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- POLICY DEPARTMENT -**

Country Briefing:

Qatar



Oman



Abstract: This note summarises key aspects of the political and economic situation in Qatar and Oman. It further addresses the situation of women, freedom of the media and human rights, sets out recent developments of EU-GCC relations and recalls recent EP activities towards the two countries.

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Qatar

Overview



Head of state: Emir Hamad bin Khalifa al-Thani
Prime Minister: Hamad bin Jasim bin Jabir al-Thani
Political regime: Emirate
Population: 900,000 (including 80% non nationals)
Ethnic groups: Arab 40%, Indian 18%, Pakistani 18%, Iranian 10%, other 14%
Religions: Muslim 77.5%, Christian 8.5%, other 14%
Languages: Arabic (official), English
Literacy: 89% (male 89.1%, female 88.6%)
HDI (2005): 0.875 (37th)

Portugal occupied Qatar from 1517-1538, followed by the Ottomans. After a period of tribal disorder, Qatar and Bahrain became a British protectorate ruled by the Al-Khalifa family, in the early 1800s. Britain then decided to separate Qatar from Bahrain and to appoint at its head Mohammad ibn Thani, whose heirs still rule the country. Qatar declared its independence in 1971, after refusing to join the United Arab Emirates. The then emir ruled the country until his son, Crown Prince Hamad bin Khalifa al-Thani, deposed him in 1995.

Once a poor pearl-fishing centre, Qatar started to exploit large oil and gas reserves in the 1940s. It is now one of the wealthiest countries in the region.

Political situation

Qatar's political system is evolving from a traditional tribal system towards introducing features of democratic rule. In Qatar the pace of political reform, along with wider economic and social development, accelerated after the present Emir Shaikh Hamad bin Khalifa Al Thani came to power in 1995, replacing his father in a bloodless coup. Shaikh Tamim bin Hamad bin Khalifa Al Thani was appointed Heir Apparent in 2003 following the voluntary resignation of his elder brother. The Rulers of Qatar are Sunni Muslim. Qatar has an indigenous population of 174,000 out of a total of 750,000 inhabitants.

The Emir remains committed to a programme of reform aimed at increasing popular participation in decision-making, modernisation, openness and media freedom. Qatar released its last political prisoner in 2001.

A new constitution adopted by referendum came into force in June 2005. It contains provisions for the establishment of an independent judiciary, equal rights for men and women and freedom of expression for the press, freedom of assembly and freedom of worship.

Qatar is developing into a constitutional monarchy, but it doesn't allow yet political parties. Suffrage is currently limited to municipal elections of the 29-member Central Municipal Council, an advisory body created in 1999 that issues recommendations on municipal issues. Expatriate residents which make up 80% of the population are excluded. The elected Municipal

Council has no executive powers but may offer advice to the Minister. In 1 April 2007 elections, 51 % of the 28,000 eligible voters cast ballots, compared to 32 % who participated in the 2003 election. One of the three female candidates, Shaikha Al Jufairi, was elected with the highest amount of votes of all 125 candidates.

An ongoing democratisation process...

These elections were seen as a practice run before parliamentary elections for the country's first national legislature, expected but constantly delayed since mid-2005. Qatar's constitution provides for a Legislative Council (**Majlis al-Shura**), with 30 members elected by universal suffrage and 15 appointed by the Emir.

It is foreseen that the **Majlis** will have legislative powers and the right to dismiss ministers. Hence its election, when it happens, will herald greater public participation in policy formulation and scrutiny of governmental affairs. However, the essential balance of power won't change, as the Emir will keep the authority to dissolve the Majlis at any time.

Qatari governmental sources say that parliamentary elections are unlikely to be held in 2008 as the legal framework is still under preparation. In the absence of grassroots demand for change, the further postponement of the elections is unlikely to meet serious opposition.

....albeit not without hurdles

In theory, according to the Constitution, all Qatari citizens above 18, including women, should enjoy equal political rights and, thus, be able to vote and stand as candidates. However, the 2005 nationality law creates a differentiation between citizens who had already settled in Qatar pre-1930 those that settled after 1930 (and their descendants), who are considered "naturalised".

The al-Thani family itself is said to be split, with a conservative faction arguing that "naturalised" citizens should enjoy only the right to vote, but not the right to run for office. The Emir is said not to belong to this faction; yet, this disagreement, combined with the additional complication of defining the precise nationality of the Al Ghafran tribe which can equally claim Saudi and Qatari nationality, has led to the constant postponement of the elections.

