission structure of GCC naval and air units divides the Gulf by country. It puts the burden of covering the Strait largely on Oman and the UAE. It largely ignores the security of the Gulf of Oman and the Indian Ocean, and leaves the Red Sea to the Saudi Red Sea fleet.

The combined threat from Iran, Yemeni instability, Somali piracy, and political instability in the rest of the Red Sea area – including Egypt – now requires the GCC to start rethinking this naval posture, how best to cooperate with the US and European navies, and how to develop an integrated and more regional approach to tanker and shipping security.

**Iraq, the Iraqi Border, and the Kuwaiti “Hinge”**

The current political crisis in Iraq and the lack of effective formal arrangements for US and Iraqi military cooperation highlight the fact that the primary land threat to the GCC comes through the Iraqi border and the strategic “hinge” in the upper Gulf along the border with Kuwait. This threat is compounded by the risk of both some form of Iranian-led axis involving Iraq, Syria, and Lebanon and a new round of major sectarian fighting between Iraqi Arab Sunnis and Shia.

No one can estimate the future level of Iraqi unity, its political system, or its level of ties to Iran. Even under the best conditions, Iraq will not acquire significant conventional forces to counter or deter Iran before 2016, and this may well take until 2020 and beyond.
The GCC needs to develop common policies towards Iraq that encourage national unity, an Arab identity distant from Iran, and Sunni and Shia unity. At present, it lacks such unity and is not competing effectively with Iran. It needs to use aid and strategic communications to do so.

Moreover, the GCC needs a common contingency-planning approach to defending Kuwait and the entire Saudi-Iraqi border, to support Kuwait’s development of ports, to guard against Iranian military probes, and to consider a border “fence” to cover Kuwait, Saudi Arabia, and possibly Jordan with a cost-effective surveillance effort. These needs further reinforce the priority for bringing Jordan into the GCC – a step the GCC has begun to take.

**Yemen Border Security and Threats**

Unrest in Yemen, the resurgence of the Houthi opposition and AQAP, and the major problems created by illegal immigration and smuggling across Yemen’s borders are now primarily a threat to Saudi Arabia and Oman, but also involve the other GCC states as Yemeni, Somali, and Ethiopian migrants cross their borders. Saudi Arabia will have to play the lead role, but dealing with Yemen should be a GCC problem and one that will inevitably involve cooperation with the US, the UK, and France.

As is the case with the Kuwait hinge and the Saudi-Iraqi border, the GCC needs a common approach to contingency planning to deal with Yemen and to secure the entire Saudi-Omani-Yemeni border, and consider a border “fence” to cover Yemen with a cost-effective surveillance effort. It also needs to consider how best to develop a collective aid effort to help restore Yemeni stability and offer its people some form of economic hope.

**Improving Energy and Infrastructure Security: Passive Defense**

Civil defense and passive defense are other areas for cooperation, and ones where the GCC can act to provide study plans and create a dialogue. The GCC states are extremely dependent on central power, desalination, and energy facilities – and several require major increases in capacity to deal with growing populations. GCC states have already taken some measures to create pipeline routes that bypass the Strait of Hormuz, but “unity” in the GCC requires a broader range of actions:

- Collective efforts and standards for the passive and active defense of critical infrastructure and key energy facilities.
- Common stockpiling of critical parts and components to allow rapid repair of sabotage and combat damage without waiting for long-lead items.
- Integrating power and water systems so the GCC can compensate for a breakdown or damage to a critical power or desalination facility.
- Creating a broader range of pipelines that bypass the Strait and go through Oman to Yanbu, and possibly through Jordan.
- Improving roads and possibly creating a rail capability to move bulk cargo broadly through the Gulf from ports in Oman and from Jeddah.
- GCC-wide planning to reduce the growth of water and power use through conservation and realistic pricing.
Applying the same efforts to reduce the wasteful use of domestic fuel, gasoline, and natural gas.

One key test of such security is that no Gulf city should be critically vulnerable to an Iranian attack or some form of sabotage to a major power or desalination facility. Another goal is to disperse energy facilities in ways that share national use and reduce reliance on any one facility.

**Creating More Effective Cooperation with Power Projection Forces Outside the GCC**

There are limits to the GCC options in cooperating with forces outside the Gulf. Only one additional regional power now seems to be a viable immediate candidate. Including Jordan in the GCC would add an important military force, although one from a country where stability may be an issue. Pakistan is approaching the status of a failed state, is no longer superior to Gulf forces in training and leadership, and presents a far greater political risk than Jordan. Russia and China are not acceptable options. Turkey is a rising power, but its forces are not designed for power projection, and Turkish support for Iran still presents political sensitivities in some GCC states.

This leaves the GCC dependent on Europe and the US, and both have limitations of their own. The GCC faces the reality that British and French power projection capabilities are already severely limited in going beyond the Mediterranean areas and the operating range from major peacetime basing facilities. Current plans and budget pressures make it clear that they are going to be steadily reduced as a result of financial pressure over the next five years.

The situation is more favorable in regard to European arms sales. Cutbacks in European military procurements have limited the range of advanced air and surface-to-air missile equipment, smart munitions, and systems like UCAVs that Europe can sell and support at a contractor level. However, Europe still can provide excellent land weapons, helicopters, and trainers, and Europe also produces naval vessels that often are better suited to the operating needs and ranges of GCC states than most US naval systems.

Europe still offers GCC states alternative sources of arms, but it should be noted that GCC states need to be careful to ensure that contract supports offer high degrees of interoperability with US or other European forces, and that both the European and US contract teams that support equipment in peacetime will be adequate and willing to support combat operations.

The US remains the leading global military power, and has a large presence in the Gulf. The US is already cooperating in depth in areas like the modernization of GCC air forces, common training, and many other areas. US CENTCOM, the US Fifth Fleet, and the US commands in Kuwait and Qatar all provide major support, as do US advisory teams. At the same time, the US does face force and military spending cuts, and has not established a stable Strategic Framework Agreement with Iraq.

The GCC needs to establish a much clearer base for mid and long-term planning for the support US, British, and French power projection forces can actually provide over time. It also needs to link GCC force planning and procurement to clear plans for interoperability, and develop suitable contingency plans.
• **This is not a NATO function.** NATO does not control forces, and has no special expertise in power projection. It also includes far too many members that cannot contribute and which can present political complications.

• **It is, however, in the interest of every GCC state to preserve as much British and French power projection capability and training presence as possible, and to ensure that the US will preserve a major presence in the region over time.** It is equally important to ensure that at some point, the US, British, and French presence evolve in ways that focus more on projection from outside to deal with truly critical contingencies in ways directly linked to the rate of improvement in GCC forces.

One way to help achieve more unity inside and outside the GCC would be to ask that the US, the UK, and France set up military liaison offices to support GCC force planning, procurement, and exercise efforts, and provide military representatives to take on an “observer” status in GCC military meetings. This would effectively recognize efforts that already exist in most GCC countries, but develop a more integrated and effective effort without compromising GCC sovereignty.

**Improving Internal Security Efforts**

The individual approaches that Gulf security forces take in addressing their relative internal threats present serious problems because of the lack of full coordination, and the tendency to crack down and abuse security procedures rather than deal with underlying causes and focus on winning popular support. All of the Gulf states face legitimate internal security challenges that require some form of government action that protects both citizens and infrastructure, but deters future agitation and terrorism from posing a threat to public safety. This, however, is not a reason to use measures that can do as much harm as good and decouple internal security from the effective rule of law and the reforms necessary to bring lasting internal stability.

**Problems in Internal Security and Counterterrorism Programs and Procedures**

Each of the Gulf states now have aspects of their legal and internal security systems that sharply restrict free speech and the right of assembly, go beyond the limits necessary to meet national security needs, and compound internal tensions and pressures rather than increase internal stability and security. The US Department of State’s *Country Reports on Human Rights Practices for 2012* identifies issues such as restrictions on expression and political involvement, illegal detention, and discrimination against foreign workers that could create friction in relations with Washington, and also complicate counter-terrorism efforts within the Gulf states.

The following excerpts from the State Department report highlight key problems in internal security and counterterrorism procedures:

**Saudi Arabia**

The most important human rights problems reported included citizens’ lack of the right and legal means to change their government; pervasive restrictions on universal rights such as freedom of expression, including on the Internet, and freedom of assembly, association, movement, and religion; and a lack of equal rights for women, children, and expatriate workers.

Other human rights problems reported included torture and other abuses; overcrowding in prisons and detention centers; holding political prisoners and detainees; denial of due process; arbitrary arrest and
detention; and arbitrary interference with privacy, home, and correspondence...The government identified, prosecuted, and punished a limited number of officials who committed abuses, particularly those engaged in or complicit with corruption. Some members of the security forces and other senior officials, including those linked to the royal family, reportedly committed abuses with relative impunity.

...The law prohibits torture and holds criminal investigation officers accountable for any abuse of authority. Sharia, as interpreted in the country, prohibits judges from accepting confessions obtained under duress; statutory law provides that public investigators shall not subject accused persons to coercive measures to influence their testimony.

Government officials claimed that Ministry of Interior (MOI) rules prohibiting torture prevented such practices from occurring in the penal system. They also claimed representatives from the governmental Human Rights Commission (HRC) and the quasi-nongovernmental National Society for Human Rights (NSHR), which is supported by a trust funded by the estate of the late King Fahd, conducted prison visits to ascertain that torture did not occur in prisons or detention centers. Nevertheless, during the year there continued to be reports that authorities sometimes subjected prisoners and detainees to torture and other physical abuse, particularly during the investigation phase when interrogating suspects; however, due to lack of government transparency, it was not possible to ascertain the accuracy of these reports. There was no available information on the number of cases of abuse and corporal punishment.

...because of the government's ambiguous implementation of the law and a lack of due process, the MOI, to which the majority of forces with arrest power report, maintained broad powers to arrest and detain persons indefinitely without judicial oversight or effective access to legal counsel or family. In practice authorities held persons for weeks, months, and sometimes years and reportedly failed to advise them promptly of their rights, including their legal right to be represented by an attorney.

...The king, interior minister, defense minister, and national guard commander all have responsibility in law and in practice for law enforcement and maintenance of order. The MOI exercised primary control over internal security and police forces. The civil police and the internal security police are authorized to arrest and detain individuals.

...The semiautonomous CPVPV, which monitors public behavior to enforce strict adherence to the official interpretation of Islamic norms, reports to the king via the Royal Diwan (royal court) and to the MOI. The members of the religious police are required to carry official identification and have a police officer accompany them at the time of an arrest. The head of the CPVPV, Sheikh Abdullatif Al al-Sheikh (appointed in January), ordered strict compliance with this policy and prohibited any nonofficial volunteers. In an October 15 public address to youth, he emphasized citizens need not listen to any professed CPVPV member not displaying official identification. In addition Al al-Sheikh reiterated in a meeting with CPVPV branch directors that CPVPV officials are not allowed to pursue individuals but rather are to take note of relevant information and refer it to the police for further action, including arrest.

Security forces were generally effective at maintaining law and order. The Board of Grievances (Diwan al-Mazalim), a high-level administrative judicial body that specializes in cases against government entities and reports directly to the king, is the only formal mechanism available to seek redress for claims of abuse. Citizens may report abuses by security forces at any police station, to the HRC, or to the NSHR. The HRC and the NSHR maintained records of complaints and outcomes, but privacy laws protected information about individual cases, and information was not publicly available. During the year there were no reported prosecutions of security forces for human rights violations, but the Board of Grievances held hearings and adjudicated claims of wrongdoing. The HRC, in cooperation with the Ministry of Education, provided materials and training to police, security forces, and the religious police on protecting human rights.

The Bureau of Investigation and Prosecution (BIP) and the Control and Investigation Board (CIB) are the two units of the government with authority to investigate reports of criminal activity, corruption, and “disciplinary cases” involving government employees. These bodies are responsible for investigating potential cases and referring them to the administrative courts.
In November 2011 the Council of Ministers consolidated legal authorities for investigation and public prosecution of criminal offences within the BIP; however, the CIB continued to be responsible for investigation and prosecution of noncriminal cases. All financial audit and control functions were limited to the General Auditing Board.

…On April 2, (2012) the MOI’s Bureau of Investigation and Prosecution released statistics accounting for those detained for suspicion of terrorism since 2001. The data suggested that roughly half of the 11,527 persons arrested had been released. Of those not released, 2,215 had been referred to “the competent criminal courts,” with 1,612 convicted by April 2; the others were still being tried. There were 1,931 detainees nearing transfer to court as investigations were being completed, 934 detainees were still being held pending final charges, and another 616 were “still pending trial,” although it was not clear what that description meant. The MOI also reportedly paid compensation of 32 million riyals ($8.5 million) to 486 detainees for being held longer in detention than their jail sentences and provided 529 million riyals ($141 million) in monthly assistance to the families of suspects.

…The number of political prisoners or detainees who reportedly remained in prolonged detention without charge could not be reliably ascertained. In a report MOI spokesperson General Mansour al-Turki noted that of the 11,000 people officially arrested on security-related charges, 50 percent were in prison. However, on December 9, local media reported there were 2,709 detainees, including 597 foreign nationals, facing security-related charges in five prisons. In many cases it was impossible to determine the legal basis for incarceration and whether the detention complied with international norms and standards. Those who remained imprisoned after trial often were convicted of terrorism-related crimes, and there was not sufficient public information about such alleged crimes to judge whether they had a credible claim to be political prisoners.

…There are no laws that prevent male minorities from participating in political life on the same basis as other male citizens, but societal discrimination marginalized the Shia population. While the religious affiliation of Consultative Council members was not publicly known, the council included an estimated five or six Shia members. There were no known religious minorities in the cabinet. Multiple municipal Councils in the Eastern Province, where most Saudi Shia are concentrated, had large proportions of Shia as members to reflect the local population, including a majority in Qatif and 50 percent in al-Hasa. At year’s end there were some Eastern Province Shia judges dealing with intra-Shia personal status and family laws.

Kuwait

Principal human rights problems included limitations on citizens’ right to change their government; restrictions on freedom of speech and assembly, especially among foreign workers and stateless Arabs (called “Bidoon”); trafficking in persons within the foreign worker population, especially in the domestic and unskilled service sectors; and limitations on workers’ rights.

Other human rights problems included reports of security force members abusing prisoners; restrictions on freedom of movement for certain groups, including foreign workers and Bidoon; and limitations on freedoms of press, association, and religion. Women and Bidoon faced social and legal discrimination.

The government took steps to prosecute and punish officials who committed abuses, whether in the security services or elsewhere in the government. Impunity was sometimes a problem in corruption cases.

…The police have sole responsibility for the enforcement of laws not related to national security, and State Security oversees intelligence and national security matters; both are under the purview of civilian interior ministry authorities.

The police were generally effective in carrying out core responsibilities. There were reports some police stations did not take seriously charges by complainants, especially foreign nationals and victims of rape and domestic violence. In cases of alleged police abuse, the district chief investigator examines abuse allegations and refers cases to the courts for trial. There was some evidence of police impunity.
Media sources reported that, during the first eight months of the year, individuals filed 300 complaints against police officers. Authorities took disciplinary measures against 50 officers following investigations and imprisoned nine for their crimes. Several media reports throughout the year detailed sexual assaults by police officers, usually against nonnational women.

Security forces sometimes failed to respond effectively to societal violence between family members or against domestic workers.

…the constitution provides for freedom of assembly; however, in practice the government restricted this right.

Political oppositionists organized dozens of protests and rallies throughout the year. Security officials allowed many peaceful protests to proceed without permits, but intervened to disperse some demonstrations that were unauthorized. Citing public safety and traffic concerns, officials sometimes also restricted the location of planned protests to designated public spaces.

Following elections on December 1, some opposition youth activists held unlicensed marches on consecutive nights to protest the elections. Security forces used nonlethal force to disperse some of the marches, and protesters responded by throwing projectiles, fireworks, and on one occasion Molotov cocktails at police.

On October 21 and November 4, security forces used nonlethal means, including tear gas, percussion grenades, and batons, to disperse marches organized to protest the emir’s decision to amend the electoral law by decree. While the Interior Ministry stated it would permit demonstrators to participate in a protest at a preauthorized location, it refused to allow the protesters to march from one place to another. Participants and human rights groups widely criticized the use of force to disperse what they stated were peaceful protests. Protest organizers requested licenses for two subsequent marches on November 30 and December 8, which the government granted; the marches occurred without incident.

In January, April, May, July, October, and December, security forces dispersed illegal gatherings of Bidoon protesters calling for citizenship rights and access to basic services, including personal documents, health care, and education. After demonstrators refused to leave, security forces used nonlethal means, including water cannons, smoke bombs, tear gas, batons, and rubber bullets to disperse the crowd. Security forces detained 61 demonstrators during the January 13 and 14 protests and 34 during the October 2 demonstrations. MPs and human rights groups criticized what they alleged was the use of force against demonstrators. Authorities released all participants on bail, and most cases were pending as of year’s end. Abdulhakeem al-Fadhli, a prominent Bidoon organizer, was convicted in absentia on November 17 and sentenced to two years in prison for allegedly assaulting a police officer during an April demonstration. Al-Fadhli was arrested on December 11 and, on December 26, his attorney challenged the evidentiary basis for the conviction and sentence. Al-Fadhli remained incarcerated at year’s end.

Bahrain

The most serious human rights problems included citizens’ inability to change their government peacefully; arrest and detention of protesters on vague charges, in some cases leading to their torture in detention; and lack of due process in trials of political and human rights activists, medical personnel, teachers, and students, with some resulting in harsh sentences. Some protesters engaged in lethal acts of violence against security forces, including the use of improvised explosive devices, Molotov cocktails, and other improvised weapons.

Other significant human rights problems included arbitrary deprivation of life; arrest of individuals on charges relating to freedom of expression; reported violations of privacy; and restrictions on civil liberties, including freedom of speech, press, assembly, association, and some religious practices. The government sometimes imposed and enforced travel bans on political activists. Discrimination on the basis of gender, religion, nationality, and sect persisted, especially against the Shia population. There were reports of domestic violence against women and children. Trafficking in persons and restrictions on the rights of foreign workers continued to be significant problems.
Beginning in February 2011, the country experienced a sustained period of unrest including mass protests calling for political reform. In 2011, 52 persons died in incidents linked to the unrest, and hundreds more were injured or arrested. The government prosecuted some police personnel implicated in abuses committed during the year and in 2011. Courts convicted six individuals of crimes related to police abuse, resulting in prison sentences ranging from three months to seven years. It was unclear whether any of those convicted were in prison at year’s end. Many of the trials continued. In the pending cases, charges ranged from misdemeanor assault and battery to murder. The government took some steps to address the “culture of impunity,” which the 2011 Bahrain Independent Commission of Inquiry (BICI) report identified.

…There were a number of reports that government security forces committed arbitrary or unlawful killings. Local human rights organizations linked between 23 and 29 deaths to security forces either directly or indirectly. Shia opposition political society Al-Wifaq’s Freedom and Human Rights Department (FHRD) reported three deaths from injuries due to beating or torture, three from birdshot, two from “live ammunition,” and one from delayed and inadequate medical care. Local human rights organizations attributed more than 20 deaths to exposure to tear gas.

…Domestic and international human rights organizations reported numerous instances of torture and other cruel, inhuman, or degrading treatment or punishment. Detainees reported to local human rights activists that security officials continued to use abusive tactics. They alleged that security officials beat them, sometimes while they were blindfolded, and often with clubs, whips, or rubber hoses. Officials reportedly placed detainees in solitary confinement, sometimes in extreme temperatures, and burned body parts with lighters. Detainees claimed officials forced shoes into their mouths, spit on them, or spit into their mouths. Other reports noted a similar pattern of abuse following arrest, including beating without interrogation, beating with interrogation, harassment, and intimidation without further physical abuse. Most detainees were Shia.

Local human rights groups, including the unlicensed Bahrain Center for Human Rights (BCHR), Bahrain Human Rights Society (BHRS), and the FHRD reported that authorities beat and tortured detainees during interrogations and denied medical treatment to injured or ill detainees. Reports indicated that the MOI interrogated detainees about illegal protest activity. Detainees reported mistreatment at official interrogation facilities. The most frequently cited locations for mistreatment included the following MOI facilities: the Adliya Criminal Investigation Division (CID), Isa Town Detention Center for Women, Dry Dock Detention Center, and Jaw Prison. Other official detention facilities less commonly cited included police stations in Al Rifaa, Al Qudaibiya, Samahieh, Al Nuaim, Nabih Saleh, Al Budaiya, and Sitra.

Local human rights groups reported that detainees also complained of abuse and torture at various temporary facilities, including a youth hostel and a tent near the Exhibition Center in the Capital Governorate, an equestrian center in the Northern Governorate, and other locations in the Central and Muharraq governorates. These unregistered detention centers did not comply with the BICI recommendations that require placing cameras and recording equipment in all official detention facilities. The most common techniques included blindfolding detainees; beating, punching, and hitting them with rubber hoses, cables, metal, wooden planks or other objects; electric shock; exposure to extreme temperatures; stress positions; verbal abuse; threats to rape the detainee or family members; sexual assault; preventing detainees from praying; sleep deprivation; and insulting the detainee’s religious sect (Shia). Victims also reported security officials used physical and psychological mistreatment to extract confessions and statements under duress or as retribution and punishment. Detainees also reported security forces abused them in their homes.

On February 29, Public Prosecutor Ali Al-Buainain announced the Special Investigation Unit (SIU), a newly created entity under his office’s jurisdiction, would investigate torture and mistreatment by government officials...The National Security Agency (NSA) reportedly initiated a general investigation into mistreatment claims in 2011, but only one prosecution resulted from that investigation.

…The MOI is responsible for internal public security and controls the public security force and specialized security units that are responsible for maintaining internal order. The Bahraini Coast Guard is under the jurisdiction of the MOI. The Bahrain Defense Force (BDF) is primarily responsible for defending against external threats, while the Bahrain National Guard is responsible for defending
against external threats and is a security force against internal threats. The government also created two new independent ombudsman offices responsible for addressing cases of mistreatment and abuse; however, neither was operational by year’s end. On February 29, the king issued a decree to establish an independent ombudsman’s office at the MOI and a second decree to create an independent office for the inspector general at the National Security Agency. On August 26, the MOI announced the assignment of Nawaf Al-Ma’awada as its ombudsman. At year’s end the government was in the process of establishing those offices and hiring personnel.

Security forces were not completely effective in maintaining order and were often accused of using excessive force. Many human rights groups continued to assert that investigations into police accountability for abuse were slow and ineffective.

The Bahrain News Agency reported on March 14 that the interior minister approved BICI’s recommendation for a new code of conduct for police that requires officers to abide by 10 principles, including limited use of force and zero tolerance for torture and mistreatment. According to government officials, the new code is consistent with international human rights standards and forbids the use of force “except when absolutely necessary.” At year’s end the Royal Police Academy included the code in its curriculum and provided new recruits with copies in English and Arabic. However, it was unclear whether the MOI had mechanisms to enforce the code of conduct.

The MOI maintained a hotline for citizens to report police abuse, but many in the Shia community hesitated to report abuse for fear of retribution. The government reported that the hotline received 872 complaints during the year, not all of which were directly related to police abuse.

The mechanism for investigating allegations of abuse by NSA officials included the announcement of an independent inspector general.

The MOI began training courses with the International Institute of Higher Studies in Criminal Sciences based in Siracusa, Italy. Sixty judges, prosecutors, and investigators took part in three training courses held during the year.

According to the November 2012 BICI follow-up report, 100 female and 255 male recruits were hired in the first round of community policing recruitment to perform police work in all ministry departments.

…the MOI (in particular the CID and the Public Security Forces, which include the riot police) arbitrarily arrested numerous individuals. Many detained individuals reported being arrested and not shown warrants by arresting forces. There were many reports that security forces raided homes and damaged property without providing compensation while searching for suspected criminals.

Oman

The principal human rights problems were the inability of citizens to change their government, limits on freedom of speech and assembly, and discrimination against women, including political and economic exclusion based on cultural norms. Thirty-two individuals were convicted on charges of libel against the sultan during the year, receiving prison sentences from six to 18 months and fines of 500 to 1,000 Omani rials (approximately $1,300 to $2,600). Another 12 individuals were convicted on charges of illegal assembly (assembly without a permit) while peacefully protesting some of the libel convictions. The protesters each received a prison sentence of one year and a 1,000 rial fine (approximately $2,600).

Other ongoing concerns included lack of independent inspections of prisons and detention centers, restrictions on press freedom, instances of domestic violence, and instances of foreign citizen laborers placed in conditions of forced labor or abuse.

Security personnel and other government officials generally were held accountable for their actions. The Head of Finance of the Royal Oman Police (ROP) was prosecuted, sentenced, and jailed for four-and-a-half years for embezzlement of over 700,000 Omani rials (approximately $1.8 million). In a separate case, after security forces shot and killed a protester in 2011, authorities conducted an investigation but held no one liable.
…Politically motivated disappearances were reported in the country. On May 31, security forces detained Ismael al-Meqbali, Habiba al-Hinai, and Yaqoub al-Kharusi, human rights activists who were visiting striking oil workers.

…The Royal Office, part of the cabinet, controls internal and external security and coordinates all intelligence and security policies. Under the Royal Office, the Internal Security Service investigates all matters related to domestic security, and the sultan’s Special Forces have limited border security and antismuggling responsibilities. The ROP, also part of the cabinet, perform regular police duties, provide security at points of entry, serve as the country’s immigration and customs agency, and includes the Coast Guard. The Ministry of Defense, and in particular the Royal Army of Oman (RAO), is responsible for securing the borders and has limited domestic security responsibilities. The security forces performed their duties effectively.

Civilian authorities generally maintained effective control over the Internal Security Service, the sultan’s Special Forces, the RAO, and the ROP.

**Qatar**

The principal human rights problems were the inability of citizens to change their government peacefully, restriction of fundamental civil liberties, and pervasive denial of expatriate workers’ rights. The monarch-appointed government prohibited organized political parties and restricted civil liberties, including freedoms of speech, press, and assembly and access to a fair trial for persons held under the Protection of Society Law and Combating Terrorism Law.

Other continuing human rights concerns included restrictions on the freedoms of religion and movement, as foreign laborers could not freely travel abroad. Trafficking in persons, primarily in the labor and domestic worker sectors, was a problem. Legal, institutional, and cultural discrimination against women limited their participation in society. The noncitizen “Bidoon” (stateless persons) who resided in the country with an unresolved legal status experienced social discrimination.

The government took steps to prosecute those who committed abuses, and there were no cases of impunity reported

… Prison and detention center conditions generally met international standards; however, there were reports that security forces abused prisoners held on politically sensitive charges…The state security service can arrest and detain suspects for up to 30 days without referring them to the public prosecutor.

…Civilian authorities maintained effective control over the police under the Ministry of Interior and state security forces, and the government employed effective mechanisms to investigate and punish abuse and corruption. There were no reports of impunity involving the security forces during the year.

…The Protection of Society Law and Combating Terrorism Law provide procedures that permit detention without charge for as long as 15 days, renewable for up to six months. The law permits an additional six months’ detention without charge with approval of the prime minister, who can extend the detention indefinitely in cases of threats to national security. This lawempowers the minister of interior to detain persons suspected of crimes related to national security, honor, or impudence. Decisions under this law are subject to appeal by the prime minister only. A provision of this law permits the prime minister to adjudicate complaints involving such detentions. The law permits a second six-month period of detention with approval from the Criminal Court, which can extend a detention indefinitely with review every six months

**UAE**

The three most significant human rights problems were arbitrary arrests, incommunicado detentions, and lengthy pretrial detentions; limitations on citizens’ civil liberties (including the freedoms of speech, press, assembly, and association); and citizens’ inability to change their government.

…The constitution prohibits arbitrary arrest and detention; however, there were reports that the government held persons in official custody without charge or a preliminary judicial hearing. The Ministry of Interior detained foreign residents arbitrarily at times. The law permits indefinite, routine,
and incommunicado detention without appeal. Authorities determined whether detainees were permitted to contact attorneys, family members, or others after an indefinite or unspecified period.

Beginning in March authorities arrested more than 80 individuals, including at least 12 Egyptians residing in the country who were arrested between November and December. Authorities stated that the individuals had ties to Dawat Al Islah, an organization purportedly associated with the Muslim Brotherhood, and were plotting a government overthrow and attacks against the nation. Individuals associated with those arrested, and other organizations, disputed authorities’ claims and noted that many of the detainees called for political reforms and expanded rights. Many of the individuals were arbitrarily arrested and subjected to incommunicado detention (see section 1.e.).

Each of the seven emirates maintains a local police force, which is officially a branch of the federal Ministry of Interior and called a general directorate. All emirate-level police general directorates enforce their respective emirate’s laws autonomously. The emirate-level police general directorates also enforce the country’s federal laws within their emirate in coordination with each other and under the ministry’s auspices, but the manner in which they do so varies depending on local operational considerations. The federal government maintains federal armed forces for external security. Civilian authorities maintained effective control over emirate-level police and federal security forces.

The Ministry of Interior has broad authority to investigate abuses. Civilian authorities maintained effective control over the local police forces, and the government had effective mechanisms to investigate and punish abuse and corruption. There were no reports of impunity involving security forces during the year. However, there were some unresolved cases involving allegations of mistreatment by security forces.

…Public prosecutors may order detainees held as long as 21 days without charge, or longer in some cases with a court order. Judges may not grant an extension of more than 30 days of detention without charge; however, they may renew 30-day extensions indefinitely. Public prosecutors may hold suspects in terrorism-related cases without charge for six months. Once a suspect is charged with terrorism, the Supreme Court may extend the detention indefinitely.

…A defendant is entitled to an attorney after police have completed their investigation. Police sometimes questioned the accused for weeks without permitting access to an attorney. The government may provide counsel at its discretion to indigent defendants charged with felonies that are punishable by imprisonment of three to 15 years. The law requires the government to provide counsel in cases in which indigent defendants face punishments of life imprisonment or the death penalty. Authorities generally granted family members prompt access to those arrested on charges unrelated to state security; however, authorities held some persons incommunicado.

…The government committed arbitrary arrests, notably in cases that allegedly violated state security regulations….The government held citizens both in incommunicado detention and under house arrest. Authorities initially placed two of the individuals detained for links to the Dawat Al Islah under house arrest. The government did not inform the majority of the detainees with alleged links to Dawat Al Islah of the specific charges against them within the specified legal time limit and reportedly held the detainees incommunicado (see section 1.e., Political Prisoners and Detainees).

…In November and December authorities arbitrarily arrested additional individuals, potentially for comments posted online in support of those previously arrested. The government stated that those arrested had direct links to the Dawat Al Islah.

…The constitution provides for an independent judiciary; however, court decisions remained subject to review by the political leadership and suffered from nepotism. There were reports that the State Security Department intervened in judicial affairs. The judiciary was composed largely of contracted foreign nationals subject to potential deportation, further compromising its independence from the government. There was no functional separation between the executive and judicial branches.

…In the aftermath of the Arab Spring, the government restricted the activities of organizations and individuals allegedly associated with Dawat Al Islah and the Muslim Brotherhood, including at least 12 Egyptians residing in the country.
Although some officials publicly indicated that those arrested had plotted to overthrow the government, these accusations were not yet proven, and trials had not started by year’s end.

**Yemen**

The most significant human rights problems were arbitrary killings and acts of violence committed by the government and various entities and groups; disappearances and kidnappings; and a weak and corrupt judicial system that did not ensure the rule of law.

Other human rights problems included: torture and other cruel, inhuman, or degrading treatment or punishment; poor prison conditions; arbitrary arrest and detention; lengthy pretrial detention; some infringements on citizens’ privacy rights; some limits on freedom of speech, press, assembly, association, and movement; lack of transparency and significant corruption at all levels of government; violence and discrimination against women; violence against children; reported use of child soldiers by security forces, tribal groups, and other informal militias; discrimination against persons with disabilities; discrimination based on race and gender; restrictions on worker rights; forced labor, including forced child labor; and extremist threats and violence.

Impunity was persistent and pervasive. The transitional government planned to undertake investigations and prosecutions of government and security officials for human rights abuses, but political pressures and limited government capacity precluded significant action. Authorities removed some officials implicated in serious human rights violations from their positions, including Brigadier Abdullah Ghairan, who had been head of security in Aden and Ta’iz.

Nonstate actors engaged in internal armed conflict with government forces and committed abuses related to traditional tribal conflicts or simple criminality. Multiple armed groups, including progovernment and opposition tribal militias, regionally and religiously oriented insurgents, and terrorist groups including Al-Qaeda in the Arabian Peninsula (AQAP) perpetrated numerous human rights abuses. Principal among these were arbitrary killings, unlawful detentions, and use of brutal force.

…There were reports of arbitrary or unlawful killings. Government forces and proxies responded at times with excessive force to demonstrations and protests in various parts of the country, particularly in Aden, where armed groups affiliated with the Southern Movement (Hirak) clashed with security forces and government proxies during the year. Excessive force also was used on both sides in internal armed conflicts in Sana’a, Marib, Ta’iz, Zinjibar, Abyan, and elsewhere, resulting in the killing of civilian bystanders.

Impunity for security officials remained a problem as the government was slow to act against officials implicated in committing abuses and using excessive force. Some remained at their posts, or were transferred to new ones. Judicial proceedings were initiated at the end of the year. Abdallah Qarain was removed from his post as head of security in Aden in March 2011 following reports of excessive use of force and was transferred to Ta’iz, where similar reports of excessive use of force followed. He was then removed as head of security at Ta’iz at the end of January 2012. In November Brigadier General Murad al-Awbali led units of the Republican Guard who used tanks and mortars against protesters in Ta’iz, burned their tents, and reportedly removed medical supplies from the local hospital in May 2011. After continued outcry from revolutionary activists in 2012, al-Awbali was transferred by then Republican Guard commander Ahmed Ali Saleh to a brigade command outside Sana’a. The Ta’iz prosecutor’s office brought charges against Abdullah Qairan and Murad al-Awbali and others accused of human rights abuses, including Abdullah Dhaban, a commander of the 33 Brigade, Hamoud al-Sofi, the former governor of Ta’iz, and Mohammad al-Haj, head of the municipal council.

The government took some steps to address impunity by removing other officers from their posts. Between April and December, Hadi fired at least four governors and more than a dozen generals, including Saleh’s relatives. Most notably, Hadi announced that the military entities that Ahmed Ali Saleh and Ali Muhsin al-Ahmar lead would no longer exist after the reorganization process was complete in 2013. The changes reflected Hadi’s desire to purge Saleh loyalists and prevent them from destabilizing the country. However, the moves also appeared to address the demands of hundreds of
thousands of citizens for the removal of Saleh’s relatives and allies from the military due to human rights abuses and corruption.

Politically motivated killings by nonstate actors such as terrorist and insurgent groups also occurred. Many other attempted killings were unsuccessful. On June 18, an explosive device detonated in Aden, killing the head of the military’s Southern Regional Command, Commander Major General Salem Ali Qatan. He was the ranking officer in charge of the coordinated military and tribal attacks that drove AQAP and the affiliated Ansar al Sharia militias from several southern strongholds during the spring and early summer. Targeted killings of military, security, and government officials by those claiming affiliation with AQAP increased significantly during the year. By the end of the year, the government reported 40 security officers had been killed by assassins on motorcycles.

On May 21, a large explosion occurred during preparations for a military parade to be held on May 22. A suicide bomber dressed in a military uniform walked into a formation of military personnel and detonated his vest, killing or injuring nearly 100 soldiers. The intended target of the bombing was likely the minister of defense, who left the area only minutes before. AQAP claimed responsibility for the May 21 attack. The minister of defense was targeted many times during the year, including in late October.

Nonstate actors targeted foreigners and those working for foreign missions. On March 18, a foreign teacher who lived in the city of Ta’iz was killed by individuals who claimed they were affiliated with AQAP. In November a Saudi military official working at the Saudi embassy was killed.

Armed clashes broke out in northern governorates, including Sa’ada, al-Jawf, and Amran, between supporters of the Zaydi Shia Houthi movement and supporters of the largely Sunni members of the Islah Party. Attacks between the groups resulted in the deaths of many combatants and bystanders, according to media and local NGO reports. The fighting went largely unchecked as central government control in those areas was weak. On May 25, the press reported that a bomber drove a car packed with explosives into a school during Friday prayers in al-Jawf Province and killed at least 12 persons.

NGO representatives believed that the number of killings perpetrated by individual members of various security forces, tribes, or other groups increased during the year.

…The primary state security and intelligence-gathering entities, the PSO and the NSB, report directly to the Office of the President. There was no clear definition of many of the NSB’s duties, which have evolved from protecting the country from external threats to overlapping with those of the PSO, which is domestically focused and charged with identifying and combating political crimes and acts of sabotage.

The Criminal Investigation Division reports to the Ministry of Interior and conducted most criminal investigations and arrests. The Central Security Office, also a part of the ministry, maintains a Counter Terrorism Unit and the paramilitary Central Security Forces (CSF), which often was accused of using excessive force in crowd control situations.

The Ministry of Defense also employed units under its formal supervision to quell domestic unrest and to participate in internal armed conflicts. Regular army units were engaged in fighting AQAP and associated groups located in Zinjibar in Abyan Governorate, but were not used in domestic law enforcement. However, special units under the Ministry of Defense, including the Republican Guard, were used to suppress demonstrations and often employed excessive force. The Republican Guard commander and former president’s son, Ahmed Ali Saleh, also commanded the Yemen Special Operations Forces, which, along with the Counter Terrorism Unit, were deployed during internal armed conflicts in Sana’a and Abyan.

The CSF, Yemen Special Operations Forces, Republican Guard, NSB, and other security organs ostensibly reported to civilian authorities in the Ministries of Interior and Defense and the Office of the President. However, members of former president Saleh’s family controlled these units, often through unofficial channels rather than through the formal command structure. This fact, coupled with a lack of effective mechanisms to investigate and prosecute abuse and corruption, exacerbated the problem of impunity. The transition agreement implemented on November 23, 2011, committed the government to
reorganizing the security and armed forces. In December President Hadi issued several decrees that began the process of restructuring the security forces.

…Citizens regularly accused security officials of ignoring due process when arresting and detaining suspects and demonstrators. Some members of the security forces continued to arrest or detain incommunicado persons for varying periods without charge, family notification, or hearings. Detainees were often unclear which investigating agency had arrested them, and the agencies frequently complicated determination by unofficially transferring custody of individuals among agencies. Security forces routinely detained relatives of fugitives as hostages until the suspect was located. Authorities stated that they detained relatives only when the relatives obstructed justice; human rights organizations rejected this claim. In 2010 the UN Committee against Torture expressed concern about this practice.

Local and international NGO reports and accounts by former detainees claimed that some branches of the security forces operated extrajudicial detention facilities, although the government denied that this was authorized. Private unauthorized prisons and detention facilities also existed. The government planned to address these through the national dialogue and ministry restructuring, which was intended to establish effective official control over both territory and functions.

…A court of limited jurisdiction considers security cases. A specialized criminal court, the State Security Court, operates under different procedures with nonpublic sessions. It was first established in 1999 to try persons charged with kidnapping, carjacking, attacking oil pipelines, and other acts considered to be a “public danger.” This court does not provide defendants with the same rights provided in the regular courts. Defense lawyers reportedly did not have full access to their clients’ charges or relevant government-held evidence and court files.

…There were numerous reports of political prisoners and detainees. The government was accused of detaining Hirak activists, as well as demonstration leaders, journalists, and persons with alleged connections to Houthi rebels. Some were held for prolonged periods, while many were released within days. Elements within the security forces reportedly continued to detain persons for political reasons on bases or within headquarters.

Confirmation of the number and assessment of the status of political prisoners or detainees was difficult. Detainees were not charged publicly, their detentions were often short term, and the government and other entities severely restricted or barred information to and access by local or international humanitarian organizations. Absent charges, it was difficult to determine whether detainees’ actions had been violent or primarily advocacy and dissent. The government also sometimes did not follow due process of law in cases in which detained suspects were accused of links to terrorism.

The heads of three human rights NGOs stated they were arbitrarily detained by security forces on multiple occasions during the year when they attempted to enter the country. In addition one member of a human rights NGO asserted that security forces forcibly removed him from his home and detained him for several days without a stated cause.

…Clashes occurred in the center of the country, near the capital, including in the districts of Arhab and Nihm, and near Ta’iz. Government units--including the CSF, Republican Guards, and Yemeni Special Operations Forces--and progovernment tribal proxies battled tribal fighters, including tribesmen aligned with the al-Ahmar family in Sana’a and with Sheikh Hamud al-Mikhlafi in Ta’iz.

In the south the army and air force were deployed to combat AQAP and affiliated militant groups in Abyan Governorate, which had taken over the governorate’s capital of Zinjibar. Armed clashes also took place between supporters of Hirak and government forces and supporters in and around Aden.

In the north, tribes affiliated with the Zaydi Shia Houthi community in the governorates of Sa’ada, Amran, Hajja, and al-Jawf engaged in armed clashes with Salafi groups, as well as with tribesmen affiliated with the conservative Islah Party.

**Killings:** There were fewer incidents during the year that resulted in large numbers of persons being killed, compared with the widespread violence of 2011. Clashes in and around Sana’a were sporadic and smaller in scale, with few fatalities. Targeted killings, however, increased during the year, usually
directed at members of security organizations or foreign officials. The largest single attack in Sana’a occurred on May 21 when a suicide bomber, disguised as a military member, infiltrated an area where military units were practicing for a May 22 parade and detonated his explosives, killing and injuring more than 100 soldiers. AQAP claimed responsibility for the attack. AQAP was apparently responsible for other killings, including a Saudi official shot in November.

In the northern governorates of Sa’ada, Amran, Hajja, and al-Jawf, there were many reported politically motivated clashes between Houthi supporters and supporters of Sunni Salafi sects and the Islah Party. Given the lack of foreign press and NGO presence in that region, data concerning deaths and other details of this conflict were unverifiable. However, Sa’ada residents reported that the clashes resulted in dozens, possibly hundreds, of deaths throughout the year.

…In the southern governorates of Abyan and Aden, terrorist activity by AQAP and its affiliate Ansar al Sharia caused a large number of deaths and injuries during the year. Government forces, supported by local tribal militias, carried out an offensive in the spring to drive AQAP militias from strongholds in Abyan. Hundreds of combatants on both sides died during the fighting, and reports indicated that innocent bystanders also were killed. Tens of thousands of internally displaced persons (IDPs) were forced from Abyan to Lahj and Aden for safety and shelter. AQAP-controlled areas in Abyan Governorate were booby-trapped with mines and other improvised explosive devices (IEDs), and dozens of IDPs who returned to their homes after government forces regained control of former AQAP areas were killed when they entered these booby-trapped homes or family areas.

…According to the UNHCR and the UN Office for the Coordination of Humanitarian Affairs, there were more than 390,000 IDPs as at the end of the year, with another 200,000 experiencing many of the same privations. Eleven out of the 21 governorates hosted IDPs displaced by the protracted conflict between Houthis and other armed groups in the north, AQAP expansion and conflict with government forces in the south, and general instability related to the Arab Spring protests centered on major population areas. According to the UNHCR, approximately 62 percent of IDPs were from the Sa’ada and Hajja Governorates in the north affected by long-running tribal, regional, and sectarian conflict between Houthi and Sunni/Islahi tribesmen. Thirty-eight percent of IDPs were from southern governorates, displaced by conflict between AQAP and government forces. Other citizens were displaced temporarily by armed clashes related to Arab Spring protests and general insecurity stemming from weakened government rule in Sana’a, Ta’iz, Aden, and other cities.

AQAP took control of Zinjbar and other areas in Abyan, Lahj, and Shabwah governorates in 2011 and held these locations for approximately one year until a government offensive drove them out in June. This fighting displaced over 100,000 persons. Mines, unexploded ordnance, and IEDs planted by AQAP, which deliberately targeted the civilian population, slowed, or prevented their return to their homes. At the end of the year, the UNHCR had registered more than 85,000 IDPs who returned to their homes.

These accounts pose a number of challenges to Gulf security. First, US law prevents the transfer of weapons to entities that do not uphold human rights standards. Washington has already restricted the export of certain defense articles to Bahrain – articles that could potentially pose a threat to public safety. If uprisings elsewhere in the Gulf are met with similarly maligned security and counterterrorism tactics that jeopardize human rights, then the US may be forced to impose restrictions on arms transfers to those states as well.

Perhaps more importantly, by implementing many of the responses discussed above, governments can end up triggering the internal unrest and anti-government sentiment that they seek to prevent. The recent examples of Egypt and Syria show how poorly executed and inhumane government responses to internal unrest can fuel revolutionary movements within a society that pose serious risks to national security. In countries such as Bahrain and Saudi Arabia, where the government and the Shia communities find themselves on opposite sides of a fault line, a government crackdown that lacks basic tenets such as the
protection of the accused, due process, and transparent investigations can only deepen the rift between the government and these communities – thus advancing Iran’s strategic interests.

**Improving Internal Security, Counter-Terrorism, the Baseline for Cooperation with the United States**

Several earlier suggestions have already focused on the need for integrated intelligence efforts. It is clear that cooperation in internal security is extremely sensitive on a national basis. Nevertheless, there again are areas where the GCC staff and member states may be able to develop important options for improving GCC “unity:”

**GCC Identity Cards and Passport Data**

Require GCC-wide identity cards for both nationals and foreign labor and business residents – with matching passport data for nationals – that contain digital photo, fingerprint, and eye scan data, and track each major use of the card. Tying the use of the card to remittances – and banking/Hawala use – would provide further security information.

Such data could be encrypted so only governments can read it, and national programs could be set up to track major “events” or actions that fit a pattern of terrorism, human trafficking, improper financial transfers, etc. Setting up a GCC-wide pattern analysis where given uses of the card or card data were flagged as warnings could further assist in security operations. This could include flagging movements to sensitive countries like Iran.

**A GCC-wide Intelligence Effort for Counterterrorism and Dealing with Popular Unrest**

Expand current cooperation to create the GCC equivalent of Interpol to create a common intelligence and data center that focuses on tracking both political extremists and terrorists, and provides near real-time warning of the kind provided by the US National Counterterrorism Center (NCTC). This effort could be tailored to reflect national standards for reporting to a degree that ensures such a body does not infringe on national sensitivities and prerogatives.

**GCC Internal Security Center**

In time, it may be possible to create a combined intelligence, training, and operations center to deal with low-level threats, extremism, terrorism, sabotage, and actions by states like Iran. This could create a staff that integrates GCC data on terrorism and extremist and outside asymmetric threats, looks at defense options, and finds efficient ways to achieve common training.