Economy

GDP - official exchange rate: \$33.93 billion (2007)

GDP - purchasing power parity (PPP): \$68.87 billion (2007)

GDP per capita - PPP: \$75,900 (2007)

Growth: 7.8% (2007)

Unemployment: 0.7%

Inflation: 12% (2007)

Oil and gas account for more than 60% of GDP, roughly 85% of export earnings, and 70% of government revenues. Oil and gas have made Qatar one of the world's faster growing and higher per-capita income countries - in 2006 per-capita income equalled that of the EU. Current GDP growth is 8,3% and expected to rise in 2009 ; sustained high oil prices and increased natural gas exports in recent years have helped build Qatar's budget and trade surpluses and foreign reserves.

Proved oil reserves of more than 15 billion barrels should ensure continued output at current levels for 23 years. Qatar's proved reserves of natural gas exceed 25 trillion cubic meters, more than 5% of the world total and third largest in the world. Qatar has permitted substantial foreign investment in the development of its gas fields during the last decade.

This means that, already the **largest liquefied natural gas (LNG) producer in the world**, Qatar is seeking to triple production by 2012: thus, its future economy will depend increasingly on gas. Qatari investments for LNG supply terminals are made in Italy and in the UK (Wales). Around on third of Qatar's exports goes to Europe, one third goes to Asia and another third to North America and Mexico.

Shell is constructing a major Gas to Liquids (GtL) plant in Qatar. Natural gas producer *Dolphin Energy* is on track for the commercial launch of its gas pipeline from Qatar to the UAE in the first week of June.

The planned GCC power grid should be ready by 2010, with the second phase linking the UAE to Oman being completed in 2006. The grid should generate revenues of \$3.2bn by 2028. All GCC nations will receive power from the system, with Saudi and Kuwait receiving the most at 1,200 megawatts each.

Government efforts to **diversify** the economy have led to the establishment of petrochemical, oil-refining, and fertiliser industries. In a visit to the EP in January 2007, Qatari Minister of Energy and Industry Abdullah Bin Hamad Al-Attiyah expressed his concern over high EU taxes on petrochemicals and fertilisers. Qatar is also trying to attract foreign investment in the development of its non-energy projects by further liberalising the economy. Efforts include the promotion of Doha as a regional conference and tourist centre. According to the authorities' political vision Qatar should also become a capital for education and health.

Qatar as an international actor

Despite its small size, Qatar, a close US ally, is playing an relatively important role in international affairs.

Doha has been a proponent of a neutral (non Hamas-led) national unity Government in Palestine, and favours a two-state solution¹. Unlike other Gulf States, Qatar retains low-level ties with Israel, which has a trade mission in Doha.

The Emirate has become closely involved in efforts to revive the Middle-East peace process and pledged to pay the Palestinian Authority's salaries after the EU cut off aid following the formation of the Hamas Government; pledging 300 million dollars in favour of re-building Lebanon was a similar case of "check-book diplomacy".

The Al Jazeera TV network, hosted in Qatar and bankrolled by the Emir, is a vector of the country's aspirations on the international stage. This has led to frictions with other Arab states, which have occasionally closed the channel's offices (Egypt, Jordan, Bahrain, Kuwait, Algeria) or even withdrawn their Ambassadors in protest (Saudi Arabia, Tunisia). Al-Jazeera's news coverage has indeed often been very critical towards the Arab regimes. Al Jazeera's relations to the US are, at best, controversial following the allegations which appeared in the British Press that President Bush had considered bombing its headquarters in Doha due to its Iraq broadcasting.

The "Gas OPEC" attempt

¹ Qatari FM Sheikh Ahmad bin Jassem bin Jabr Al Thani has shuttled repeatedly in Palestine.

A ministerial meeting of the Gas Exporting Countries Forum, an informal organisation of world's leading gas producers created in 2001, took place in Doha in April 2007. The short-term result of the Doha talks was the creation of a High Level Committee, to be chaired by Russia, which would "assess the performance of the GECF" and gas pricing.

This meeting revived the speculation, fuelled by Russian newspaper *Kommersant*, about an imminent creation of a "Gas OPEC" -i.e. a natural gas cartel to determine global prizes and production levels. GECF countries¹ currently hold 70% of the world's reserves and account for 60% of the world's exports.