The political sensitivities are obvious, but could be avoided by focusing on the areas where states are known to be willing to cooperate from the start and by focusing on cooperation where countries do not have to reveal key intelligence data and sensitive information. Even if it does nothing more than bring policing, Ministry of Interior, and counterterrorism experts together – with a suitable support staff – it will help.
Common Counterterrorism Training

Create common training facilities for counterterrorism options, and develop programs to ensure cross training from one country to another. This could include related intelligence, special operations forces (SOF), special branches, and regular police training. It is also an area where Jordan has excellent SOF training facilities, and where joint training might occur with US, British, and French SOF forces.

Common Police and Crowd Control Standards and Training

Dealing with domestic protests, unrest, and riots is an extremely sensitive issue. It is also one where the past few years have shown that GCC countries need to set the highest possible standards to minimize abuses and escalating problems that could be quickly controlled by effective and moderate action.

Developing common methods and capabilities in terms of procedures, equipment, use of force, toleration of legitimate popular protest and dissent, use of arrests and detention, and immediate expert negotiation would both aid individual countries and serve a common interest.

Create large-scale police and internal security facilities that could simulate crowd control, peaceful negotiation and treatment of demonstrators, and teach the use of non-lethal and non-provocative use of force. This could help prepare all GCC states for future contingencies and raise their internal security and police forces to a high level of proficiency.

Such efforts could be given the kind of visibility to show GCC citizens and the world that GCC states are making a common effort to minimize the use of force and protect their citizens. Similarly, showing all GCC countries are acting in ways that define and allow legitimate opposition – and limit the use of force, trials, and detention to truly necessary cases – is a key way of building public trust.

GCC-wide Rapid Reaction Forces for Counterterrorism and Dealing with Violent Unrest

Dealing with violent unrest and demonstrations is very different from counterterrorism and from a military rapid reaction force. The GCC should seek peaceful internal resolution of internal issues and tensions and avoid the use of forces from other GCC countries in dealing with popular protests and unrest limited to given member states if at all possible. Outside intervention should be a last resort option that discredits the government asking for aid and requires outside forces to deal proportionately with protests they do not fully understand and cannot easily characterize.

As events in Bahrain show, however, there may be a need for carefully trained and equipped reinforcements from outside forces to deal with violent demonstrations, crowd control, and popular unrest. Ensure a capability to operate effectively across borders and reinforce those borders in dealing with popular unrest in ways that minimize the need to use force and political complications.

One option might be to create a GCC-wide crowd/demonstration control capability by identifying national force elements trained, equipped, and mobile enough to come to the aid of other GCC countries, or the creation of a common force. The latter would be
cheaper, identify neighboring forces in close proximity, and take best advantage of existing helicopter lift, mobility, specialized vehicles, weapons and equipment, and intelligence/communications gear.

**Encouraging Stability Through Economic, Educational, and Social Measures**

The events of the last two years have made it all too clear, however, that the civil side of security must be given the same priority. The GCC has to find collective ways to improve security cooperation that address the causes of security issues as well as ways to deal with such threats.

The past few years have made it clear that the combination of high population growth, issues in educating and employing native youth, housing, infrastructure pressures, medical services, and other material issues plays a critical role in the security of each GCC state. These issues are compounded by sectarian differences, tribal pressures, foreign labor issues, and popular perceptions of corruption, responsiveness and integrity of government services, and divisions by region and income group over the quality of government services.

Most GCC states are now attempting to deal with these issues on a national basis, and national sensitivities preclude “unity” in addressing the problems of each state in a GCC-wide environment. There also are sufficient national differences – so one size scarcely fits all.

At the same time, the need to encourage stability and security through economic, educational, and social measures is at least as great a security issue as any foreign threat or terrorism. There also are important areas for cooperation in spite of national differences.

**Education**

The creation of GCC-wide scholarships and exchange programs – and GCC-wide educational standards – would help develop a common effort to improve readiness for employment, a consciousness of the importance of GCC as well as national values, and potentially serve to speed education reform by moving the debate away from purely national issues to a broad regional standard that could focus on educating young men and women for practical careers.

**GCC Domestic and Foreign Labor Policies**

It is easy to talk about “Omanization” and “Saudization” and other policies for dealing with foreign labor, but it is even easier to continue exploiting low-cost foreign labor and relying on outside technical expertise. Creating common labor policies that give priority to hiring local nationals from within the GCC, and common apprentice and training programs that support such efforts, could be used to show the concern of governments and set broad standards for reducing dependence on foreign labor. These policies could be expanded to include Jordan and other critical Arab states.
The same common policies could be used to create a GCC-wide approach to foreign labor. This could include visas, protection and rights, salary and remittance policies, and limits of foreign versus Gulf labor.

It is important to note that setting higher standards for foreign labor, and raising real world labor costs, is a key way to encourage employment of GCC nationals. Such efforts can also be joined with the use of GCC-wide identity cards to help ensure the stability of foreign workers by protecting them, managing visas, and tracking every entry, departure, and change in job status.

**Setting Common Social and Economic Standards/Goals**

The past few years have shown that education, housing, medical services, utilities and water, equity of income distribution, perceptions of corruption, quality of governance/rule of law, human rights, and levels and quality of employment all act as critical factors shaping domestic stability and unrest.

Gulf states differ sharply today in the levels of such services. They are, however, improving in each state. Setting up a commission or body in the GCC to examine the level of performance in each country, setting common goals and standards, and showing the people of each country that they and their children will benefit over time offers a potential way to increase stability.

Making key elements of such an effort public is a way of focusing protest and public dissent on real issues and ones governments can actually solve, as well as reassuring Gulf youth. This is particularly true if it shows that each government is providing equity across sectarian and regional standards, and is actively working to identify current problems and solve them.

**Building Dignity, Trust, and Faith in Government Integrity**

The political crises in the Middle East and North Africa in recent years – along with the experiences of Iraq and Afghanistan – have provided a long series of lessons in the fact that calls for democracy do not suddenly produce working representative governments and viable political systems. At the same time, these events provided a grim warning of the degree to which regimes can underestimate popular anger, distrust, and feelings that governments are corrupt and do not respect their peoples. They also have revealed a fact that is consistent with the history of governments throughout the world: Unless there are reliable ways to measure public opinion, leaders overestimate their support, and bureaucracies and those around them will tell them what they want to hear.

Steps towards local elections and empowering a national Majlis can help deal with such pressures without disrupting the current political system and national stability. At the same time, GCC governments need feedback that is more reliable, and provides better measures of popular discontent.

The use of polling is a key tool towards this end, and polling could be conducted on a GCC-wide basis to both provide broad goals for the GCC in an open form and provide detailed warnings to individual governments – warnings that could be kept confidential by tailoring the release of the data. Such polling would also serve as another way of focusing popular opinion on issues and real-world government actions – particularly if it
took the form of individual surveys that focused on key areas, rather than sweeping efforts that would focus on every problem or issue at once.

Once again, the key areas of concern are education, housing, medical services, utilities and water, equity of income distribution, perceptions of corruption, quality of governance/rule of law, human rights, and levels and quality of employment. These are areas where each GCC government needs to develop better ways to monitor how its citizens actually feel, get advance warning of discontent, and react preemptively to deal with popular discontent. They are also ways of setting better and more realistic priorities for councils, planning groups, Majlis action, etc.

At the same time, surveys and measures of effectiveness need to focus heavily on corruption at lower levels, frustrating bureaucratic and government systems that seem to ignore public needs, apparent favoritism, and delays in the courts and police system. These aspects of governance, coupled with growing income inequality and high-level cronyism and special treatment, have been key factors in leading to popular perceptions that governments fail the people.

Creating GCC Study and Planning Efforts

There are several other areas where the GCC staff should work with member countries to provide advice and planning that will aid in security and stability:

**GCC Development Report**

Build on the Arab Development Report of 2009, but tailor to the GCC states – possibly include Jordan, Iraq, and Yemen. Avoid sensitive political areas like “democracy” and political reform, but focus on core elements of stability like housing, services, education, health, job creation, and youth employment.

Put together an annual report showing the scale of the key social, economic, and demographic problems that have led to political unrest in other areas, and show the progress and plans to improve life, serve citizens, and encourage stability.

Doing this on a multinational level ensures no one state is singled out, that public attention is focused on material progress that each state can actually address, and shows that governments really care – making the case to the world for the GCC.

**GCC Survey**

Create a carefully structured survey to get a clear picture of the level and causes of internal tensions and dissatisfaction that threaten stability in each country. This provides leaders with a base that does not single out a given country, but offers a real world overview of popular priorities for stability.

**GCC Jobs Creation Program**

Build on national job programs to go GCC-wide. Focus on youth unemployment. Highlight existing efforts, but look towards the future. Examine demographic and educational impacts. Seriously examine the risks of overdependence on foreign labor.

Look beyond simple measures of employment to address disguised unemployment, career satisfaction, school-to-employment lags, income distribution, biases toward
government employment, and ability to afford marriage and separate housing. Focus on the most important single problem affecting internal stability.

**GCC Housing Program**

Similar programs should be offered to address housing issues.

**Future Implications for US Policy**

Unless there are massive changes in the nature and conduct of Iran’s regime, the Arabian Peninsula will continue to be the most important theater of US-Iranian strategic competition. US energy and security interests in the region will be sustained through the long-term, as will US military assistance programs and weapons transfers – particularly in the realm of airpower and missile defense.

Iran will continue its attempts to exert influence in the Gulf, seeking to rival Saudi Arabian and broader GCC power. The emergence of Qatar as a second Sunni rival to Iranian influence in the broader Middle East can be expected to continue as the situations in Syria and Gaza grow more volatile. As the principal supporters of the belligerents in the Syria conflict – Saudi Arabia and Qatar on the one hand and Iran on the other – will be in a position to influence any resolution to the Syrian Civil War, though developments in that conflict are not likely to drive broader US-Iranian and Gulf-Iranian tensions.

Iran will continue its political and covert support to Shia opposition movements in Bahrain and Yemen, while looking for opportunities to exploit other Sunni/Shia rifts elsewhere in the Gulf. The Islamic Republic will continue to try to exploit Sunni-Shia tensions, as well as increase its influence in Iraq, Syria, Lebanon, and any other targets of opportunity.

The US must respond by acting on the new strategy it announced in early 2012 that called for the Middle East to be given the same strategic priority as Asia. It needs to maintain and strengthen every aspect of its security partnerships with the Southern Gulf states.

Successful US efforts will require continuing US dialogue with each Southern Gulf state. It is going to take strong country teams that can both build more effective security forces and help each state move towards the necessary level of political, social, and economic modernization and reform. It is going to take enhanced US cooperation with the GCC to create the kind of US military presence in the Gulf and support for counterterrorism that will reassure America’s Gulf allies and provide a strong additional level of deterrence and defense capability.

The US should seek to persuade the other Arab Gulf states to join the US in creating a strategic relationship with Iraq and in limiting Iranian influence in a key Gulf state that not only helps shape Gulf security but also has a major impact on Syria and Lebanon. The US should work with Saudi Arabia and the rest of the GCC to support Jordan and secure the Gulf’s “western flank” as well as continue to work with Saudi Arabia and the government of Yemen to secure the Gulf’s “southern flank.”

At the same time, the US should support its efforts in the Gulf by working with its European allies to negotiate an end to those Iranian nuclear programs that threaten to
create nuclear forces. It should continue to seek to persuade Israel not to launch preventive strikes and treat such US strikes as a last resort, and work with the Southern Gulf states to put an end to terrorism and violent extremism.

For all the reasons laid out in this analysis, the US needs to be more sensitive to its Gulf allies’ views on Egypt, Syria, Libya, and the other key areas of instability in the region. The US needs to understand why they focus on the security impact of such developments rather than on issues like democracy and human rights. It also needs be acutely sensitive to the tensions that have already arisen over the limited scale of US action in Syria, and the difference between US and Arab Gulf policy on Egypt.

At the same time, Iran remains the key threat, and the US must prepare for two possible broad categories of possible scenarios that could shape tensions in and conflict in the Gulf.

**Scenario I – Conflict Over the Iranian Nuclear Program**

Tensions between the US/Israel and Iran over the Iranian nuclear program could heighten tensions between the Gulf Arab states and Iran in the event of a preventive attack. The Arabian Peninsula’s proximity and importance to Iran coupled with the region’s strategic value to the US could make it a very likely target for Iranian retaliation. A retaliation could include the use of short and intermediate range missiles, the use of covert operatives within the Gulf states, and/or the use of naval and missile forces to impede maritime commerce in the Persian Gulf and the Strait of Hormuz – such as attacking commercial vessels or the blocking of the Strait.

Regardless of US involvement in any preventive attack, Iran’s retaliation could focus on the many US military facilities in the region, putting countries such as Qatar, Bahrain, Kuwait, Oman, and possibly the UAE at risk of a direct strike from Iran.

The risks posed by Iranian retaliatory attacks could be mitigated by the continued development of missile defense capabilities in the region and the C3 synergies required to make regional missile defense feasible. Further cooperation between the GCC and the US will be invaluable in building these capabilities and in providing the Gulf Arab states with the guidance and resources to be able to address missile threats as a single entity.

The Iranian threat could also be mitigated by the continued development of counterterrorism and maritime security capabilities and training, which could also be addressed by the US at the bilateral level, in multilateral military exercises, in conjunction with NATO, and through the GCC.

**Scenario II – Continued Tension Short of Conflict**

In the absence of open conflict between the US and its allies and Iran, Tehran can be expected to continue using is covert relationships with Shia groups in the region to pressure the US and Saudi Arabia. If instability persists in Bahrain, Iran could continue to voice political support for the opposition, while continuing to provide covert support to violent factions through Hezbollah.

Iran may continue to leverage its support for the Houthi insurgency in Yemen – and possibly AQAP – to pressure the US and Saudi Arabia as those two states try to stabilize Yemen and reinforce the central government.
In the case of Bahrain, US support for dialog and compromise, and the adoption of independent commission recommendations could help alleviate Sunni-Shia tensions, reducing Iran’s ability to leverage the situation. Continued instability in Bahrain could have broader regional implications. Another GCC deployment to Bahrain could deepen the Sunni/Shia rifts in countries, such as Saudi Arabia and Kuwait, creating new opportunities for Iranian leverage. The Kuwaiti government in particular is at risk of losing the support of its Shia constituency if Kuwaiti forces were needed to defend the Bahraini regime against a Shia uprising.

The US must deal with Yemen as an enduring crisis. Iran’s continued support of the Houthi insurgency in Yemen will present problems to the US and its Gulf allies for the foreseeable future. The complexity of Yemen’s instability will make it difficult for Washington, Sana’a, and Riyadh to combat this insurgency – particularly as another insurgency persists in the south of Yemen, and AQAP remains a significant threat to the US and its allies.

Iran may also resort to other covert tactics, such as the continued use of cyber warfare and attempted assassinations, to pressure Saudi Arabia and disrupt its government and energy sectors.

These risks illustrate the need for continued bilateral and multilateral US engagement to help reduce tensions in Bahrain, Yemen, and any other southern Gulf state where political upheavals and sectarian and tribal tensions move towards the crisis level.

Figure A: US Arms Sales to the GCC States and Iraq: 2002-2013 (Information Adapted from Releases from the Defense Security Cooperation Agency)

Bahrain


- **Nov. 4, 2010** – The Defense Security Cooperation Agency notified Congress November 3 of a possible Foreign Military Sale to Bahrain of 30 Army Tactical Missile Systems (ATACMS) T2K Unitary Missiles and associated parts, equipment, training and logistical support for a complete package worth approximately $70 million.

The Government of Bahrain has requested a possible sale of 30 Army Tactical Missile Systems (ATACMS) T2K Unitary Missiles and associated parts, equipment, training and logistical support for a complete package worth approximately $70 million.

- **July 28, 2009** – On July 27, the Defense Security Cooperation Agency notified Congress of a possible foreign military sale to the Government of Bahrain of 25 AIM-120C-7 Advanced Medium Range Air-to-Air Missiles (AMRAAM) and associated equipment, parts and services at an estimated cost of $74 million.

- **Aug. 3, 2007** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Bahrain of Bell 412 Air Search and Recovery Helicopters as well as associated equipment and services. The total value, if all options are exercised, could be as high as $160 million.

- **July 28, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Bahrain of UH-60M Black Hawk helicopters as well as associated equipment and services. The total value, if all options are exercised, could be as high as $252 million.

The Government of Bahrain has requested a possible sale of nine (9) UH-60M Black Hawk helicopters, two (2) T700-GE-701D turbine engines, spare and repair parts, publications and technical data, support equipment, personnel training and training equipment, contractor engineering, logistics, and technical support services, a Quality Assurance Team, aircraft survivability equipment, tools and test equipment, and other related elements of logistics support.

- **July 21, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Bahrain of JAVELIN missiles as well as associated equipment and services. The total value, if all options are exercised, could be as high as $42 million.

The Government of Bahrain has requested a possible sale of 180 JAVELIN missile rounds and 60
JAVELIN command launch units, simulators, trainers, support equipment, spare and repair parts, publications and technical data, personnel training and equipment, US Government and contractor engineering and logistics personnel services, Quality Assurance Team services, and other related elements of logistics support.

- **July 21, 2005** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Government of Bahrain of continuing logistics support services/equipment for the F-16 aircraft and related components as well as associated equipment and services. The total value, if all options are exercised, could be as high as $150 million.

The Government of Bahrain has requested a possible sale of continuing logistics support services/equipment for the F-16 aircraft, ALR-69 radar warning receiver, ALQ-131 electric countermeasure pods, radar systems, and engines. The possible sale also includes support equipment, aircraft engine services/modification, repair/return services; depot level repair support; precision measurement equipment laboratory calibration, spare and repair parts, support equipment, supply support; personnel training and training equipment, publications and technical data, contractor technical services and other related elements of logistics support and to ensure aircraft operational availability.

- **Sept. 3, 2003** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Bahrain of an AN/AAQ-24(V) NEMESIS Directional Infrared Countermeasures System as well as associated equipment and services. The total value, if all options are exercised, could be as high as $61 million.

The Government of Bahrain has requested a possible sale of one AN/AAQ-24(V) NEMESIS Directional Infrared Countermeasures System which consists of three small laser turret assemblies, six missile warning sensors, one system processor, one control indicator unit, two signal repeaters, included associated support equipment, spare and repair parts, publications, personnel training and training equipment, technical assistance, contractor technical and logistics personnel services and other related elements of program support.

- **June 26, 2002** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Bahrain of a 3 dimensional radar and associated equipment and services. The total value, if all options are exercised, could be as high as $40 Million.

The Government of Bahrain has requested a possible sale of one AN/TPS-59(V)3 3-dimensional land based radar, one Air Defense Communication Platform, spare and repair parts, publications, personnel training and training equipment, technical assistance, contractor technical and logistics personnel services and other related elements of program support.

**Iraq**


The Z Backscatter vans will be used to scan vehicle interiors and will provide the Government of Iraq a tool to restrict the ability of insurgent and terrorist groups to operate by detecting contraband movement through borders and checkpoints.


The Government of Iraq has requested a possible sale of Very Small Aperture Terminal (VSAT)
operations and maintenance services, equipment installation services, upgrade VSAT managed and leased bandwidth, video teleconferencing equipment, 75 VSAT Equipment Suites (consisting of 1.8m VSAT terminals, block upconverters (BUCs), low-noise down converters (LNBs), required cables and components, iDirect e8350 modem, network operation and dynamic bandwidth equipment, and iMonitor software), spares and repair parts, tools, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor representative technical support services, and other related elements of logistics and program support.


The Government of Iraq has requested a proposed sale of commercially available Federal Aviation Administration Air Traffic Control and Landing System/Navigational Aids. The system will include an ASR-11 Radar, Autotrac II simulator, Instrument Landing System, and Airfield Lighting System, spare and repair parts, support equipment, personnel training and training equipment, publications and technical documentation, site survey, installation, US Government and contractor engineering and logistics support services, and other related elements of logistics and program support.


The Government of Iraq has requested a possible sale of 6 AN/TPQ-36(V)11 FIREFINDER Radar Systems, 6 AN/TPQ-37(V)9 FIREFINDER Radars, 3 Meteorological Measuring Sets, 86 AN/VRC-92 export variant Single Channel Ground and Airborne Radio Systems, 12 Advanced Field Artillery Tactical Data Systems, 3 Improved Position and Azimuth Determining Systems, 63 M1152A1 and 3 M1151A1 High Mobility Multipurpose Wheeled Vehicles, 12 M1083A1 Family of Medium Tactical Utility Vehicles, government furnished equipment, common hardware and software, communication support equipment, tools and test equipment, spare and repair parts, support equipment, publications and technical data, personnel training and training equipment, US Government and contractor engineering, logistics, and technical support services, and other related elements of logistics support.


The Government of Iraq has requested a possible sale of 18 F-16IQ aircraft, 24 F100PW-229 or F110-GE-129 Increased Performance Engines, 120 LAU-129/A Common Rail Launchers, 24 APG-68(V)9 radar sets, 19 M61 20mm Vulcan Cannons, 100 AIM-9L/M-8/9 SIDEWINDER Missiles, 150 AIM-7M-F1/H SPARROW Missiles, 50 AGM-65D/G/H/K MAVERICK Air to Ground Missiles, 200 GBU-12 PAVEWAY II Laser Guided Bomb Units (500 pound), 50 GBU-10 PAVEWAY II Laser Guided Bomb Units (2000 pound), 50 GBU-24 PAVEWAY III Laser Guided Bomb Units (2000 pound), 22 ALQ-211 Advanced Integrated Defensive Electronic Warfare Suites (AIDEWS), or Advanced Countermeasures Electronic System (ACES) (ACES includes the ALQ-187 Electronic Warfare System and AN/ALR-93 Radar Warning Receiver), 20 AN/APX-113 Advanced Identification Friend or Foe (AIFF) Systems (without Mode IV), 20 Global Positioning Systems (GPS) and Embedded GPS/ Inertial Navigation Systems (INS), (Standard Positioning Service (SPS) commercial code only), 20 AN/AQ-33 SNIPER or AN/AQ-28 LITENING Targeting Pods, 4 F-9120 Advanced Airborne Reconnaissance Systems (AARS) or DB-110 Reconnaissance Pods (RECCO), 22 AN/ALE-47 Countermeasures Dispensing Systems (CMDS), 20 Conformal Fuel Tanks (pairs), 120 Joint Helmet Mounted Cueing Systems (JHMCs), 20 AN/ARC-238 Single Channel Ground and Airborne Radio Systems, 10,000 PGU-27A/B Ammunition, 30,000 PGU-28 Ammunition, 230 MK-84 2000 lb. General Purpose Bombs, and 800 MK-82 500lb General Purpose Bombs. Also included: LAU-
117 Maverick Launchers, site survey support equipment, Joint Mission Planning System, Ground Based Flight Simulator, tanker support, ferry services, Cartridge Actuated Devices/Propellant Actuated Devices (CAD/PAD), repair and return, modification kits, spares and repair parts, construction, publications and technical documentation, personnel training and training equipment, US Government and contractor technical, engineering, and logistics support services, ground based flight simulator, and other related elements of logistics support.


The Government of Iraq has requested a possible sale of follow-on support and maintenance of multiple aircraft systems that include TC-208s, Cessna 172s, AC-208s, T-6As, and King Air 350s. Included are ground stations, repair and return, spare and repair parts, support equipment, publications and technical data, personnel training and training equipment, US Government and contractor engineering, logistics, and technical support services, and other related elements of logistics support.


The Government of Iraq has requested a possible sale of 44,608 M107 155mm High Explosive Projectiles and 9,328 M485A2 155mm Illumination projectiles; also included are, M231 Propelling charges, M232A1 155mm Modular Artillery Charge System Propelling charges, M739 Fuzes, M762A1 Electronic Time Fuzes, M82 Percussion primers, M767A1 Electronic Time Fuzes, 20-foot Intermodal Containers for transporting ammunition, publications and technical data, personnel training and training equipment, US Government and contractor engineering, logistics, and technical support services, and other related elements of logistics support.

- **May 3, 2011** – The Defense Security Cooperation Agency notified Congress today of a possible Foreign Military Sale to the Government of Iraq of various radios and communication equipment, as well as associated equipment, parts, training and logistical support for an estimated cost of $67 million.


The Government of Iraq has requested a possible sale of 6 AN/TPQ-36(V)10 FIREFINDER Radar Systems, 18 AN/TPQ-48 Light Weight Counter-Mortar Radars, 3 Meteorological Measuring Sets, 36 export variant Single Channel Ground and Airborne Radio Systems, 6 Advanced Field Artillery Tactical Data Systems, 3 Position and Azimuth Determining Systems, government furnished equipment, common hardware and software, communication support equipment, tools and test equipment, spare and repair parts, support equipment, publications and technical data, personnel training and training equipment, US Government and contractor engineering, logistics, and technical support services, and other related elements of logistics support.

- **Nov. 30, 2010** – The Defense Security Cooperation Agency notified Congress November 29 of a
possible Foreign Military Sale to Iraq of Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) Systems and associated parts and equipment for a complete package worth approximately $68 million.


  The Government of Iraq has requested a possible sale of 14,010 TP-T M831A1 120mm Cartridges, 16,110 TPCSDS-T M865 120mm Cartridges, and 3,510 HEAT-MP-T M830A1 120mm Cartridges.


- **Sept. 24, 2010** – The Defense Security Cooperation Agency notified Congress today of a possible Foreign Military Sale to Iraq of contractor logistics support for Mobile Communications Centers and associated parts and equipment for a complete package worth approximately $57 million.

- **Sept. 15, 2010** – The Defense Security Cooperation Agency notified Congress on September 14, of a possible Foreign Military Sale to Iraq for the refurbishment of 440 M113A2 Armored Personnel Carriers as well as associated equipment and services. The total value, if all options are exercised, could be as high as $131 million.

- **Sept. 15, 2010** – The Defense Security Cooperation Agency notified Congress on September 13 of a possible Foreign Military Sale to Iraq of 18 F-16IQ Aircraft as well as associated equipment and services. The total value, if all options are exercised, could be as high as $4.2 billion.

  The Government of Iraq has requested a possible sale of (18) F-16IQ aircraft, (24) F100-PW-229 or F110-GE-129 Increased Performance Engines, (36) LAU-129/A Common Rail Launchers, (24) APG- 68(V)9 radar sets, (19) M61 20mm Vulcan Cannons, (200) AIM-9L/M-8/9 SIDEWINDER Missiles, (150) AIM-7M-F1/H SPARROW Missiles, (50) AGM-65D/G/H/K MAVERICK Air to Ground Missiles, (200) GBU-12 PAVEWAY II Laser Guided Bomb Units (500 pound), (50) GBU-10 PAVEWAY II Laser Guided Bomb Units (2000 pound), (50) GBU-24 PAVEWAY III Laser Guided Bomb Units (2000 pound), (22) Advanced Countermeasures Electronic Systems (ACES) (ACES includes the ALQ-187 Electronic Warfare System and AN/ALR-93 Radar Warning Receiver), (20) AN/APX-113 Advanced Identification Friend or Foe (AIFF) Systems (without Mode IV), (20) Global Positioning Systems (GPS) and Embedded GPS/Inertial Navigation Systems (INS), (Standard Positioning Service (SPS) commercial code only), (20) AN/AQQ-33 SNIPER or AN/AQ-28 LITENING Targeting Pods, (4) F-9120 Advanced Airborne Reconnaissance Systems (AARS) or DB- 110 Reconnaissance Pods (RECC), (22) AN/ALE-47 Countermeasures Dispensing Systems (CMDS); (20) Conformal Fuel Tanks (pairs). Also included: site survey, support equipment, tanker support, ferry services, Cartridge Actuated Devices/Propellant Actuated Devices (CAD/PAD), repair and return, modification kits, spares and repair parts, construction, publications and technical documentation, personnel training and training equipment, US Government and contractor technical, engineering, and logistics support services, ground based flight simulator, and other related elements of logistics support.

- **Aug. 5, 2010** – The Defense Security Cooperation Agency notified Congress today of a possible
Foreign Military Sale to Iraq of contractor logistics support for various helicopters for an estimated cost of $152 million.

The Government of Iraq has requested a possible sale of two years of contractor logistics support for Mi-17 Helicopters and two years of logistics support for US-origin rotary wing aircraft not in DoD’s inventory.

- **March 5, 2010** – The Defense Security Cooperation Agency notified Congress March 4 of a possible Foreign Military Sale to Iraq of various communication equipment, associated parts and logistical support for a complete package worth approximately $142 million.


- **Nov. 19, 2009** – The Defense Security Cooperation Agency notified Congress Nov. 18 of a possible Foreign Military Sale to Iraq of 15 helicopters with associated parts, equipment, training and logistical support for a complete package worth approximately $1.2 billion.

The Government of Iraq has requested a possible sale of up to 15 Agusta Westland AW109 Light Utility Observation helicopters, or alternatively, 15 Bell Model 429 Medical Evacuation and Aerial Observation helicopters, or 15 EADS North America UH-72A Lakota Light Utility helicopters; and, up to 12 Agusta Westland AW139 Medium Utility helicopters, or alternatively, 12 Bell Model 412 Medium Utility helicopters, or 12 Sikorsky UH-60M BLACK HAWK helicopters equipped with 24 T700-GE-701D engines. Also included: spare and repair parts, publications and technical data, support equipment, personnel training and training equipment, ground support, communications equipment, US Government and contractor provided technical and logistics support services, tools and test equipment, and other related elements of logistics support.

- **Dec. 10, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of (64) Deployable Rapid Assembly Shelters (DRASH), (1,500) 50 watt Very High Frequency (VHF) Base Station Radios, (6,000) VHF Tactical Handheld Radios, (100) VHF Fixed Retransmitters, (200) VHF Vehicular Radios, (30) VHF Maritime 50 watt Base Stations, (150) 150 watt High Frequency (HF) Base Station Radio Systems, (150) 20 watt HF Vehicular Radios, (30) 20 watt HF Manpack Radios, (50) 50 watt Very High Frequency/Ultra High Frequency (VHF/UHF) Ground to Air Radio Systems, (50) 150 watt VHF/UHF Ground to Air Radio Systems, (50) 5 watt Multiband Handheld Radio Systems as well as associated equipment and services. The total value, if all options are exercised, could be as high as $485 Million.

- **Dec. 10, 2008** – On Dec. 9, the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of (80,000) M16A4 5.56MM Rifles, (25,000) M4 5.56MM Caribines, (2,550) M203 40MM Grenade Launchers as well as associated equipment and services. The total value, if all options are exercised, could be as high as $148 million.

equipment and services. The total value, if all options are exercised, could be as high as $366 million.

- **Dec. 10, 2008** – On Dec. 9, the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of 140 M1A1 Abrams tanks modified and upgraded to the M1A1M Abrams configuration, 8 M88A2 Tank Recovery Vehicles, 64 M1151A1B1 Armored High Mobility Multi-Purpose Wheeled Vehicles (HMMWVs), 92 M1152 Shelter Carriers, 12 M577A2 Command Post Carriers, 16 M548A1 Tracked Logistics Vehicles, 8 M113A2 Armored Ambulances, and 420 AN/VRC-92 Vehicular Receiver Transmitters as well as associated equipment and services. The total value, if all options are exercised, could be as high as $2.160 billion.

- **Dec. 10, 2008** – On Dec. 9, the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of 20 T-6A Texan aircraft, 20 Global Positioning Systems (GPS) as well as associated equipment and services. The total value, if all options are exercised, could be as high as $210 million.

The Government of Iraq has requested a possible sale of (20) 30-35 meter Coastal Patrol Boats and (3) 55-60 meter Offshore Support Vessels as well as associated equipment and services. The total value, if all options are exercised, could be as high as $1.010 billion.

- **Dec. 10, 2008** – On Dec. 9, the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of 20 T-6A Texan aircraft, 20 Global Positioning Systems (GPS) with CMA-4124 GNSSA card and Embedded GPS/Inertial Navigation System (INS) spares, ferry maintenance, tanker support, aircraft ferry services, site survey, unit level trainer, spare and repair parts, support and test equipment, publications and technical documentation, personnel training and training equipment, contractor technical and logistics personnel services, and other related elements of logistics support.

The Government of Iraq has requested a possible sale of (20) 30-35 meter Coastal Patrol Boats and (3) 55-60 meter Offshore Support Vessels, each outfitted with the Seahawk MS1-DS30MA2 mount using a 30 x 173mm CHAIN gun and short range Browning M2-HB .50 cal machine gun, spare and repair parts, weapon system software, support equipment, publications and technical data, personnel training and training equipment, US Government and contractor engineering and logistics support services, and other related elements of logistics support.

- **Dec. 10, 2008** – On Dec. 9, the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of 400 M1126 STRYKER Infantry Carrier Vehicles as well as associated equipment. The total value, if all options are exercised, could be as high as $1.11 billion.

The Government of Iraq has requested a possible sale of 400 M1126 STRYKER Infantry Carrier Vehicles (ICVs), 400 M2 HB 50 cal Browning Machine Guns, 400 M1117 Armored Security Vehicles (ASVs), 8 Heavy Duty Recovery Trucks, spare and repair parts, support equipment, publications and technical data, personnel training and training equipment, contractor engineering and technical support services, and other related elements of logistics support.

- **Dec. 10, 2008** – On Dec. 9, the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of 36 AT-6B Texan II Aircraft as well as associated support. The total value, if all options are exercised, could be as high as $520 million.

The Government of Iraq has requested a possible sale of 36 AT-6B Texan II Aircraft, 6 spare PT-6 engines, 10 spare ALE-47 Counter-Measure Dispensing Systems and/or 10 spare AAR-60 Missile Launch Detection Systems, global positioning systems with CMA-4124, spare and repair parts, maintenance, support equipment, publications and technical documentation, tanker support, ferry services, personnel training and training equipment, US Government and contractor engineering and logistics support services, and other related elements of logistics support.

- **July 31, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of M1A1 and Upgrade to M1A1M Abrams Tanks as well as
associated equipment and services. The total value, if all options are exercised, could be as high as $2.16 billion.

The Government of Iraq has requested a possible sale of 140 M1A1 Abrams tanks modified and upgraded to the M1A1M Abrams configuration, 8 M88A2 Tank Recovery Vehicles, 64 M1151A1B1 Armored High Mobility Multi-Purpose Wheeled Vehicles (HMMWV), 92 M1152 Shelter Carriers, 12 M577A2 Command Post Carriers, 16 M548A1 Tracked Logistics Vehicles, 8 M113A2 Armored Ambulances, and 420 AN/VRC- 92 Vehicular Receiver Transmitters. Also included are: 35 M1070 Heavy Equipment Transporter (HET) Truck Tractors, 40 M978A2 Heavy Expanded Mobility Tactical Truck (HEMTT) Tankers, 36 M985A2 HEMTT Cargo Trucks, 4 M984A2 HEMTT Wrecker Trucks, 140 M1085A1 5-ton Cargo Trucks, 8 HMMWV Ambulances w/ Shelter, 8 Contact Maintenance Trucks, 32 500 gal Water Tank Trailers, 16 2500 gal Water Tank Trucks, 16 Motorcycles, 80 8 ton Heavy/Medium Trailers, 16 Sedans, 92 M1102 Light Tactical trailers, 92 635NL Semi-Trailers, 4 5,500 lb. Rough Terrain Forklifts, 20 M1A1 engines, 20 M1A1 Full Up Power Packs, 3 spare M88A2 engines, 10 M1070 engines, 20 HEMTT engines, 4 M577A2 spare engines, 2 5-ton truck engines, 20 spare HMMWV engines, ammunition, spare and repair parts, maintenance, support equipment, publications and documentation, personnel training and equipment, US Government and contractor engineering and logistics support services, and other related elements of logistics support.

July 30, 2008 – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of Helicopters and related munitions as well as associated equipment and services. The total value, if all options are exercised, could be as high as $2.4 billion.

The Government of Iraq has requested a possible sale of 24 Bell Armed 407 Helicopters or 24 Boeing AH-6 Helicopters, 24 Rolls Royce 250-C-30 Engines, 565 M120 120mm Mortars, 665 M252 81mm Mortars, 200 AGM-114M HELLFIRE missiles, 24 M299 HELLFIRE Guided Missile Launchers, 16 M36 HELLFIRE Training Missiles, 15,000 2.75-inch Rockets, 24 M280 2.75-inch Launchers, 24 XM296 .50 Cal. Machine Guns with 500 Round Ammunition Box, 24 M134 7.62mm Mini-Guns, 81mm ammunition, 120mm ammunition, test measurement and diagnostics equipment, spare and repair parts, support equipment, publications and technical data, personnel training and training equipment, US Government and contractor engineering and logistics personnel services, and other related elements of logistics support.

July 30, 2008 – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of Light Armored Vehicles as well as associated equipment and services. The total value, if all options are exercised, could be as high as $3 billion.

The Government of Iraq has requested a possible sale of technical assistance to ensure provision of adequate facilities and infrastructure in support of the recruitment, garrison, training, and operational facilities and infrastructure for the Iraqi Security Forces (ISF). The US Army Corps of Engineers (USACE) will provide engineering, planning, design, acquisition, contract administration, construction management, and other technical services for construction of facilities and infrastructure (repair, rehabilitation, and new construction) in support of the training, garrison, and operational requirements of the ISF. The scope of the program includes provision of technical assistance for Light Armored Vehicles, Range Facilities, Training Facilities, Tank Range Complex Facilities, and Armed Reconnaissance Helicopter Facilities in support of Government of Iraq (GoI) construction projects throughout the country of Iraq. The facilities and infrastructure planned include mission essential facilities, maintenance and supply buildings, company and regimental headquarters, and utilities systems (including heating, water, sewer, electricity, and communication lines). Services include support, personnel training and training equipment, acquisition of engineer construction equipment, technical assistance to Iraqi military engineers, other technical assistance, contractor engineering services, and other related elements of logistic support.

July 30, 2008 – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of Light Armored Vehicles as well as associated equipment and services. The total value, if all options are exercised, could be as high as $3 billion.
The Government of Iraq has requested a possible sale of 392 Light Armored Vehicles (LAVs) which include 352 LAV-25, 24 LAV-CC, and 16 LAV-A (Ambulances); 368 AN/VRC-90E Single Channel Ground and Airborne Radio Systems (SINCGARS); 24 AN/VRC-92E SINCGARS; and 26 M72 Light Anti-Tank Weapons. The following are considered replacements to vehicles/weapons requested in the Military Table of Equipment (MTOE): 5 LAV-R (Recovery), 4 LAV-L (Logistics), 2 Mine Resistant Ambush Protected (MRAP) Vehicles, 41 Medium Tactical Vehicle Replacement (MTVR), 2 MK19 40mm Grenade Machine Guns, 773 9mm Pistols, 93 M240G Machine Guns, and 10 AR-12 rifles. Non-MDE includes ammunition, construction, site survey, spare and repair parts, support equipment, publications and technical data, personnel training and training equipment, contractor engineering and technical support services and other related elements of logistics support.

- **July 28, 2008** – On July 24th, the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of Armored Security Vehicles as well as associated equipment and services. The total value, if all options are exercised, could be as high as $206 million.

The Government of Iraq has requested a possible sale of 160 M2 .50 caliber Machine Guns, 160 M1117 Armored Security Vehicles (ASVs), 4 Heavy Duty Recovery Trucks, 160 Harris Vehicular Radio Systems, 144 MK19 MOD3 40mm Grenade Machine Guns with Bracket, spare and repair parts, support equipment, publications and technical data, personnel training and training equipment, contractor engineering and technical support services, and other related elements of logistics support.

- **July 25, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of C-130J-30 Aircraft as well as associated equipment and services. The total value, if all options are exercised, could be as high as $1.5 billion.

The Government of Iraq has requested a possible sale of 6 C-130J-30 United States Air Force baseline aircraft and equipment, 24 Rolls Royce AE 2100D3 engines, 4 Rolls Royce AE 2100D3 spare engines, 6 AAR-47 Missile Warning Systems, 2 spare AAR-47 Missile Warning Systems, 6 AN/ALE-47 Countermeasures Dispensing Systems, 2 spare AN/ALE-47 Countermeasures Dispensing Systems. Also included are spare and repair parts, configuration updates, integration studies, support equipment, publications and technical documentation, technical services, personnel training and training equipment, foreign liaison office support, US Government and contractor engineering and logistics personnel services, construction, and other related elements of logistics support.

- **May 7, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of technical assistance for construction of facilities and infrastructure as well as associated equipment and services. The total value, if all options are exercised, could be as high as $450 million.

- **March 21, 2008** – On March 12, 2008, the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of various vehicles, small arms and ammunition, communication equipment, medical equipment, and clothing and individual equipment as well as associated equipment and services. The total value, if all options are exercised, could be as high as $1,389 million.

The Government of Iraq has requested a possible sale of (700) M1151 High Mobility Multi-Purpose Wheeled Vehicles (HMMWV) Armored Gun Trucks, (4,000) AN/PVS-7D Night Vision Devices, and (100,000) M16A4 Assault Rifles. Also included are: (200) Commercial Ambulances, (16) Bulldozers, (300) Light Gun Trucks, (150) Motorcycles, (90) Recovery Trucks, (30) 20 ton Heavy Trailer, (1,400) 8 ton Medium Trailers, (3,000) 4X4 Utility Trucks, (120) 12K Fuel Tank Trucks, (80) Heavy Tractor Trucks, (120) 10K Water Tank Trucks, (208) 8 ton Heavy Trucks, (800) Light Utility Trailers, (8) Cranes, (60) Heavy Recovery Vehicles, (16) Loaders, (300) Sedans, (200) 500 gal Water Tank Trailers, (1,500) 1 ton Light Utility Trailers, (50) 40 ton Low Bed Trailers, (40) Heavy Fuel Tanker Trucks, (20) 2000 gal Water Tanker Trucks, (2,000) 5 ton Medium Trucks, (120) Armored IEDD Response Vehicles, (1,200) 8 ton Medium Cargo Trucks,
(1,100) 40mm Grenade Launchers, (3,300) 9mm Pistols with Holsters, (400) Aiming Posts, (140,000) M16A4 Magazines, (100,000) M4 Weapons, (65) 5K Generators, (5,400) hand-held VHF radio sets, (3,500) vehicular VHF radio sets, (32) Air Conditioner Charger kits, (32) Air Conditioner Testers, (4,000) binoculars, (20) electrician tool kits, (600) large general purpose tents, (700) small command general purpose tents, medical equipment, organizational clothing and individual equipment, standard and non-standard vehicle spare and repair parts, maintenance, support equipment, publications and documentation, US Government and contractor engineering and logistics support services, and other related elements of logistics support.

- **Sept. 25, 2007** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of various vehicles, small arms ammunition, explosives, and communications equipment as well as associated equipment and services. The total value, if all options are exercised, could be as high as $2.257 billion.

  The Government of Iraq has requested a possible sale of the following: MDE includes: (980) M1151 High Mobility Multi-Purpose Wheeled Vehicles (HMMWV) and (123,544) M16A4 Rifles.

  Also included are: Upgrade and refurbishment of 32 additional UH-I configuration; Armored Land Cruisers (189); Armored Mercedes (10); Light utility trucks (1,815); Fire trucks (70); Fuel trucks (40); Septic truck (20); Water truck (45); Motorcycles (112); Sedans (1,425); 5 Ton Trucks (600); Medium Trucks (600); BTR 3E1 (336); 8 Ton Trucks (400); 12 Ton Trucks (400); 16-35 Ton Trucks (100); 35 Ton Trucks (20); Ambulances (122); Bulldozers (33); Excavators (10); Wheeled Loader (20); Variable Reach Forklifts (10); 5Kw generators (447); ILAV Route Clearing Vehicle (55); Wrecker w/Boom (19); Fuel Pumps (34); 11 Passenger Bus (127); 24 Passenger Bus (207); 44 Passenger Bus (80); Contact Maintenance Trucks (105); communication towers, troposcatter and Microwave radios, IDN, DPN, VSAT Operations and Maintenance, (1,518) VHF Wheeled Tactical and Base Station Radios, (4,800) VHF hand-held radios, (6,490) VHF man pack radios, clothing and individual equipment, standard and non-standard vehicle spare and repair parts, maintenance, support equipment, publications and documentation; personnel training and training equipment; Quality Assurance Team support services, US Government and contractor engineering and logistics support services, preparation of aircraft for shipment, and other related elements of logistics support.

- **Sept. 21, 2007** – On September 21, 2007, the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of logistics support for three C-130E aircraft as well as associated equipment and services. The total value, if all options are exercised, could be as high as $172 million.

  The Government of Iraq has requested a possible sale of logistics support for three C-130E aircraft to include supply and maintenance support, flares, electronic warfare support, software upgrades, pyrotechnics, spare and repair parts, support equipment, publications and documentation, personnel training and training equipment, fuel and fueling services, US Government and contractor engineering and logistics support services, and other related elements of logistics support.

- **Aug. 17, 2007** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of UH-I HUEY repair parts as well as associated equipment and services. The total value, if all options are exercised, could be as high as $150 million.

- **May 24, 2007** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of medical supplies, equipment, and training as well as associated support equipment and services. The total value, if all options are exercised, will be less than $1.05 billion.

- **May 18, 2007** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of Technical Assistance for Construction of Facilities and Infrastructure as well as associated equipment and services. The total value, if all options are exercised, could be as high as $350 million.
• **May 4, 2007** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of various small arms ammunition, explosives, and other consumables as well as associated equipment and services. The total value, if all options are exercised, could be as high as $508 million.

• **Dec. 07, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq to provide funds for Trucks, Vehicles, Trailers, as well as associated equipment and services. The total value, if all options are exercised, could be as high as $463 million.

Major Defense Equipment (MDE): 522 High Mobility Multipurpose Wheeled Vehicles (HMMWVs) or 276 Infantry Light Armored Vehicles (I-LA Vs), eight Heavy Tracked Recovery Vehicles – either Brem Tracked Recovery and Repair or M578 Recovery Vehicles, six 40-Ton Trailer Lowboy – either M871 or Commercial, 66 8-Ton Cargo Heavy Trucks – either M900 series or M35 series or MK23 Medium Tactical Vehicles or Commercial Medium Trucks.

Also included: logistics support services/equipment for vehicles (Armored Gun Trucks; Light, Medium, and Heavy Vehicles; trailers; recovery vehicles; and ambulances) supply and maintenance support, measuring and hand tools for ground systems, technical support, software upgrades, spare and repair parts, support equipment, publications and documentation, personnel training and training equipment, US Government and contractor engineering and logistics support services, and other related elements of logistics support.

• **Sept. 27, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of King Air 350ER and potentially other aircraft, as well as associated equipment and services. The total value, if all options are exercised, could be as high as $900 million.

The Government of Iraq has requested a possible sale of:
- 24 King Air 350ER for Intelligence/Surveillance/Reconnaissance role with L-3 Wescam
- MX-15 Electro Optics/Infrared (EO/IR) system, plus 1 of the following Synthetic Aperture Radar (SAR/ISAR)/Inverse Synthetic: APS-134 Sea Vue or APS-143 Ocean Eye or RDR-1700 or Lynx II (APY-8) or APS144 or APY-12 Phoenix
- 24 Data Link Systems (T-Series Model-U or T-Series Model-N or ADL850 or TCDL or BMT-85)
- 24 King Air 350ER or PZL M-18 Skytruck Aircraft for light transport role
- 48 AAR-47 Missile Warning Systems
- 48 ALE-47 Countermeasures Dispensing Systems
- 6,000 M-206 Flare Cartridges
- 50 Global Positioning System (GPS) and Embedded GPS/Inertial Navigation Systems (INS)

Also included: support equipment, management support, spare and repair parts, supply support, training, personnel training and training equipment, publications and technical data, US Government and contractor technical assistance and other related elements of logistics support.

• **Sept. 27, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of one AN/FPS-117 or TPS-77 Long Range Air Traffic Control Radar, as well as associated equipment and services. The total value, if all options are exercised, could be as high as $142 million.

The Government of Iraq has requested a possible sale of one AN/FPS-117 or TPS-77 Long Range Air Traffic Control Radar, support equipment, management support, spare and repair parts, supply support, training, publications and technical data, US Government and contractor technical assistance and other related elements of logistics support.

• **Sept. 19, 2006** – The Defense Security Cooperation Agency notified Congress of a possible
Foreign Military Sale to Iraq of helicopters, vehicles, weapons and support as well as associated equipment and services. The total value, if all options are exercised, could be as high as $500 million.

Also included: logistics support services/equipment for helicopters (Jet Ranger, Huey II and Mi-17) and vehicles (Standard/Non-Standard Wheeled Vehicles, Tracked Vehicles, Infantry Light Armored Vehicles Armored Personnel Carriers) and small/medium weapons and weapon systems, on-job-training, laser pointers, supply and maintenance support, measuring and hand tools for ground systems, technical support, software upgrades, spare and repair parts, support equipment, publications and documentation, personnel training and training equipment, US Government and contractor engineering and logistics support services, and other related elements of logistics support.

**Sept. 19, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of logistics support for Helicopters, Vehicles, Weapons as well as associated equipment and services. The total value, if all options are exercised, could be as high as $250 million.

The Government of Iraq has requested a possible sale of logistics support services/equipment for helicopters (Jet Ranger, Huey II and Mi-17) and vehicles (Standard/Non-Standard Wheeled Vehicles, Tracked Vehicles, Infantry Light Armored Vehicles Armored Personnel Carriers) and small/medium weapons and weapon systems including on-job-training, supply and maintenance support, measuring and hand tools for ground systems, software upgrades, spare and repair parts, support equipment, publications and documentation, personnel training and training equipment, US Government and contractor engineering and logistics support services, and other related elements of logistics support.

**March 10, 2005** – On 10 March 2005, the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Iraq of six T-56A-7 engines and logistics support for C-130 aircraft as well as associated equipment and services. The total value, if all options are exercised, could be as high as $132 million.

The Government of Iraq has requested a possible sale of six T-56A-7 engines and logistics support for C-130 aircraft to include supply and maintenance support, flares, software upgrades, pyrotechnics, spare and repair parts, support equipment, publications and documentation, personnel training and training equipment, fuel and fueling services, US Government and contractor engineering and logistics support services, and other related elements of logistics support.

**Kuwait**

**Apr. 17, 2013** – The Defense Security Cooperation Agency notified Congress April 16 of a possible Foreign Military Sale to Kuwait for 1 C-17 GLOBEMASTER III aircraft and associated equipment, parts, training and logistical support for an estimated cost of $371 million.

The Government of Kuwait has requested a possible sale of 1 C-17 GLOBEMASTER III aircraft, 4 Turbofan F117-PW-100 Engines, 1 AN/AAR-47 Missile Approach Warning System, 1 AN/ALE-47 Countermeasure Dispenser Set (CMD), secure radios, precision navigation equipment, spare and repair parts, support and test equipment, publications and technical documentation, tactics manuals, personnel training and training equipment, U.S. Government and contractor engineering, aircraft ferry support, aircraft fuel, and technical and logistics support services; and related elements of initial and follow-on logistical and program support.


The Government of Kuwait has requested a possible sale of 60 PATRIOT Advanced Capability (PAC-3) Missiles, 4 PATRIOT radars, 4 PATRIOT Engagement Control Stations, 20 PATRIOT
Launching Stations, 2 Information Coordination Centrals, 10 Electric Power Plants, communication and power equipment, personnel training and training equipment, spare and repair parts, facility design and construction, publications and technical documentation, US Government and contractor technical and logistics personnel services and other related elements of program and logistics support.


The Government of Kuwait has requested a possible sale for continuing logistics support, training, depot-level repair services, and technical services in support of AH-64D APACHE helicopters, publications and technical documentation, US Government and contractor technical and logistics personnel services and other related elements of program and logistics support.


The Government of Kuwait has requested a possible sale of 43 Joint Helmet Mounted Cueing System Cockpit Units, Single Seat Electronic Units, Helmet Display Units, spare and repair parts, support equipment, tool and test equipment, personnel training and training equipment, publications and technical data, US Government and contractor technical and logistics personnel services and other related elements of program and logistics support.


The Government of Kuwait has requested a possible sale 300 AGM-114R3 HELLFIRE II missiles, containers, spare and repair parts, support and test equipment, repair and return support, training equipment and personnel training, US Government and contractor logistics, Quality Assurance Team support services, engineering and technical support, and other related elements of program support.


- **Nov. 8, 2011** – The Defense Security Cooperation Agency notified Congress today of a possible Foreign Military Sale to the Government of Kuwait for continuing logistics support, contractor maintenance, and technical services in support of the F/A-18 aircraft and associated equipment, parts, training and logistical support for an estimated cost of $100 million.

- **Sept. 24, 2010** – The Defense Security Cooperation Agency notified Congress today of a possible Foreign Military Sale to Kuwait of one Boeing C-17 GLOBEMASTER III aircraft and associated parts, equipment and logistics support for a complete package worth approximately $693 million.

The Government of Kuwait has requested a possible sale of one Boeing C-17 GLOBEMASTER III aircraft, four Turbofan F117-PW-100 engines installed on the aircraft, one spare Turbofan F117-PW- 100 engine, one AN/ALE-47 Counter-Measures Dispensing System (CMDS), one AN/AAR-47 Missile Warning System, aircraft ferry services, refueling support, precision navigation equipment, spare and repairs parts, support, personnel training and training equipment, publications and technical data, US Government and contractor engineering, technical, and logistics support services, and other related elements of logistics support. The estimated cost is $693 million.

- **Aug. 11, 2010** – The Defense Security Cooperation Agency notified Congress Aug. 10 of a possible Foreign Military Sale to Kuwait of 209 MIM-104E PATRIOT Guidance Enhanced...
Missile-T (GEM-T) Missiles for an estimated cost of $900 million.

- **Nov. 23, 2009** – The Defense Security Cooperation Agency notified Congress Nov. 20 of a possible Foreign Military Sale to Kuwait for the design and construction of facilities and infrastructure for Al Mubarak Air Base and the Kuwait Air Force Headquarters Complex for an estimated cost of $700 million.

- **Dec. 18, 2009** – The Defense Security Cooperation Agency notified Congress Dec. 17 of a possible Foreign Military Sale to Kuwait of construction support services to provide administrative, operational, storage, support facilities and utility infrastructure for the 26th Al Soor Brigade facilities for a complete package worth approximately $360 million.


- **July 20, 2009** – On July 15, the Defense Security Cooperation Agency notified Congress of a possible foreign military sale to the Government of Kuwait of eight KC-130J Multi-mission Cargo Refueling Aircraft and associated equipment, parts and support for an estimated cost of $1.8 billion.


- **July 14, 2009** – On July 13, the Defense Security Cooperation Agency (DSCA) notified Congress of a possible Foreign Military Sale to the Government Kuwait of logistics support, contractor maintenance and technical services in support of the F/A-18 aircraft. The estimated cost is $70 million.

- **July 14, 2009** – On July 13, the Defense Security Cooperation Agency (DSCA) notified Congress of a possible Foreign Military Sale to the Government of Kuwait of four M2_.50 cal HB Browning machine guns, two Swiftship Model 176DSV0702, 54X9.2X1.8 meter Nautilus Class Diver Support Vessels outfitted with a MLG 27mm gun system, and other related services and equipment. The estimated cost is $81 million.


  The Government of Kuwait has requested a possible sale to upgrade the Desert Warrior Fire Control System with Gunner’s Integrated TOW System (GITS II) hardware. The proposed sale includes installation of the Improved Thermal Sight System 2nd Generation Forward-Looking Infrared Radar, spare and repair parts, support equipment, publications and technical documentation, test equipment, personnel training and training equipment, US Government and contractor technical and logistics personnel services and other related elements of program support.

- **July 7, 2009** – On July 6, the Defense Security Cooperation Agency notified Congress of a possible foreign military sale to the Government of Kuwait of continuing logistics support, contractor maintenance, and technical services in support of F/A-18 aircraft worth an estimated $95 million.
Sept. 9, 2008 – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Kuwait of AIM-120C-7 AMRAAM Missiles as well as associated equipment and services. The total value, if all options are exercised, could be as high as $178 million.

The Government of Kuwait has requested a possible sale of 120 AIM-120C-7 Advanced Medium Range Air-to-Air Missiles (AMRAAM), 78 LAU-127-B/A Launchers, 78 LAU-127-C/A Launchers, Captive Air Training Missiles, missile containers, spare and repair parts, support and test equipment, publications and technical documentation, personnel training and training equipment, US Government (USG) and contractor engineering, technical and logistics support services, and other related elements of logistical and program support.

Jan. 3, 2008 – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Kuwait of TOW-2A/B Radio Frequency Missiles as well as associated equipment and services. The total value, if all options are exercised, could be as high as $328 million.

The Government of Kuwait has requested a possible sale of 2,106 TOW-2A Radio Frequency missiles, 21 Buy-to-Fly missiles, 1,404 TOW-2B Radio Frequency missiles, 14 Buy-to-Fly missiles, containers, spare and repair parts, supply support, publications and technical data, US Government and contractor technical and logistics personnel services, and other related elements of program support.

Dec. 4, 2007 – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Kuwait of PAC-3 missiles, PAC-2 missile upgrades to GEM-T, and PATRIOT ground support equipment upgrades as well as associated equipment and services. The total value, if all options are exercised, could be as high as $1.363 billion.

The Government of Kuwait has requested a possible sale of 80 PAC-3 Missiles, PATRIOT GEM-T Modification Kits to upgrade 60 PAC-2 missiles, 6 PATRIOT System Configuration 3 Modification kits to upgrade PATRIOT Radars to REP III, communication support equipment, tools and test equipment, system integration and checkout, installation, personnel training, containers, spare and repair parts, publications and technical data, US Government and contractor technical and logistics personnel services, and other related elements of program support.

Nov. 9, 2007 – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Kuwait of technical/logistics support for F/A-18 aircraft as well as associated equipment and services. The total value, if all options are exercised, could be as high as $90 million.

Oct. 4, 2007 – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Kuwait to upgrade three L-100-30 aircraft as well as associated equipment and services. The total value, if all options are exercised, could be as high as $250 million.

The Government of Kuwait has requested a possible sale to upgrade three L-100-30 aircraft (a commercial version of the C-130 aircraft), to include modifications, spare and repair parts, support equipment, publications and technical data, flight engineer training, communications equipment, maintenance, personnel training and training equipment, US Government and contractor engineering and logistics support services, preparation of aircraft for shipment, and other related elements of logistics support.

Nov. 17, 2005 – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Kuwait of 12 MKV-C Fast Interceptor Boats as well as associated equipment and services. The total value, if all options are exercised, could be as high as $175 million.

The Government of Kuwait has requested a possible sale of 12 MKV-C Fast Interceptor Boats including installed Hull, Mechanical and Electrical systems, 12 RWM GMBH MLG-27mm Mauser Lightweight Gun Systems, communications, technical ground support equipment, spare and repair parts, supply support, publications and technical data, US Government and contractor technical and logistics support services and other related elements of program support.
• **Aug. 22, 2005** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Kuwait of continuing logistics support, contractor maintenance, and technical services in support of the F/A-18 aircraft as well as associated equipment and services. The total value, if all options are exercised, could be as high as $295 million.

The Government of Kuwait has requested a possible sale of continuing logistics support, contractor maintenance, and technical services in support of the F/A-18 aircraft to include contractor engineering technical services, contractor maintenance support, avionics software, engine component improvement and spare parts, technical ground support equipment, spare and repair parts, supply support, publications and technical data, engineering change proposals, US Government and contractor technical and logistics personnel services, and other related elements of program support.

• **Aug. 4, 2005** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Kuwait of 436 TOW-2A/B Anti-armor Guided Missiles as well as associated equipment and services. The total value, if all options are exercised, could be as high as $19 million.

The Government of Kuwait has requested a possible sale of 288 TOW-2A missiles, 4 TOW-2A Fly-to-Buy missiles, 140 TOW-2B missiles, and 4 TOW-2B Fly-to-Buy missiles. Also included are spare and repair parts, supply support, publications and technical data, engineering change proposals, US Government and contractor technical and logistics personnel services and other related elements of program support.

• **Oct. 11, 2002** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Kuwait of an Aerostat Radar System as well as associated equipment and services. The total value, if all options are exercised, could be as high as $131 million.

The Government of Kuwait has requested a possible sale to replace its Aerostat radar system with the Aerostat balloon/radar system comprised of the 71M Low Altitude Surveillance System (LASS) Balloon with a non-MDE version of the AN/TPS-63 radar. Also included in the proposed sale are: Interim AN/TPS-63 radar components, spare LASS balloon, AN/TPS-63 radar component (Tether Up), miscellaneous commercial vehicles, spare and repair parts, supply support, publications and technical documentation, personnel training and training equipment, US Government and contractor technical assistance and other related elements of logistical support.

• **June 4, 2002** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Kuwait of AIM 120C AMRAAM air-to-air missiles and associated equipment and services. The total value, if all options are exercised, could be as high as $58 Million.

The Government of Kuwait has requested a possible sale of 80 AIM-120C Advanced Medium Range Air-to-Air Missiles (AMRAAM), 60 AIM-120C Launch Rails, two Captive Air Training Missiles, flight test instrumentation, software updates to support AMRAAM operational and training devices, missile containers, aircraft modification and integration, spare and repair parts, support and test equipment, publications and technical documentation, maintenance and pilot training, contractor support, other related elements of logistical and program support.

• **April 17, 2002** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Kuwait of AH-64D Apache Helicopters and associated equipment and services. The total value, if all options are exercised, could be as high as $2.1 Billion.

The Government of Kuwait has requested a possible sale of 16 AH-64D Apache attack helicopters, four (4) spare T-700-GE -701C engines with gas generator first state 401C turbine blades, four (4) spare M299 HELLFIRE launchers, 96 Longbow HELLFIRE AGM-114L3 and 288 HELLFIRE AGM-114K3 missiles, 16 dummy missiles, 16 Modernized Targeting Acquisition and Designation Systems, eight (8) AN/APG-78 Longbow Fire Control Radar, 30mm cartridges, 2.75-inch rockets, ammunition, spare and repair parts, communications equipment, support equipment, simulators, quality assurance teams, chemical masks, tools and test sets, chaff dispensers, Integrated Helmet and Display Sight Systems, electronic equipment, test facility
spares, publications, Quality Assurance Teams, personnel training and training equipment, US Government and contractor technical support and other related elements of logistics support.

**Oman**

- **Dec. 12, 2012** – The Defense Security Cooperation Agency notified Congress Dec. 11 of a possible Foreign Military Sale to Oman for a number of F-16 A/C weapon systems, as well as associated equipment, parts, training and logistical support for an estimated cost of $117 million.

  The Sultanate of Oman has requested a possible sale of 27 AIM-120C-7 Advanced Medium Range Air-to-Air Missiles (AMRAAM), 162 GBU-12 PAVEWAY II 500-lb Laser Guided Bombs, 162 FMU-152 bomb fuzes, 150 BLU-111B/B 500-lb Conical Fin General Purpose Bombs (Freefall Tail), 60 BLU-111B/B 500-lb Retarded Fin General Purpose Bombs (Ballute Tail), and 32 CBU-105 Wind Corrected Munitions Dispensers (WCMD). Also included are 20mm projectiles, Aerial Gunnery Target System (AGTS-36), training munitions, flares, chaff, containers, impulse cartridges, weapon support equipment and components, repair and return, spare and repair parts, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor representative logistics and technical support services, site survey, and other related elements of logistics support.


  The Sultanate of Oman has requested a possible sale of 400 Javelin Guided Missiles, Javelin Weapon Effects Simulator (JAVWES), containers, spare and repair parts, support equipment, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor representative logistics and technical support services, and other related elements of logistics and program support.

- **Jun. 13, 2012** – The Defense Security Cooperation Agency notified Congress on June 12 of a possible Foreign Military Sale to the Government of Oman for 55 AIM-9X Block II SIDEWINDER All-Up Round Missiles, 36 AIM-9X Block II SIDEWINDER Captive Air Training Missiles, 6 AIM-9X Block II Tactical Guidance Units, 4 AIM-9X Block II Captive Air Training Missile Guidance Units, 1 Dummy Air Training Missile, and other related equipment. The estimated cost is $86 million.

  The Government of Oman has requested a possible sale of 55 AIM-9X Block II SIDEWINDER All-Up-Round Missiles, 36 AIM-9X Block II SIDEWINDER Captive Air Training Missiles, 6 AIM-9X Block II Tactical Guidance Units, 4 AIM-9X Block II Captive Air Training Missile Guidance Units, 1 Dummy Air Training Missile, containers, weapon support equipment, spare and repair parts, publications and technical documentation, personnel training and training equipment, US Government and contractor technical support services, and other related elements of logistics support.

- **Oct. 18, 2011** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the Government of Oman for AVENGER Fire Units, STINGER Missiles and Advanced Medium Range Air to Air Missiles, as well associated equipment, parts, training and logistical support for an estimated cost of $1.248 billion.

  The Government of the Oman has requested a possible sale of 18 AVENGER Fire Units, 266 STINGER- Reprogrammable Micro-Processor (RMP) Block 1 Anti-Aircraft missiles, 6 STINGER Block 1 Production Verification Flight Test missiles, 24 Captive Flight Trainers, 18 AN/VRC-92E exportable Single Channel Ground and Airborne Radio Systems (SINCGARS), 20 S250 Shelters, 20 High Mobility Multi-Purpose Wheeled Vehicles (HMMWVs), 1 lot AN/MPQ-64F1 SENTINEL Radar software, 290 AIM-120C-7 Surface-Launched Advanced Medium Range Air-to-Air Missiles, 6 Guidance Sections, Surface-Launched Advanced Medium Range Air-to-Air Missile (SL-AMRAAM) software to support Oman’s Ground Based Air defense System, training missiles, missile components, warranties, containers, weapon support equipment, repair and return, spare and repair parts, publications and technical documentation, personnel training and
training equipment, US Government and contractor technical support services, and other related elements of logistics support.

- **Nov. 18, 2010** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the Government of Oman of logistics support and training for one C-130J-30 aircraft being procured through a Direct Commercial Sale and associated equipment, parts and logistical support for a complete package worth approximately $76 million.

  The Government of Oman has requested a possible sale of logistics support and training for one C-130J-30 aircraft being procured through a Direct Commercial Sale, 1 AN/AAQ-24(V) Large Aircraft Infrared Countermeasures System, 7 AN/AAR-54 Missile Approach Warning Systems, 2 AN/ALR-56M Radar Warning Receivers, 2 AN/ALE-47 Countermeasure Dispenser Sets, communication and navigation equipment, software support, repair and return, installation, aircraft ferry and refueling support, spare and repair parts, support and test equipment, publications and technical documentation, personnel training and training equipment, US Government and contractor engineering, technical, and logistics support services, and related elements of logistical and program support.

- **Aug. 3, 2010** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Oman of 18 F-16 Block 50/52 aircraft and associated equipment, parts, training and logistical support for an estimated cost of $3.5 Billion.

  The Government of Oman has requested a possible sale of 18 F-16 Block 50/52 aircraft, 20 F100-PW-229 or F110-GE-129 Increased Performance Engines, 36 LAU-129/A Common Rail Launchers, 24 APG-68(V)9 radar sets, 20 M61 20mm Vulcan Cannons, 22 AN/ARC-238 Single Channel Ground and Airborne Radio Systems with HAVE QUICK I/II, 40 Joint Helmet Mounted Cueing Systems, 36 LAU-117 MAVERICK Launchers, 22 ALQ-211 Advanced Integrated Defensive Electronic Warfare Suit (AIDEWS) or Advanced Countermeasures Electronic Systems (ACES) (ACES includes the ALQ-187 Electronic Warfare System and AN/ALR-93 Radar Warning Receiver), Advanced Identification Friend or Foe (AIFF) Systems with Mode IV, 34 Global Positioning Systems (GPS) and Embedded-GPS/Inertial Navigation Systems (INS), 18 AN/AAQ-33 SNIPER Targeting Pods or similarly capable system, 4 DB-110 Reconnaissance Pods (RECCE), 22 AN/ALQ-47 Countermeasures Dispensing Systems (CMDS), and 35 ALE-50 Towed Decoys. Also included is the upgrade of the existing 12 F-16 Block 50/52 aircraft, site survey, support equipment, tanker support, ferry services, Cartridge Actuated Devices/Propellant Actuated Devices (CAD/PAD), conformal fuel tanks, construction, modification kits, repair and return, modification kits, spares and repair parts, construction, publications and technical documentation, personnel training and training equipment, US Government and contractor technical, engineering, and logistics support services, ground based flight simulator, and other related elements of logistics support.

- **July 2, 2010** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Oman of logistics support and training for two C-130J-30 aircraft, including associated equipment and parts for an estimated cost of $54 million.

  The Government of Oman has requested a possible sale of logistics support and training for two (2) C-130J-30 aircraft being procured through a Direct Commercial Sale, 2 AN/AAR-47 Missile Approach Warning Systems, 2 AN/ALQ-47 Countermeasure Dispenser Sets, 2 AN/ALR-56M Radar Warning Receivers, communication equipment, software support, repair and return, installation, aircraft ferry and refueling support, spare and repair parts, support and test equipment, publications and technical documentation, personnel training and training equipment, US Government and contractor engineering, technical, and logistics support services, and related elements of logistical and program support.

- **July 28, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Oman of JAVELIN anti-tank missile systems as well as associated equipment and services. The total value, if all options are exercised, could be as high as $48 million.
The Government of Oman has requested a possible sale of 250 JAVELIN missile rounds and 30 JAVELIN command launch units, simulators, trainers, support equipment, spare and repair parts, publications and technical data, personnel training and equipment, US Government and contractor engineering and logistics personnel services, a Quality Assurance Team, and other related elements of logistics support.

**July 18, 2002** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Oman of podded reconnaissance systems as well as associated equipment and services. The total value, if all options are exercised, could be as high as $49 million.

The Government of Oman has requested a possible sale of two Goodrich DB-110 or two BAE Systems F-9120 Podded reconnaissance systems, one Goodrich or one BAE Systems Exploitation Ground Station, support equipment, spares and repair parts, publications and technical documentation, personnel training and training equipment, US Government and contractor technical and logistics personnel services, and other related elements of logistics support.

**April 10, 2002** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Oman of various munitions for F-16 Fighter Aircraft and associated equipment and services. The total value, if all options are exercised, could be as high as $42 Million.

The Government of Oman has requested a possible sale of 50,000 20mm high explosive projectiles, 50,000 20mm training projectiles, 300 MK-82 500 lb. general purpose bombs, 200 MK-83 1,000 lb. general purpose bombs, 100 enhanced GBU-12 Paveway II 500 lb. laser guided bomb kits, 50 GBU-31(v)3/B Joint Direct Attack Munitions, 50 CBU-97/105 sensor fuzed weapon, 20,000 RR-170 self-protection chaff, 20,000 MJU-7B self-protection flares, support equipment, software development/integration, modification kits, spares and repair parts, flight test instrumentation, publications and technical documentation, personnel training and training equipment, US Government and contractor technical and logistics personnel services, and other related elements of logistical and program support.

**Qatar**

**Mar. 28, 2013** – The Defense Security Cooperation Agency notified Congress March 26 of a possible Foreign Military Sale to Qatar for 500 Javelin Guided Missiles and associated equipment, parts, training and logistical support for an estimated cost of $122 million. The Government of Qatar has requested a possible sale of 500 Javelin Guided Missiles, 50 Command Launch Units (CLU), Battery Coolant Units, Enhanced Performance Basic Skills Trainer (EPBST), Missile Simulation Rounds (MSR), tripods, Javelin Weapon Effects Simulator (JAVWES), spare and repair parts, rechargeable and non-rechargeable batteries, battery chargers and dischargers, support equipment, publications and technical data, personnel training and training equipment, U.S. Government and contractor representative engineering, technical and logistics support services, and other related logistics support.


The Government of Qatar has requested a possible sale of 7 M142 High Mobility Artillery Rocket System (HIMARS) Launchers with the Universal Fire Control System (UFCS); 60 M57 Army Tactical Missile System (ATACMS) Block 1A T2K Unitary Rockets (60 pods, 1 rocket per pod); 360 M31A1 Guided Multiple Launch Rocket System (GMLRS) Unitary Rockets (60 pods, 6 rockets per pod); 180 M28A2 Reduced Range Practice Rockets (30 pods, 6 rockets per pod); 7 M68A2 Trainers, 1 Advanced Field Artillery Tactical Data System (AFATDS); 2 M1151A1 High Mobility Multipurpose Wheeled Vehicles (HMMWV); and 2 M1152A2 HMMWVs. Also included are simulators, generators, transportation, wheeled vehicles, communications equipment, spare and repair parts, support equipment, tools and test equipment, technical data and publications, personnel training and training equipment, U.S. government and contractor
engineering, technical and logistics support services, and other related elements of logistics support.


The Government of Qatar has requested a possible sale of 11 PATRIOT Configuration-3 Modernized Fire Units, 11 AN/MPQ-65 Radar Sets, 11 AN/MSQ-132 Engagement Control Systems, 30 Antenna Mast Groups, 44 M902 Launching Stations, 246 PATRIOT MIM-104E Guidance Enhanced Missile-TBM (GEM-T) with canisters, 2 PATRIOT MIM-104E GEM-T Test Missiles, 768 PATRIOT Advanced Capability 3 (PAC-3) Missiles with canisters, 10 PAC-3 Test Missiles with canisters, 11 Electrical Power Plants (EPPII), 8 Multifunctional Information Distribution Systems/Low Volume Terminals (MIDS/LVTs), communications equipment, tools and test equipment, support equipment, publications and technical documentation, personnel training and training equipment, spare and repair parts, facility design, U.S. Government and contractor technical, engineering, and logistics support services, and other related elements of logistics and program support.

- **Nov. 5, 2012** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the Government of the United Arab Emirates (UAE) for 48 Terminal High Altitude Area Defense (THAAD) missiles and associated equipment, parts, training and logistical support for an estimated cost of $1.135 billion. The Government of the United Arab Emirates (UAE) has requested a possible sale of 48 Terminal High Altitude Area Defense (THAAD) missiles, 9 THAAD launchers; test components, repair and return, support equipment, spare and repair parts, personnel training and training equipment, publications and technical data, U.S. Government and contractor technical assistance, and other related logistics support.

- **Nov. 5, 2012** – The Defense Security Cooperation Agency notified Congress November 2 of a possible Foreign Military Sale to the Government of Qatar for two Terminal High Altitude Area Defense (THAAD) Fire Units and associated equipment, parts, training and logistical support for an estimated cost of $6.5 billion.

The Government of Qatar has requested a possible sale of 2 Terminal High Altitude Area Defense (THAAD) Fire Units, 12 THAAD Launchers, 150 THAAD Interceptors, 2 THAAD Fire Control and Communications, 2 AN/TPY-2 THAAD Radars, and 1 Early Warning Radar (EWR). Also included are fire unit maintenance equipment, prime movers (trucks), generators, electrical power units, trailers, communications equipment, tools, test and maintenance equipment, repair and return, system integration and checkout, spare/repair parts, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor technical and logistics personnel support services, and other related support elements. The estimated cost is $6.5 billion.


The Government of Qatar has requested a possible sale of 700 AGM-114K3A or AGM-114R3 HELLFIRE tactical missiles, 25 training missiles, containers, spare and repair parts, support and test equipment, publications and technical data, personnel and training equipment, US Government and contractor logistics, engineering and technical support, and other related elements of program support.

The Government of Qatar has requested a possible sale of 24 AH-64D APACHE Block III LONGBOW Attack Helicopters, 56 T700-GE-701D Engines, 27 AN/ASQ-170 Modernized Target Acquisition and Designation Sight, 27 AN/AAR-11 Modernized Pilot Night Vision Sensors, 12 AN/APG-78 Fire Control Radars (FCR) with Radar Electronics Unit (LONGBOW component), 12 AN/APR-48A Radar Frequency Interferometers, 28 AN/AAR-57(V)7 Common Missile Warning Systems, 30 AN/AVR-2B Laser Detecting Sets, 28 AN/APR-39A(V)4 Radar Signal Detecting Sets, 28 AN/ALQ-136(V)5 Radar Jammers or Equivalent, 160 Integrated Helmet and Display Sight Systems-21, 58 Embedded Global Positioning Systems with Inertial Navigation, 30 30mm Automatic Chain Guns, 8 Aircraft Ground Power Units, 52 AN/AVS-6 Night Vision Goggles, 60 M299A1 HELLFIRE Missile Launchers, 576 AGM-114R HELLFIRE II Missiles, 295 FIM-92H STINGER Reprogrammable Micro Processor (RMP) Block I Missiles, 50 STINGER Air-to-Air Launchers, 4092 2.75 in Hydra Rockets, and 90 APACHE Aviator Integrated Helmets. Also included are M206 infrared countermeasure flares, M211 and M212 Advanced Infrared Countermeasure Munitions (AIRCM) flares, training devices, helmets, simulators, generators, transportation, wheeled vehicles and organization equipment, spare and repair parts, support equipment, tools and test equipment, technical data and publications, personnel training and training equipment, US government and contractor engineering, technical, and logistics support services, and other related elements of logistics support.

**June 28, 2012** – The Defense Security Cooperation Agency notified Congress June 26 of a possible Foreign Military Sale to the Government Qatar of 10 MH-60R SEAHAWK Multi-Mission Helicopters, 12 MH-60S SEAHAWK Multi-Mission Helicopters with the Armed Helicopter Modification Kit, 48 T-700 GE 401C Engines (44 installed and 4 spare) with an option to purchase an additional 6 MH-60S SEAHAWK Multi-Mission Helicopters with the Armed Helicopter Modification Kit and 13 T-700 GE 401C Engines. The estimated cost is $2.5 billion. The Government of Qatar has requested a possible sale of 10 MH-60R SEAHAWK Multi-Mission Helicopters, 12 MH-60S SEAHAWK Multi-Mission Helicopters with the Armed Helicopter Modification Kit, 48 T-700 GE 401C Engines (44 installed and 4 spare) with an option to purchase an additional 6 MH-60S SEAHAWK Multi-Mission Helicopters with the Armed Helicopter Modification Kit and 13 T-700 GE 401C Engines (12 installed and 1 spare) at a later date, communication equipment, spare engine containers, support equipment, spare and repair parts, tools and test equipment, technical data and publications, personnel training and training equipment, US government and contractor engineering, technical, and logistics support services, and other related elements of logistics support.


of $750 million.

The Government of Qatar has requested a possible sale of 6 MH-60R SEAHAWK Multi-Mission Helicopters, 13 T-700 GE 401C Engines (12 installed and 1 spare), communication equipment, support equipment, spare and repair parts, tools and test equipment, technical data and publications, personnel training and training equipment, US government and contractor engineering, technical, and logistics support services, and other related elements of logistics support.

- **July 11, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Qatar of logistics support and training for two C-17 Globemaster III aircraft and associated equipment and services. The total value, if all options are exercised, could be as high as $400 million.

- **Sept. 3, 2003** – the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Qatar of an AN/AAQ-24(V) NEMESIS Directional Infrared Countermeasures System as well as associated equipment and services. The total value, if all options are exercised, could be as high as $61 million.

The Government of Qatar has requested a possible sale of one AN/AAQ-24(V) NEMESIS Directional Infrared Countermeasures System which consists of three small laser turret assemblies, six missile warning sensors, one system processor, one control indicator unit, two signal repeaters, included associated support equipment, spare and repair parts, publications, personnel training and training equipment, technical assistance, contractor technical and logistics personnel services and other related elements of program support.

**Saudi Arabia**

- **Nov. 28, 2012** – The Defense Security Cooperation Agency notified Congress November 26 of a possible Foreign Military Sale to the Kingdom of Saudi Arabia for technical services to recertify the functional shelf life of up to 300 PATRIOT Advanced Capability-2 (PAC-2) (MIM-104D) Guidance Enhanced Missiles and associated equipment, parts, training and logistical support for an estimated cost of $130 million.

The Government of Saudi Arabia has requested a possible sale of technical services to recertify the functional shelf life of up to 300 PATRIOT Advanced Capability-2 (PAC-2) (MIM-104D) Guidance Enhanced Missiles (GEM), modernization of existing equipment, spare and repair parts, support equipment, U.S. Government and contractor representatives logistics, engineering, and technical support services, and other related elements of logistics and program support.

- **Nov. 26, 2012** – The Defense Security Cooperation Agency notified Congress Nov 26 of a possible Foreign Military Sale to the Kingdom of Saudi Arabia for a Foreign Military Sales Order II to provide funds for blanket order requisitions under the Cooperative Logistics Supply Support Arrangement for an estimated cost of $300 million.

The Government of the Kingdom of Saudi Arabia has requested a possible sale of a Foreign Military Sales Order II to provide funds for blanket order requisitions under the Cooperative Logistics Supply Support Arrangement, for spare parts in support of M1A2 Abrams Tanks, M2 Bradley Fighting Vehicles, High Mobility Multipurpose Wheeled Vehicles, equipment, support vehicles and other related logistics support. The estimated cost is $300 million.

- **Nov. 9, 2012** – The Defense Security Cooperation Agency notified Congress Nov. 8 of a possible Foreign Military Sale to the Kingdom of Saudi Arabia for 20 C-130J-30 Aircraft and 5 KC-130J Air Refueling Aircraft, as well as associated equipment, parts, training and logistical support. The Kingdom of Saudi Arabia (KSA) also requested 120 Rolls Royce AE2100D3 Engines (100 installed and 20 spares), 25 Link-16 Multifunctional Information Distribution Systems, support equipment, spare and repair parts, personnel training and training equipment, publications and technical data, U.S. Government and contractor technical assistance, and other related logistics support. The total estimated cost is $6.7 billion.
• **Aug. 15, 2012** – The Defense Security Cooperation Agency notified Congress August 9 of a possible Foreign Military Sale to the Government of the Kingdom of Saudi Arabia for ten Link-16 capable data link systems and Intelligence, Surveillance, and Reconnaissance (ISR) suites and associated equipment, parts, training and logistical support at an estimated cost of $257 million.

The Government of the Kingdom of Saudi Arabia (KSA) has requested a possible sale of ten Link-16 capable data link systems and Intelligence, Surveillance, and Reconnaissance (ISR) suites for four KSA-provided King Air 350ER aircraft and associated ground support, with an option to procure, via a Foreign Military Sales, an additional four King Air 350ER aircraft with enhanced PT6A-67A engines and spare parts equipped with the same ISR suites. The ISR suites include a Com-Nav Surveillance/Air Traffic Management cockpit, RF-7800MMP High Frequency Radios with encryption, AN/ARC-210 Very High Frequency/Ultra High Frequency/Satellite Communication Transceiver Radios with Have Quick II and encryption, a High Speed Data Link, an AN/APX-114/119 Identification Friend or Foe Transponder, Embedded Global Positioning System/Inertial Navigations Systems (GPS/INS) with a Selective Availability Anti-spoofing Module (SAASM), AN/AAR-60 Infrared Missile Warning and AN/ALE-47 Countermeasures System, Electro-Optical Sensor, SIGINT System, Synthetic Aperture Radar. Also included are Ground Stations, Training Aids, C4I Integration, aircraft modifications, spare and repair parts, support equipment, publications and technical data, personnel training and training equipment, aircraft ferry, US Government and contractor technical, engineering, and logistics support services, and other related elements of logistics support.


The Kingdom of Saudi Arabia has requested a possible sale of follow-on support and services for the Royal Saudi Air Force aircraft, engines and weapons; publications and technical documentation; airlift and aerial refueling; support equipment; spare and repair parts; repair and return; personnel training and training equipment; US Government and contractor technical and logistics support services; and other related elements of logistical and program support.

• **Dec. 22, 2011** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the Kingdom of Saudi Arabia of the continuation of services for the PATRIOT Systems Engineering Services Program (ESP) and associated equipment, parts, training and logistical support for an estimated cost of $120 million.


• **Sept. 19, 2011** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the Kingdom of Saudi Arabia of Howitzers, radars, ammunition and associated equipment, parts, training and logistical support for an estimated cost of $886 million.

The Government of the Kingdom of Saudi Arabia has requested a possible sale for 36 M777A2 Howitzers, 54 M119A2 Howitzers, 6 AN/TPQ-36(V) Fire Finder Radar Systems, 24 Advanced Field Artillery Tactical Data Systems (AFATDS), 17,136 rounds M107 155mm High Explosive (HE) ammunition, 2,304 rounds M549 155mm Rocket Assisted Projectiles (RAPs), 60 M1165A1 High Mobility Multipurpose Vehicles (HMMWVs), 120 M1151A1 HMMWVs, 252 M1152A1 HMMWVs, Export Single Channel Ground And Airborne Radio Systems (SINCGARS), electronic support systems, 105mm ammunition, various wheeled/tracked support vehicles, spare and repair parts, technical manuals and publications, translation services, training, USG and contractor technical assistance, and other related elements of logistical and program support.

and associated equipment, parts, training and logistical support for an estimated cost of $350 million.

The Government of Saudi Arabia has requested a possible sale of 25 LAV-25 series Light Armored Vehicles, 8 LAV Assault Guns, 8 LAV Anti-Tank Vehicles, 6 LAV Mortars, 2 LAV Recovery Vehicles, 24 LAV Command and Control Vehicles, 3 LAV Personnel Carriers, 3 LAV Ammo Carriers, 1 LAV Engineer Vehicle, 2 LAV Ambulances, AN/VRC 90E and AN/VRC-92E Export Single Channel Ground and Airborne Radio Systems (SINCGARS), battery chargers, spare and repair parts, publications and technical documentation, personnel training and training equipment, US Government and contractor engineering and technical support services, and other related elements of logistical and program support.


The Government of Saudi Arabia has requested a possible sale of 404 CBU-105D/B Sensor Fuzed Weapons, 28 CBU-105 Integration test assets, containers, spare and repair parts, support and test equipment, personnel training and training equipment, publications and technical documentation, US Government and contractor engineering, technical, and logistics support services, and other related elements of logistics support.


The Government of Saudi Arabia has requested a possible sale of 23 LAV-25mm Light Armored Vehicles (LAV), 14 LAV Personnel Carriers, 4 LAV Ambulances, 3 LAV Recovery Vehicles, 9 LAV Command and Control Vehicles, 20 LAV Anti-Tank (TOW) Vehicles, 155 AN/PVS-7B Night Vision Goggles, M257 Smoke Grenade Launchers, Improved Thermal Sight Systems (ITSS) and Modified Improved TOW Acquisition Systems (MITAS), Defense Advanced Global Positioning System Receivers, AN/USQ-159 Camouflage Net Sets, M2A2 Aiming Circles, compasses, plotting boards, reeling machines, sight bore optical sets, telescopes, switchboards, driver vision enhancers, spare and repair parts, support and test equipment, personnel training and training equipment, publications and technical documentation, US Government and contractor engineering, technical and logistics support services, and other related elements of logistics support.

- **May 12, 2011** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale Order to the Kingdom of Saudi Arabia for various night and thermal vision equipment, including parts and logistical support with an estimated cost of $330 million.

The Government of the Kingdom of Saudi Arabia has requested a possible sale of 200 High-performance In- Line Sniper Sight (HISS) Thermal Weapon Sights - 1500 meter, 200 MilCAM Recon III LocatIR Long Range, Light Weight Thermal Binoculars with Geo Location, 7,000 Dual Beam Aiming Lasers (DBAL A2), 6000 AN/PVS-21 Low Profile Night Vision Goggles (LPNVG), spare and repair parts, support equipment, technical documentation and publications, translation services, training, U. S. government and contractor technical and logistics support services, and other related elements of logistical and program support.


The Kingdom of Saudi Arabia has requested a possible sale of 150 JAVELIN Guided Missiles, 12 Fly-to-Buy Missiles, 20 JAVELIN Command Launch Units (CLUs) with Integrated Day/Thermal Sight, containers, missile simulation rounds, Enhanced Producibility Basic Skills Trainer (EPBST), rechargeable and non-rechargeable batteries, battery dischargers, chargers, and coolant
units, support equipment, spare and repair parts, publications and technical data, US Government and contractor engineering and logistics personnel services, and other related elements of logistics support.

  - 84 F-15SA Aircraft
  - 170 APG-63(v)3 Active Electronically Scanned Array Radar (AESA) radar sets
  - 193 F-110-GE-129 Improved Performance Engines
  - 100 M61 Vulcan Cannons
  - 100 Link-16 Multifunctional Information Distribution System/Low Volume Terminal
  - (MIDS/LVT) and spares
  - 193 LANTIRN Navigation Pods (3rd Generation-Tiger Eye)
  - 338 Joint Helmet Mounted Cueing Systems (JHMCS)
  - 462 AN/AVS-9 Night Vision Goggles (NVGS)
  - 300 AIM-9X SIDEWINDER Missiles
  - 25 Captive Air Training Missiles (CATM-9X)
  - 25 Special Air Training Missiles (NATM-9X)
  - 500 AIM-120C/7 Advanced Medium Range Air-to-Air Missiles (AMRAAM)
  - 25 AIM-120 CATMs
  - 1,000 Dual Mode Laser/Global Positioning System (GPS) Guided Munitions (500 lb.)
  - 1,000 Dual Mode Laser/GPS Guided Munitions (2000 lb.)
  - 1,100 GBU-24 PAVEWAY III Laser Guided Bombs (2000lb)
  - 1,000 GBU-31B V3 Joint Direct Attack Munitions (JDAM) (2000 lb.)
  - 1,300 CBU-105D/B Sensor Fuzed Weapons (SFW)/Wind Corrected Munitions Dispenser (WCMD)
  - 50 CBU-105 Inert
  - 1,000 MK-82 500lb General Purpose Bombs
  - 6,000 MK-82 500lb Inert Training Bombs
  - 2,000 MK-84 2000lb General Purpose Bombs
  - 2,000 MK-84 2000lb Inert Training Bombs
  - 200,000 20mm Cartridges
  - 400,000 20mm Target Practice Cartridges
  - 400 AGM-84 Block II HARPOON Missiles
  - 600 AGM-88B HARM Missiles
  - 169 Digital Electronic Warfare Systems (DEWS)
  - 158 AN/AAQ-33 Sniper Targeting Systems
  - 169 AN/AAS-42 Infrared Search and Track (IRST) Systems
  - 10 DB-110 Reconnaissance Pods
462 Joint Helmet Mounted Cueing System Helmets
40 Remotely Operated Video Enhanced Receiver (ROVER)
80 Air Combat Maneuvering Instrumentation Pods

Also included are the upgrade of the existing Royal Saudi Air Force (RSAF) fleet of seventy (70) F-15S multi-role fighters to the F-15SA configuration, the provision for CONUS-based fighter training operations for a twelve (12) F-15SA contingent, construction, refurbishments, and infrastructure improvements of several support facilities for the F-15SA in-Kingdom and/or CONUS operations, RR-188 Chaff, MJU-7/10 Flares, training munitions, Cartridge Actuated Devices/Propellant Actuated Devices, communication security, site surveys, trainers, simulators, publications and technical documentation, personnel training and training equipment, US government and contractor engineering, technical, and logistical support services, and other related elements of logistical and program support. The estimated cost is $29.432 billion.

  10 AH-64D Block III APACHE Longbow Helicopters
  28 T700-GE-701D Engines
  13 Modernized Targeting Acquisition and Designation Systems/Pilot
  Night Vision Sensors
  7 AN/APG-78 Fire Control Radars with Radar Electronics Unit
  (Longbow Component)
  7 AN/APR-48A Radar Frequency Interferometer
  13 AN/APR-39 Radar Signal Detecting Sets
  13 AN/AVR-2B Laser Warning Sets
  13 AAR-57(V)3/5 Common Missile Warning Systems
  26 Improved Countermeasures Dispensers
  26 Improved Helmet Display Sight Systems
  14 30mm Automatic Weapons
  6 Aircraft Ground Power Units
  14 AN/AVS-9 Night Vision Goggles
  640 AGM-114R HELLFIRE II Missiles
  2,000 2.75 in 70mm Laser Guided Rockets
  307 AN/PRQ-7 Combat Survivor Evader Locators
  BS-1 Enhanced Terminal Voice Switch
  Fixed-Base Precision Approach Radar
  Digital Airport Surveillance Radar
  DoD Advanced Automation Service
  Digital Voice Recording System

Also included are trainers, simulators, generators, training munitions, design and construction, transportation, tools and test equipment, ground and air based SATCOM and line of sight communication equipment, Identification Friend or Foe (IFF) systems, GPS/INS, spare and
repair parts, support equipment, personnel training and training equipment, publications and technical documentation, US Government and contractor engineering, technical, and logistics support services, and other related elements of program support. The estimated cost is $2.223 billion.

  - 24 AH-64D Block III APACHE Longbow Helicopters
  - 58 T700-GE-701D Engines
  - 7 Modernized Targeting Acquisition and Designation Systems/Pilot
    - Night Vision Sensors
  - 10 AN/APG-78 Fire Control Radars with Radar Electronics Unit
    - (Longbow Component)
  - 10 AN/APR-48A Radar Frequency Interferometer
  - 27 AN/APR-39 Radar Signal Detecting Sets
  - 27 AN/AVR-2B Laser Warning Sets
  - 27 AAR-57(V)3/5 Common Missile Warning Systems
  - 54 Improved Countermeasures Dispensers
  - 28 30mm Automatic Weapons
  - 6 Aircraft Ground Power Units
  - 48 AN/AVS-9 Night Vision Goggles
  - 106 M299A1 HELLFIRE Longbow Missile Launchers
  - 24 HELLFIRE Training Missiles
  - 1,536 AGM-114R HELLFIRE II Missiles
  - 4,000 2.75 in 70mm Laser Guided Rockets
  - 307 AN/PRQ-7 Combat Survivor Evader Locators
  - BS-1 Enhanced Terminal Voice Switch
  - Fixed-Base Precision Approach Radar
  - Digital Airport Surveillance Radar
  - DoD Advanced Automation Service
  - Digital Voice Recording System

Also included are trainers, simulators, generators, training munitions, design and construction, transportation, tools and test equipment, ground and air based SATCOM and line of sight communication equipment, Identification Friend or Foe (IFF) systems, GPS/INS, spare and repair parts, support equipment, personnel training and training equipment, publications and technical documentation, US Government and contractor engineering, technical, and logistics support services, and other related elements of program support. The estimated cost is $3.3 billion.

  - 36 AH-64D Block III APACHE Helicopters
  - 72 UH-60M BLACKHAWK Helicopters
36 AH-6i Light Attack Helicopters
12 MD-530F Light Turbine Helicopters
243 T700-GE-701D Engines
40 Modernized Targeting Acquisition and Designation Systems/Pilot
Night Vision Sensors
20 AN/APG-78 Fire Control Radars with Radar Electronics Unit
20 AN/APR-48A Radar Frequency Interferometer
171 AN/APR-39 Radar Signal Detecting Sets
171 AN/AVR-2B Laser Warning Sets
171 AAR-57(V)3/5 Common Missile Warning Systems
318 Improved Countermeasures Dispensers
40 Wescam MX-15Di (AN/AAQ-35) Sight/Targeting Sensors
40 GAU-19/A 12.7mm (.50 caliber) Gatling Guns
108 Improved Helmet Display Sight Systems
52 30mm Automatic Weapons
18 Aircraft Ground Power Units
168 M240H Machine Guns
300 AN/AVS-9 Night Vision Goggles
421 M310 A1 Modernized Launchers
158 M299 HELLFIRE Longbow Missile Launchers
2,592 AGM-114R HELLFIRE II Missiles
1,229 AN/PRQ-7 Combat Survivor Evader Locators
4 BS-1 Enhanced Terminal Voice Switches
4 Digital Airport Surveillance Radars
4 Fixed-Base Precision Approach Radar
4 DoD Advanced Automation Service
4 Digital Voice Recording System

Also included are trainers, simulators, generators, munitions, design and construction, transportation, wheeled vehicles and organization equipment, tools and test equipment, communication equipment, Identification Friend or Foe (IFF) systems, GPS/INS, spare and repair parts, support equipment, personnel training and training equipment, publications and technical documentation, US Government and contractor engineering, technical, and logistics support services, and other related elements of program support. The estimated cost is $25.6 billion.

- **Sept. 15, 2010** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the Kingdom of Saudi Arabia for continuation of a blanket order training program as well as associated equipment and services. The total value, if all options are exercised, could be as high as $350 million.

training and logistical support for a complete package worth approximately $177 million.

The Government of Saudi Arabia has requested a possible sale for 2,742 BGM-71E-4B-RF Tube-Launched, Optically-Tracker, Wire-Guided (TOW-2A) Radio Frequency missiles (42 missiles are for lot acceptance testing), publications and technical documentation, and other related elements of logistics support. The proposed sale will support efforts to modernize the Saudi Arabian National Guard (SANG).


- The Government of Saudi Arabia has requested a possible sale of a two-phased approach for the Communication Navigation and Surveillance/Air Traffic Management upgrades of the Royal Saudi Air Force’s fleet of 13 RE-3, KE-3, and E-3 aircraft. Phase One will include Global Positioning System/Inertial Navigation Systems, 8.33 kHz Very High Frequency radios, Traffic Collision Avoidance Systems, Mode S Transponders, Mode 4/5 Identification Friend or Foe Encryption, High Frequency radio replacements, Multifunctional Information Display Systems for Link 16 operations, Have Quick II radios, Satellite Communications and Common Secure Voice encryptions. Phase 2 will include digital flight deck instrumentation and displays, flight director system/autopilot, flight management system, cockpit data line message and combat situational awareness information. Also included are spare and repair parts, support and test equipment, publication and technical documentation, personnel training and training equipment, personnel support and test equipment to include flight simulators, US government and contractor engineering support, technical and logistics support services, and other related elements of logistical and program support.


- The Government of Saudi Arabia has requested services to upgrade the TASS aircraft, installation of 10 AN/ARC-230 High Frequency Secure Voice/Data Systems, 25 AN/ARC-231 or 25 AN/ARC-210 Very High Frequency/Ultra High Frequency (VHF/UHF) Secure Voice/Data Systems, four Multifunctional Information Distribution System-Low Volume Terminals (MIDS-LVT), four LN-100GT Inertial Reference Units, 25 SY-100 or functional equivalent Crypto Systems, seven SG-250 or functional equivalent Crypto Systems, six SG-50 or functional equivalent, 10 CYZ-10 Fill Devices, modification of existing ground stations, TASS equipment trainer, mission scenario generator (simulator), and maintenance test equipment; spare and repair parts, support and test equipment, personnel training and training equipment, publications and technical documentation including flight/operator/maintenance manuals, modification/construction of facilities, US Government and contractor engineering and support services and other related elements of logistics support.

- **Sept. 26, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of AIM-9X SIDEWINDER missiles as well as associated equipment and services. The total value, if all options are exercised, could be as high as $164 million.

- The Government of Saudi Arabia has requested a possible sale of 250 All-Up-Round AIM-9X SIDEWINDER Missiles, 84 AIM-9X SIDEWINDER Captive Air Training Missiles (CATMs), 12 AIM-9X SIDEWINDER Dummy Air Training Missiles (DATMs), missile containers, missile modifications, test sets and support equipment, spare and repair parts, publications and technical data, maintenance, personnel training and training equipment, contractor engineering and technical support services, and other related elements of logistics support.

- **Sept. 26, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of AN/FPS-117 Long Range Radar Upgrade as well as associated equipment and services. The total value, if all options are exercised, could be as high as
$145 million.

- **Sept. 26, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of Multifunctional Information Distribution System/Low Volume Terminals as well as associated equipment and services. The total value, if all options are exercised, could be as high as $31 million.

  The Government of Saudi Arabia has requested a possible sale of 80 Link 16 Multifunctional Information Distribution System/Low Volume Terminals (MIDS/LVT-1) to be installed on United Kingdom Eurofighter Typhoon aircraft, data transfer devices, installation, testing, spare and repair parts, support equipment, personnel training, training equipment, contractor engineering and technical support, and other related elements of program support.

- **July 18, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of continued assistance in the modernization of the Saudi Arabian National Guard (SANG) as well as associated equipment and services. The total value, if all options are exercised, could be as high as $1.8 billion.

- **Jan. 14, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of Joint Direct Attack Munitions as well as associated equipment and services. The total value, if all options are exercised, could be as high as $123 million.

  The Government of Saudi Arabia has requested a possible sale of 900 Joint Direct Attack Munitions (JDAM) tail kits (which include 550 GBU-38 for MK-82, 250 GBU-31 for MK-84, and 100 GBU-31 for BLU-109). Also included are bomb components, mission planning, aircraft integration, publications and technical manuals, spare and repair parts, support equipment, contractor engineering and technical support, and other related elements of program support.

- **Dec. 7, 2007** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of AN/AAQ-33 SNIPER Targeting Pods as well as associated equipment and services. The total value, if all options are exercised, could be as high as $220 million.

  The Government of Saudi Arabia has requested a possible sale of 40 AN/AAQ-33 SNIPER Advanced Targeting Pods, aircraft installation and checkout, digital data recorders/cartridges, pylons, spare and repair parts, support equipment, publications and technical documentation, contractor engineering and technical support, and other related elements of program support.

- **Dec. 7, 2007** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of mission equipment for AWACS aircraft as well as associated equipment and services. The total value, if all options are exercised, could be as high as $400 million.

  The Government of Saudi Arabia has requested a possible sale of five sets of Airborne Early Warning (AEW) and Command, Control and Communications (C3) mission equipment/Radar System Improvement Program (RSIP) Group B kits for subsequent installation and checkout in five E-3 Airborne Warning and Control Systems (AWACS). In addition, this proposed sale will include spare and repair parts, support equipment, publications and technical documentation, contractor engineering and technical support, and other related elements of program support.

- **Oct. 4, 2007** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of Light Armored Vehicles and High Mobility Multi-Purpose Wheeled Vehicles as well as associated equipment and services. The total value, if all options are exercised, could be as high as $631 million.

  The Government of Saudi Arabia has requested a possible sale for:
  - 37 Light Armored Vehicles - Assault Gun (LAV-AG)
  - 26 LA V-25 mm
- 48 LAV Personnel Carriers
- 5 Reconnaissance LAVs
- 5 LAV Ambulances
- LAV Recovery Vehicles
- 25 M1165A1 High Mobility Multi-purpose Wheeled Vehicles (HMMWV)
- 25 M1165A1 HMMWV with winch
- 124 M240 7.62mm Machine Guns
- 525 AN/PVS-7D Night Vision Goggles (NVGs):
  - Various M978A2 and M984A2 Heavy Expanded Mobility Tactical Trucks, family of Medium Tactical Vehicles, 120mm Mortar Towed, M242 25mm guns, spare and repair parts; sets, kits, and outfits; support equipment; publications and technical data; personnel training and training equipment; contractor engineering and technical support services and other related elements of logistics support.

**Nov. 13, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the government of Saudi Arabia of 155 General Electric (GE) F110-GE129 engines or 20 Pratt & Whitney F100-PW229 engines in support of F-15S aircraft. The Government of Saudi Arabia has requested a possible sale of either option or a combination of: a) 155 General Electric (GE) F110-GE129 engines in support of F-15S aircraft; b) 20 Pratt & Whitney (P&W) F100-PW229 engines to restore/refurbish the Royal Saudi Air Force (RSAF) current inventory of P&W engines; support equipment; engine improvement program services; flight tests; Technical Coordination Group/International Engine Management; Hush House refurbishment; aircraft integration; program management; publications; trainers; mission planning; training; spare and repair parts; repair and return services; contractor technical assistance and other related elements of logistics support. The estimated cost is $1.5 billion.

**Sept. 27, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia for the continued effort to modernize the Saudi Arabian National Guard (SANG). The total value, if all options are exercised, could be as high as $84 million.

The Government of Saudi Arabia has requested a possible sale for the continuation of the United States supported effort to modernize the SANG by providing Major Defense Equipment (MDE) and non-MDE items:

- 552 AN/VRC-90E Single Channel Ground and Airborne Radio Systems (SINCGARS) Vehicular Single Long-Range Radio Systems; 225 AN/VRC-92E SINCGARS Vehicular Single Long-Range Radio Systems Dual Long Range; 1,214 AN/PRC-119 E SINCGARS Man-pack Single Long-Range Radio Systems Man-pack and vehicular installation kits, communications management system computers, antennas, programmable fill devices, support equipment; publications and technical data; personnel training and training equipment; contractor engineering and technical support services and other related elements of logistics support.

**July 28, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of the remanufacture and upgrade of AH-64A to AH-64D Apache helicopters as well as associated equipment and services. The total value, if all options are exercised, could be as high as $400 million.

The Government of Saudi Arabia has requested a possible sale of the remanufacture and upgrade of 12 AH-64A APACHE attack helicopters to AH-64D configuration, 10 spare T-700-GE-701A engines converted to T-700-GE-701D models, Modernized Targeting Acquisition and Designation Systems, spare and repair parts, communications equipment, support equipment, simulators, quality assurance teams, chemical masks, tools and test sets, chaff dispensers, Integrated Helmet and Display Sight Systems, electronic equipment, test facility spares, publications, Quality
Assurance Teams service, personnel training and training equipment, US Government and contractor technical support and other related elements of logistics support.

- **July 28, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of M1A1 and upgrade of M1A2 to M1A2S Abrams tanks as well as associated equipment and services. The total value, if all options are exercised, could be as high as $2.9 billion.

   The Government of Saudi Arabia has requested a possible sale and reconfiguration for 58 M1A1 Abrams tanks, which, together with 315 M1A2 Abrams tanks already in Saudi Arabia’s inventory, will be modified and upgraded to the M1A2S (Saudi) Abrams configuration, kits, spare and repair parts, communications and support equipment, publications and technical data, personnel training and training equipment, contractor engineering and technical support services and other related elements of logistics support.

- **July 21, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia to provide funds for blanket order requisitions, under a Cooperative Logistics Support Supply Support Agreement (CLSSA). The total value, if all options are exercised, could be as high as $276 million.

   Government of Saudi Arabia has requested a possible sale for a Foreign Military Sales Order (FMSO) to provide funds for blanket order requisitions FMSO II, under the CLSSA for spare parts in support of M1A2 Abrams Tanks, M2 Bradley Fighting Vehicles, High Mobility Multipurpose Wheeled Vehicles (HMMWVs), construction equipment, and support vehicles and equipment in the inventory of the Royal Saudi Land Forces Ordnance Corps.

- **July 20, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia to continue modernization of the Saudi Arabian National Guard (SANG). The total value, if all options are exercised, could be as high as $5.8 billion.

   The Government of Saudi Arabia has requested a possible sale for the continuation of the United States supported effort to modernize the SANG by providing Major Defense Equipment (MDE) and non-MDE items:
   - 627 AN/VRC-92E SINCGARS Vehicular Single Long-Range Radio Systems
   - 518 AN/VRC-119 E SINCGARS Vehicular Single Long-Range Radio Systems
   - 2,198 SINCGARS Spearhead Handheld
   - 1,700 AN/AVS-7D Night Vision Goggles (NVG)
   - 432 AN/PVS-14 NVG
   - 630 AN/PAS-13 Thermal Weapon Sight
   - 162 84mm Recoilless Rifle

   Also included are Harris Corporation Commercial High Frequency Radios; various commercial vehicles; fixed facilities and ranges; simulations; generators; battery chargers; protective clothing; shop equipment; training devices; spare and repair parts; sets, kits, and outfits; support equipment; publications and technical data; personnel training and training equipment; contractor engineering and technical support services and other related elements of logistics support.

- **July 20, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of UH-60L Utility/Assault Black Hawk helicopters as well as associated equipment and services. The total value, if all options are exercised, could be as high as $350 million.
The Government of Saudi Arabia has requested a possible sale of 24 UH-60L Utility/Assault Black Hawk helicopters, spare and repair parts, communications and support equipment, publications and technical data, personnel training and training equipment, contractor engineering and technical support services and other related elements of logistics support.

- **Oct. 3, 2005** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of the continuation of contractor, technical services and logistics support for aircraft, aircraft engines, and missiles as well as associated equipment and services. The total value, if all options are exercised, could be as high as $760 million.

The Government of Saudi Arabia has requested a possible sale for the continuation of support for F-5, F-15, RF-5, E-3, RE-3, KE-3, and C-130, aircraft; F-100-PW-220/229, J-85, T-56, and CFM-56 aircraft engines; and A/TGM-65 AIM-7 and AIM-9 missiles which have already been delivered to and are being operated by Saudi Arabia; contractor services; maintenance; spare and repair parts; support and test equipment; goggles; communication support; precision measuring equipment; personnel training; training equipment; technical support; and contractor engineering; and other related elements of program support.

- **Oct. 3, 2005** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia for the continuation of the United States supported effort to modernize the Saudi Arabian National Guard (SANG) by providing Major Defense Equipment (MDE) and non-MDE items as well as associated equipment and services. The total value, if all options are exercised, could be as high as $918 million.

Major Defense Equipment (MDE) proposed:
- 144 Armored Personnel Carrier Vehicles
- 12 Water Cannon Vehicles
- 52 Command and Control Vehicles
- 17 Ambulance and Evacuation Vehicles
- 36 Platoon Command Vehicles
- 55,500 40mm Ammunition
- 3,600 F-2000 5.56mm Assault Rifles with 40mm Grenade Launchers
- 51,400 F-2000 5.56mm Assault Rifles without 40mm Grenade Launchers
- 198 AN/VRC-90E SINCGARS Vehicular Single Long-Range Radio Systems

- **Oct. 3, 2005** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of 165 Link 16 Multifunctional Information Distribution System (MIDS)/Low Volume Terminals (Fighter Data Link terminals), 25 Joint Tactical Information Distribution System (JTIDS) terminals as well as associated equipment and services. The total value, if all options are exercised, could be as high as $401 million.

- **Sept. 27, 2005** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of upgrade kits and services for 54 C-130E/H aircraft as well as associated equipment and services. The total value, if all options are exercised, could be as high as $800 million.

- **Nov. 20, 2003** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of modernization support services for the Saudi Arabian National Guard as well as associated equipment. The total value, if all options are exercised, could be as high as $990 million.

The Government of Saudi Arabia has requested a possible sale of services for the continuation of the US supported effort to modernize the Saudi Arabian National Guard (SANG) by providing minor defense articles including spare and repair parts for V150 armored vehicles, light armored vehicles, artillery pieces, communications equipment, other military equipment, medical
equipment and medicines, automation equipment and software for logistics, training, and management, translated (into Arabic) tactical and technical manuals. Defense services transferred would include training, professional military advice and assistance, management assistance, contract administration, construction oversight, transportation of equipment, upper echelon maintenance, management of repair and return of components. These support services would be for the period 1 January 2004 through 31 December 2008. This proposed sale does not entail the procurement of Major Defense Equipment.

- **Sept. 3, 2003** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia of AN/AAQ-24(V) NEMISIS Directional Infrared Countermeasures Systems as well as associated equipment and services. The total value, if all options are exercised, could be as high as $240 million.

The Government of Saudi Arabia has requested a possible sale of four AN/AAQ-24(V) NEMISIS Directional Infrared Countermeasures Systems which consist of three small laser turret assemblies, six missile warning sensors, one system processor, one control indicator unit, two signal repeaters, included associated support equipment, spare and repair parts, publications, personnel training and training equipment, technical assistance, contractor technical and logistics personnel services and other related elements of program support.

**UAE**

- **Nov. 5, 2012** – The Defense Security Cooperation Agency notified Congress November 2 of a possible Foreign Military Sale to the Government of the United Arab Emirates (UAE) for 48 Terminal High Altitude Area Defense (THAAD) missiles, 9 THAAD launchers; test components, repair and return, support equipment, spare and repair parts, personnel training and training equipment, publications and technical data, U.S. Government and contractor technical assistance, and other related logistics support. The estimated cost is $1.135 billion.

The Government of the United Arab Emirates (UAE) has requested a proposed sale of 2 spare F117-PW-100 engines in support of the UAE C-17 GLOBEMASTER III aircraft.


The Government of the UAE has requested a possible sale of 4,900 JDAM kits which includes 304 GBU-54 Laser JDAM kits with 304 DSU-40 Laser Sensors, 3,000 GBU-38(V)1 JDAM kits, 1,000 GBU-31(V)1 JDAM kits, 600 GBU-31(V)3 JDAM kits, 3,300 BLU-111 500lb General Purpose Bombs, 1,000 BLU-117 2,000lb General Purpose Bombs, 600 BLU-109 2,000lb Hard Target Penetrator Bombs, and four BDU-50C inert bombs, fuzes, weapons integration, munitions trainers, personnel training and training equipment, spare and repair parts, support equipment, US government and contractor engineering, logistics, and technical support, and other related elements of program support.


- **Sept. 22, 2011** – The Defense Security Cooperation Agency notified Congress Wednesday of a
possible Foreign Military Sale to the United Arab Emirates of 107 MIDS/LVT LINK 16 Terminals and associated equipment, parts, training and logistical support for an estimated cost of $401 million.

The Government of the United Arab Emirates (UAE) has requested a possible sale of 107 Link 16 Multifunctional Information Distribution System/Low Volume Terminals (MIDS/LVT) to be installed on the United Arab Emirates F-16 aircraft and ground command and control sites, engineering/integration services, aircraft modification and installation, testing, spare and repair parts, support equipment, repair and return support, personnel training, contractor engineering and technical support, interface with ground command and control centers and ground repeater sites, and other related elements of program support.


  The Government of the United Arab Emirates (UAE) has requested a possible sale of 5 UH-60M BLACKHAWK VIP helicopters, 12 T700-GE-701D engines (10 installed and 2 spares), 6 AN/APR-39A(V)4 Radar Signal Detecting Sets, 80 AN/AVS-9 Night Vision Devices, 6 Star Safire III Forward Looking Infrared Radar Systems, 6 AAR-57(V)3 Common Missile Warning Systems, 6 AN/AVR-2B Laser Warning Sets, C406 Electronic Locator Transmitters, Traffic Collision Avoidance Systems and Weather Radars, Aviation Mission Planning Station, government furnished equipment, ferry support, spare and repair parts, publications and technical documentation, support equipment, personnel training and training equipment, ground support, communications equipment, US Government and contractor technical and logistics support services, tools and test equipment, and other related elements of logistics support.

- **May 25, 2011** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the Government of the United Arab Emirates for support and maintenance of F-16 aircraft and associated equipment, parts, training and logistical support for an estimated cost of $100 million.


  The Government of the United Arab Emirates has requested a possible sale of 218 AIM-9X-2 SIDEWINDER Block II Tactical Missiles, 40 CATM-9X-2 Captive Air Training Missiles (CATMs), 18 AIM-9X-2 WGU-51/B Tactical Guidance Units, 8 CATM-9X-2 WGU-51/B Guidance Units, 8 Dummy Air Training Missiles, containers, support and test equipment, spare and repair parts, publications and technical documentation, personnel training and training equipment, US Government and contractor engineering and logistics support services, and other related elements of logistics support.

- **Nov. 4, 2010** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the Government of the United Arab Emirates of 100 Army Tactical Missile Systems (ATACMS) and 60 Low Cost Reduced-Range Practice Rockets (LCRRPR), as well as associated equipment, training and logistical support for a total package worth approximately $140 million.

- **Nov. 4, 2010** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of 30 AH-64D Block II lot 10 APACHE helicopters, remanufactured to AH-64D Block III configuration and 30 AH-64D Block III APACHE helicopters, as well as associated parts, equipment, training and logistical support for a complete package worth approximately $5.0 billion.

The Government of the United Arab Emirates (UAE) has requested a possible sale of 30 AH-64D Block II lot 10 APACHE helicopters, remanufactured to AH-64D Block III configuration, 30 AH-
64D Block III APACHE helicopters, 120 T700-GE-701D engines, 76 Modernized Target Acquisition and Designation Sight/Modernized Pilot Night Vision Sensors, 70 AN/APG-78 Fire Control Radars with Radar Electronics Units, 70 AN/ALQ-144A(V)3 Infrared Jammers, 70 AN/APR-39A(V)4 Radar Signal Detecting Sets, 70 AN/ALQ-136(V)5 Radar Jammers, 70 AAR-57(V)3/5 Common Missile Warning Systems, 30mm automatic weapons, improved counter measure dispensers, communication and support equipment, improved helmet display sight systems, trainer upgrades, spare and repair parts, publications and technical documentation, personnel training and training equipment, US Government and contractor engineering and logistics support services, and other related elements of logistics support.

- **May 26, 2010** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates (UAE) of logistics support and training for two C-17 Globemaster III aircraft and associated equipment, parts, and logistical support for an estimated cost of $250 million.

The Government of the UAE has requested a possible sale of logistics support and training for two additional C-17 Globemaster III aircraft being procured through a Direct Commercial Sale, 2 AN/AAR-47 Missile Warning Systems, 4 AN/ARC-210 (RT-1794C) HAVE QUICK II Single Channel Ground and Airborne Radio Systems, 2 AN/ALE-47 Countermeasure Dispensing Sets, ferry support, communication and navigation equipment, spare and repair parts, support and test equipment, publications and technical documentation, maintenance, personnel training and training equipment, US Government and contractor engineering and logistics support services, preparation of aircraft for shipment, and other related elements of logistics support.

- **Dec. 28, 2009** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of logistics support, training and related systems for 12 C-130J-30 aircraft being procured through a Direct Commercial Sale. The complete package, including associated parts and equipment is worth approximately $119 million.

The Government of the United Arab Emirates has requested a possible sale of logistics support and training for 12 C-130J-30 aircraft being procured through a Direct Commercial Sale, 12 AN/AAR-47 Missile Approach Warning Systems, 12 AN/ALR-56M Radar Warning Receivers, communication equipment, navigation equipment, aircraft ferry and refueling support, spare and repair parts, support and test equipment, publications and technical documentation, mission planning systems, personnel training and training equipment, US Government and contractor engineering, technical, and logistics support services, related elements of logistical and program support.

- **Dec. 28, 2009** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of enhanced guided bomb units and associated parts, equipment, training and logistical support for a complete package worth approximately $290 million.

The Government of the United Arab Emirates (UAE) has requested a possible sale of 400 GBU-24(V) 11/B Enhanced PAVEWAY III, 400 GBU-24(V) 12/B Enhanced PAVEWAY III, 400 GBU-49(V) 3/B Enhanced PAVEWAY II, 400 GBU-50(V) 1/B Enhanced PAVEWAY II, 800 MK-84 2000 lbs. Bombs, 400 MK-82 500 lbs. Bombs, 400 BLU-109/B 2000 lbs. Bombs. Also included are containers, bomb components, mission planning software, spare and repair parts, publications and technical documentation, personnel training and training equipment, US Government and contractor technical and logistics personnel support services, and other related elements of program support.

- **Dec. 18, 2009** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to United Arab Emirates of logistics support, training and related systems for four C-17 Globemaster III aircraft being procured through a Direct Commercial Sale. The complete package, including associated parts and equipment is worth approximately $501 million.

The Government of the United Arab Emirates has requested a possible sale of logistics support and training for four C-17 Globemaster III aircraft being procured through a Direct Commercial
Sale, 5 AN/AAR-47 Missile Warning Systems, 10 AN/ARC-210 (RT-1794C) HAVE QUICK II Single Channel Ground and Airborne Radio Systems, 5 AN/ALE-47 Countermeasure Dispensing Sets, ferry support, communication and navigation equipment, spare and repair parts, support and test equipment, publications and technical documentation, maintenance, personnel training and training equipment, US Government and contractor engineering and logistics support services, preparation of aircraft for shipment, and other related elements of logistics support.

- **Dec. 3, 2009** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of 16 Chinook helicopters, and communication equipment, as well as associated parts, equipment, training and logistical support for a complete package worth approximately $2.0 billion.

The Government of the United Arab Emirates (UAE) has requested a possible sale of 16 CH-47F CHINOOK Helicopters, 38 T55-GA-714A Turbine engines, 20 AN/APX-118 Transponders, 20 AN/ARC-220 (RT-1749) Single Channel Ground and Airborne Radio Systems (SINCGARS) with Electronic counter-countermeasures, 40 AN/ARC-231 (RT-1808A) Receiver/Transmitters, 18 AN/APR-39A(V)1 Radar Signal Detecting Sets with Mission Data Sets, flight and radar signal simulators, support equipment, spare and repair parts, publications and technical documentation, site survey, construction and facilities, US Government and contractor technical and logistics support services, and other related elements of logistics support.


- **Sept. 9, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of UH-60M BLACK HAWK Helicopters as well as associated equipment and services. The total value, if all options are exercised, could be as high as $774 million.

The Government of the United Arab Emirates (UAE) has requested a possible sale of 14 UH-60M BLACK HAWK helicopters with engines; 6 T700-GE-701D spare engines; 14 each AN/ALQ-144A(V)3 Infrared (IR) Countermeasure Sets, AN/APR-39A(V)4 Radar Signal Detecting Sets, AAR-57(V)3 Common Missile Warning Systems, and AN/AVR-2B Laser Warning Sets; Weaponization of 23 UH-60M BLACK HAWK helicopters; 390 AGM-114N HELLFIRE missiles; 8 HELLFIRE training missiles; 30 M299 HELLFIRE launchers; 23,916 MK-66 Mod 4 2.75” Rocket Systems in the following configuration: 1,000 M229 High Explosive Point Detonate, 540 M255A1 Flechette, 1,152 M264 RP Smoke, 528 M274 Smoke Signature, 495 M278 Flare, 720 M274 Infrared Flare, 20,016 HA23 Practice; 22 GAU-19 Gatling Gun Systems; and 93 M-134 Mini-Gun. Also included: spare and repair parts, publications and technical data, support equipment, personnel training and training equipment, ground support, communications equipment, US Government and contractor technical and logistics personnel services, aircraft survivability equipment, tools and test equipment, and other related elements of logistics support.

- **Sept. 9, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of Surfaced Launched Advanced Medium Range Air-to-Air Missile (SL-AMRAAM) as well as associated equipment and services. The total value, if all options are exercised, could be as high as $445 million.

The Government of United Arab Emirates has requested a possible sale of 288 AIM-120C-7 Advanced Medium Range Air-to-Air Missiles (AMRAAM) Air Intercept Missiles, 2 Air Vehicle-Instrumented (AAVI), 144 LAU- 128 Launchers, Surface Launched Advanced Medium Range Air-to-Air Missile (SL-AMRAAM) software, missile warranty, KGV-68B COMSEC chips,
training missiles, containers, support and test equipment, missiles components, spare/repair parts, publications, documentation, personnel training, training equipment, contractor technical and logistics personnel services, and other related support elements.

- **Sept. 9, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of Terminal High Altitude Air Defense (THAAD) Fire Units as well as associated equipment and services. The total value, if all options are exercised, could be as high as $6.95 billion.

The Government of the United Arab Emirates has requested a possible sale of 3 Terminal High Altitude Air Defense (THAAD) Fire Units with 147 THAAD missiles, 4 THAAD Radar Sets (3 tactical and one maintenance float), 6 THAAD Fire and Control Communication stations, and 9 THAAD Launchers. Also included are fire unit maintenance equipment, prime movers (trucks), generators, electrical power units, trailers, communications equipment, tools, test and maintenance equipment, repair and return, system integration and checkout, spare/repair parts, publications, documentation, personnel training, training equipment, contractor technical and logistics personnel services, and other related support elements.

- **Sept. 9, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of PATRIOT Advanced Capability-3 Missile Systems as well as associated equipment and services. The total value, if all options are exercised, could be as high as $121 million.

The Government of the United Arab Emirates has requested a possible sale of 4 PATRIOT Advanced Capability (PAC-3) Intercept Aerial Missiles with containers, 19 MIM-104D Guided Enhanced Missiles-T with containers (GEM-T), 5 Anti-Tactical Missiles, and 5 PATRIOT Digital Missiles. These missiles are for lot validation and testing of the PAC-3 missiles notified for sale in Transmittal Number 08-17. Also included: AN/GRC-245 Radios, Single Channel Ground and Airborne Radio Systems (SINCGARS Export), power generation equipment, electric power plant, trailers, communication and support equipment, publications, spare and repair parts, repair and return, United States Government and contractor technical assistance and other related elements of logistics support.

- **Sept. 9, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of AVENGER and VMSLP fire units as well as associated equipment and services. The total value, if all options are exercised, could be as high as $737 million.

The Government of the United Arab Emirates has requested a possible sale of 78 complete AVENGER fire units including Vehicle Mounted Stinger Launch Platform (VMSLP) fire units (72 Tactical and 6 floats); 780 STINGER-Reprogrammable Micro-Processor (RMP) Block 1 Anti-Aircraft missiles; 24 STINGER Block 1 Buy-to-Fly missiles; 78 Captive Flight Trainers, 16 AN/MPQ64-F1 SENTINEL Radars; 78 AN/VRC-92E Single Channel Ground and Airborne Radio System (SINCGARS) radios; 78 Enhanced Position Location Reporting System (EPLRS) Radios; 20 Integrated Fire Control Stations, S250 Shelters on HMMWVs, communication and support equipment, system integration and checkout, tools and test equipment, spare and repair parts, publications, installation, personnel training and training equipment, US Government and contractor technical support services, and other related elements of logistics support. The estimated cost is $737 million.

- **Jan. 3, 2008** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of various munitions and weapon systems as well as associated equipment and services. The total value, if all options are exercised, could be as high as $326 million.

The Government of the United Arab Emirates has requested a possible sale of 224 AIM-120C-7 Advanced Medium Range Air-to-Air Missile (AMRAAM) Air Intercept Missiles, 200 GBU-31 Guided Bomb Unit (GBU) Joint Direct Attack Munition tail kits, 224 MK-84 2,000 pound General-Purpose Bombs (GPB), 450 GBU-24 PAVEWAY III with MK-84 2,000 pound GPB, 488
GBU-12 PAVEWAY II with MK-82 500 pound GPB, 1 M61A 20mm Vulcan Cannon with Ammunition Handling System, containers, bomb components, spare/repair parts, publications, documentation, personnel training, training equipment, contractor technical and logistics personnel services, and other related support elements.

- **Dec. 4, 2007** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of the PATRIOT Advanced Capability-3 Missile System as well as associated equipment and services. The total value, if all options are exercised, could be as high as $9 billion.

The Government of United Arab Emirates has requested a possible sale of the PATRIOT Air Defense System consisting of 288 PATRIOT Advanced Capability-3 (PAC-3) missiles, 216 Guidance Enhanced Missiles-T (GEM-T), 9 PATRIOT Fire Units that includes 10 phased array radar sets, 10 Engagement Control Stations on trailers, 37 Launching Stations (4 per fire unit), 8 Antenna Mast Groups (AMG) on trailers, 8 Antenna Mast Group (AMG) Antennas for Tower Mounts, AN/GRC-245 Radios, Single Channel Ground and Airborne Radio Systems (SINCGARS, Export), Multifunctional Information Distribution System/Low Volume Terminals, generators, electrical power units, trailers, communication and support equipment, publications, spare and repair parts, repair and return, United States Government and contractor technical assistance and other related elements of logistics support.

- **Dec. 4, 2007** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of upgrades and refurbishments of E-2C aircraft as well as associated equipment and services. The total value, if all options are exercised, could be as high as $437 million.

The Government of the United Arab Emirates has requested a possible sale of upgrades and refurbishments for three (3) used, excess defense articles (EDA) E-2C Airborne Early Warning (AEW) aircraft with radar and antennae. These upgrades/refurbishments include E-2C Group II Navigation Upgrade configuration, 8 T56-A-427 Turbo Shaft engines, Phased Maintenance Inspection, spare and repairs parts, support equipment, personnel training and training equipment, technical data and publications, tactical software and software laboratory, system software development and installation, testing of new system modifications, US Government and contractor technical and logistics personnel services, and other related support elements.

- **Oct. 4, 2007** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of Blast Fragmentation Warheads and HELLFIRE II Longbow Missiles as well as associated equipment and services. The total value, if all options are exercised, could be as high as $428 million.

The Government of the United Arab Emirates has requested a possible sale of 300 AGM-114M3 Blast Fragmentation Warheads and 900 AGM-114L3 HELLFIRE II Longbow missiles, 200 Blast Fragmentation Sleeve Assemblies, containers, spare and repair parts, test and tool sets, personnel training and equipment, publications, US Government and contractor engineering and logistics personnel services, Quality Assurance Team support services, and other related elements of logistics support.

- **June 18, 2007** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates (UAE) of a Pilot Training Program as well as associated equipment and services. The total value, if all options are exercised, could be as high as $201 million.

The Government of United Arab Emirates (UAE) has requested a possible sale of United States pilot proficiency training programs and munitions, services and support for F-16 aircraft which includes: 105,000 20mm cartridges, aircraft modifications kits, maintenance, participation in joint training Continental United States (CONUS) pilot proficiency training program, Introduction to Fighter Fundamentals training, F-5B transition and continuation training, fighter follow-on preparation training, participation in joint training exercises, fuel and fueling services, supply support, flight training, spare/repair parts, support equipment, program support, publications,
documentation, personnel training, training equipment, contractor technical and logistics personnel services and other related program requirements necessary to sustain a long-term CONUS training program.

- **Sept. 21, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of High Mobility Artillery Rocket Systems as well as associated equipment and services. The total value, if all options are exercised, could be as high as $752 million.

The Government of United Arab Emirates (UAE) has requested a possible sale of the following Major Defense Equipment (MDE):

- 20 High Mobility Artillery Rocket Systems (HIMARS) Launchers
- 101 M39A1 Army Tactical Missile System (ATACMS) Block 1A Anti-Personnel-Anti-Material Rocket Pods
- 101 M39A1 ATACMS Block 1A Unitary Rocket Pods
- 130 M30 Guided Multiple Launch Rocket Systems (GMLRS) Dual Purpose Improved Conventional Munitions Rocket Pods
- 130 M31 Unitary High Explosive GMLRS Pods
- 60 Multiple Launcher Rocket Systems (MLRS) Practice Rocket Pods
- 104 M26 MLRS Rocket Pods
- 20 M1084A1 Family of Medium Truck Vehicles
- 3 M108A1 Wreckers

Also included are support equipment, communications equipment, spare and repair parts, test sets, batteries, laptop computers, publications and technical data, personnel training and equipment, systems integration support, a Quality Assurance Team and a Technical Assistance Fielding Team service support, United States Government and contractor engineering and logistics personnel services, and other related elements of logistics support.

- **July 28, 2006** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of UH-60M Black Hawk helicopters as well as associated equipment and services. The total value, if all options are exercised, could be as high as $808 million.

The Government of United Arab Emirates (UAE) has requested a possible sale of 26 UH-60M Black Hawk helicopters with engines, 4 spare T-700-GE-701D turbine engines, spare and repair parts, publications and technical data, support equipment, personnel training and training equipment, ground support, communications equipment, contractor engineering, logistics, a Quality Assurance Team, aircraft survivability equipment, tools and test equipment, and other related elements of logistics support.

- **Nov. 17, 2004** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of JAVELIN anti-tank missile systems, missile rounds and associated equipment and services. The total value, if all options are exercised, could be as high as $135 million.

The Government of United Arab Emirates (UAE) has requested a possible sale of 1,000 JAVELIN anti-tank missile systems consisting of 100 JAVELIN command launch units and 1,000 JAVELIN missile rounds, simulators, trainers, support equipment, spare and repair parts, publications and technical data, personnel training and equipment; US Government and contractor engineering and logistics personnel services, a Quality Assurance Team, and other related elements of logistics support.

- **Sept. 4, 2002** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of refurbished/upgraded E-2C aircraft to the E-
2C HAWKEYE 2000 as well as associated equipment and services. The total value, if all options are exercised, could be as high as $400 million.

The Government of the United Arab Emirates has requested a possible sale of 5 refurbished/upgraded E-2C aircraft to the E-2C HAWKEYE 2000, 5 AN/APS-145 radars, 5 OE-335/A antenna groups, 10 T56-A-425 engines, spare and repairs parts, support equipment, personnel training and training equipment, technical data and publications, tactical software and software laboratory, system software development and installation, testing of new system modifications, US Government and contractor engineering and logistics services and other related elements of program support.

- **July 17, 2002** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to UAE of an upgrade of Apache Helicopters from the A variant to the D variant as well as associated equipment and services. The total value, if all options are exercised, could be as high as $1.5 Billion.

The Government of United Arab Emirates (UAE) has requested the remanufacture of 30 AH-64A APACHE helicopters to the AH-64D model aircraft. This proposed sale also includes: 32 AN/APG-78 AH-64D Longbow Fire Control Radar; 32 APR-48A Radar Frequency Interferometer; 32 T-700-GE-701C engines; 32 Modernized Target Acquisition Designation Sight/Pilot Night Vision Sensors; 240 AGM-114L3 HELLFIRE II laser guided missiles; 49 AGM-114M3 HELLFIRE II blast fragmentation missiles; 90 M299 HELLFIRE missile launchers; 33 AN/ALQ-211 Suite of Integrated Radio Frequency Countermeasures/Suite of Integrated Infrared Countermeasures; HAVE GLASS II capabilities; spare and repair parts; support equipment; publications and technical documentation; personnel training and training equipment; US Government and contractor technical support and other related elements of logistics support.

- **May 23, 2002** – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the United Arab Emirates of Evolved Seasparrow Missiles and associated equipment and services. The total value, if all options are exercised, could be as high as $245 Million.

The Government of United Arab Emirates (UAE) has requested a possible sale of 237 Evolved Seasparrow Missiles (ESSM), containers, spare and repair parts, shipboard equipment, support and test equipment, publications and technical documentation, personnel training and training equipment, US Government and contractor technical assistance and other related elements of logistics support.

Source: Adapted from: Defense Security Cooperation Agency (DSCA), [http://www.dsca.mil/](http://www.dsca.mil/)


75 SUSRIS, 33rd GCC Supreme Council, the Sakhir Summit,


2010 Human Rights Report: *Saudi Arabia*, US Department of States, Bureau of Democracy, Human Rights, and Labor, April 8, 2011. [http://www.state.gov/j/drl/rls/hrrpt/2010/nea/154472.htm](http://www.state.gov/j/drl/rls/hrrpt/2010/nea/154472.htm). Saudi government sources challenge these statements and feel such reports are sharply exaggerated. Other reporting is much more critical. More extreme critics like Robert Baer have stated that, “in Saudi Arabia, Shia are subject to punitive property seizure or even gang rape,” as well as harassment from Sunni...


150 Comments by Ray Takeyh at “Revisiting the Iranian Challenge,” Middle East Studies, Marine Corps University, MCB Quantico, Quantico, VA, October 26, 2012.


http://news.bbc.co.uk/2/hi/middle_east/8314431.stm

http://news.bbc.co.uk/2/hi/middle_east/8314431.stm


163 Al Jazeera and agencies, “Iran Pledges Support as Syria Battles Rebels,” Al Jazeera, August 7, 2012. 


http://www.bbc.co.uk/news/world-middle-east-14541322


http://online.wsj.com/article/SB10001424052970204061250457660885245788450.html


184 The data here are uncertain and have been kept limited because there are so many conflicting reports. It is important to note that the Zaidi are “fivers” and not “Twelvers” like most Shi’ites in Iran and do not accept the idea of a Supreme Lear. They and do not believe in the infallibility of Imams after Husain and are closer to Sunnis in belief and in their approach to Islamic law than other Shi’ites. The Houthi sect is also more fundamentalist than most Zaidi.


http://www.af.mil/information/factsheets/factsheet.asp?id=75


http://www.nato.int/cps/en/natolive/topics_58787.htm


210 Royal Embassy of Saudi Arabia Information Office, Initiatives and Actions to Counter Terrorism, 
Washington, DC, November 6, 2012, 
http://www.saudiembassy.net/files/PDF/Reports/Counterterrorism.pdf. Also see the fact sheets on Efforts to Counter Terrorism and Initiatives and Efforts to Counter Terrorism and Terror Financing in the same site, as well as the analysis of economic, social, and educational reforms.

211 Greg Miller, “Obama’s new drone policy leaves room for CIA role,” Washington Post, May 29, 2013, 


http://www.state.gov/j/ct/rls/crt/2012/209982.htm

http://www.thenational.ae/thenationalconversation/comment/time-is-right-for-gulf-states-to-rethink-approach-to-iraq


Kristin Smith Diwan. “Kuwait takes a breather”. Foreign Policy, August 5, 2013.


Yasser al-Zayyat, “Shiites Score Big in Kuwaiti Poll Hit By Boycott,” *Now Lebanon* via *AFP*, December 2, 2012. [http://www.google.com/hostednews/afp/article/ALeqM5go2JSrKW_xGFYJTRmZFMluVCMHQ?docId=CNG.bf8e23341c81edfc3dea58e2920b04aa.4e1](http://www.google.com/hostednews/afp/article/ALeqM5go2JSrKW_xGFYJTRmZFMluVCMHQ?docId=CNG.bf8e23341c81edfc3dea58e2920b04aa.4e1).


Kristin Smith Diwan. “Kuwait takes a breather”. Foreign Policy, August 5, 2013.


Iran’s Deputy Foreign Minister for Arab and African Affairs is reported to claim that Iran has not involved itself in Bahrain.


A report shortly after the explosions from the *New York Times* reports that the bombs were “improvised explosive devices,” according to the Bahraini government, and that both were non-Bahraini workers. See Kareem Fahim, “Bomb’s in Bahrain’s Capital Kill 2 Foreigners,” *New York Times*, November 5, 2012. [http://www.nytimes.com/2012/11/06/world/middleeast/bombs-in-bahrain's-capital-kill-injure-bystanders.html?_r=0](http://www.nytimes.com/2012/11/06/world/middleeast/bombs-in-bahrain's-capital-kill-injure-bystanders.html?_r=0)


Daniel Wagner, Giorgio Cafiero. “Oman has its Cake and Eats it too – For now” RealClearWorld [http://www.realclearworld.com/articles/2013/07/29/oman_has_its_cake_and_eats_it_too__for_now_105348.html](http://www.realclearworld.com/articles/2013/07/29/oman_has_its_cake_and_eats_it_too--for_now_105348.html)


405 Brian Murphy, “Two Powers, Qatar and Iran, Try to Sway Hamas,” Associated Press, November 23, 2012. http://www.google.com/hostednews/ap/article/ALeqM5ixVqPLS1cgnvaBb7Ctqxvy8e9PfQ?docId=ed94ba41ba9e4974ae71615c46600795


AFP, “Iran Brushes Off UAE Call for Talks on Gulf Islands,” *Al Arabiya News*, December 5, 2012. [http://english.alarabiya.net/articles/2012/12/05/253375.html](http://english.alarabiya.net/articles/2012/12/05/253375.html)


467 Kenneth Katzman, *The United Arab Emirates (UAE): Issues for U.S. Policy*, Congressional Research Service, July 17, 2012. p. 23. Katzman mentions that “an agreement is expected to be signed before the end of June 2012,” although the report itself was published in October 2012. Media reporting does not suggest that an agreement was signed in June 2012.


Alireza Nader and Joya Laha, Iran’s Balancing Act in Afghanistan, RAND National Defense Research Institute, Occasional Paper, 2011. http://www.rand.org/content/dam/rand/pubs/occasional_papers/2011/RAND_OP322.pdf. p. 7. Authors explain that “Iran currently views its interests in Afghanistan through the prism of U.S.-Iranian enmity. Hence, Iran currently provides support to the Taliban despite the convergence of U.S. and Iranian interests in Afghanistan, including both nations’ backing of the Karzai government. Iran, although fundamentally opposed to a complete Taliban victory in Afghanistan, nevertheless uses the group as leverage against U.S. influence in Afghanistan and South Asia.” This suggests that Iranian support for the Taliban is a function of the US-Iran competition.


532 “Assistant Secretary for Political-Military Affairs Andrew J. Shapiro Travels to Yemen and Israel,” US Department of State, Office of the Spokesperson, media note, December 14, 2012. [http://www.state.gov/r/pa/prs/ps/2012/12/202068.htm](http://www.state.gov/r/pa/prs/ps/2012/12/202068.htm)


Kenneth Katzman, Bahrain: Reform, Security, and U.S. Policy, Congressional Research Service, November 6, 2012. p. 28; Also see section in this report on US relations with Bahrain.