It is doubtful whether host Qatar was really at the origins of this initiative. Minister Al Attiyah has stated that a gas cartel is **not** in the commercial interest of the country. Key players appear thus, rather, to be Algeria, Russia - with Algerian Minister Chakib Khelil indicating that a Gas OPEC would be created "*in the long term*" -- an idea subscribed to, more enthusiastically, by Valery Yazev, President of the Russian Gas Society and head of the Duma's committee on energy and transport.

The US publicly condemned the possible formation of a gas cartel; EU Commissioner Piebalgs indicated the EC would further discuss these decisions "in the framework of existing bilateral energy dialogues".

Human rights and liberties

Personal liberties

Article 35 of the new Constitution bans all discrimination "on grounds of sex, race, language, or religion". In practice, however, women remained subject to gender discrimination under a range of laws and practices, such as laws concerning marriage contracts that favour men. Women must also obtain approval from their husband or guardian before travelling, and children of Qatari women who marry foreign nationals do not qualify for Qatari citizenship, unlike children born to Qatari fathers and foreign mothers.

In Qatar, as in other states, there is information to suggest that the police are reluctant to treat violence against women, particularly violence within the family, as a criminal matter although such violence constitutes an assault under strict application of the law. Rather, the police prefer to address the issue through mediation (including using social workers at some police stations).

The Interior Ministry established a human rights unit to monitor and respond to human rights issues raised by international human rights organisations and to consider complaints. In July 2006 the Ministry opened a shelter for victims of crime, labour abuse and human trafficking.

Women in public life

¹ Algeria, Bolivia, Brunei, Egypt, Equatorial Guinea, Indonesia, Iran, Libya, Malaysia, Nigeria, Qatar, Russia, Trinidad and Tobago, the United Arab Emirates and Venezuela



Sheikha Mozah bint Nasser al Missned, the consort (and second of three wives) of the emir of Qatar, is Chairperson of the Qatar Foundation for Education, Science and Community Development, a private non-profit organisation founded in 1995 on the personal initiative of the Emir. She is also President of the Supreme Council for Family Affairs, a government institution founded in 1998, with the aim of strengthening the role of family in society. In November 2002, she was appointed Vice-Chairperson of the Supreme Education Council, a government institution which oversees Qatar's reform efforts in the K-12 education system. In 2003 UNESCO appointed her Special Envoy for Basic and Higher Education.

The Emir's sister, **Shaikha Hessa bint Khalifa Al Thani**, the first woman to hold ministerial rank, has a portfolio that includes promoting women's rights, protecting the rights of the child and promoting family welfare. A second woman minister, **HE Shaikha bint Ahmad Al Mahmoud**, has been given the Education, and Higher Education portfolio.

Freedom of the media

In Qatar, few journalists are arrested or imprisoned because few dare to publish criticism of the ruling regime. Self-censorship is widely practiced in many parts of the region by journalists who know that the reprisal for offending senior religious or political figures can be immediate.

Qatar was one of the first Arab governments to abolish its Ministry of Information. Formal government censorship of the media was lifted in 1995, but a censorship office within the Qatar Radio and Television Corporation continues to review domestic broadcast media and foreign media for sexually explicit material and material deemed hostile to Islam.

The Qatari Government owns **Al-Jazeera**, the satellite television station, which has been broadcasting in Arabic from Qatar since 1996 with an estimated audience of 130 million people worldwide. Al-Jazeera offers a popular platform for opinion in the region, despite attracting criticism from Arab Governments; in September 2003 Al – Jazeera launched an English/Arabic language website, and an English language TV channel was launched in November 2006.

Oman

Overview



Head of state:

Sultan Qaboos bin Said Al Said

Political regime:

Absolute monarchy with two advisory councils

Population:

3.2 millions, including 578,000 non nationals (18%)

Ethnic groups: Arab, Baluchi, South Asian, African

Religions: Ibadi Muslim (75%), other (25% - Sunni and Shi'a Muslim, Hindu)

Languages:

Arab (official), English, Baluchi, Urdu, Indian dialects

Literacy: 81.4% (male: 86.8%; female: 73.5%)

HDI (2007): 0.814 (58th)

Oman is the oldest independent state in the Arab world. The Portuguese occupied the country in 1507 but were driven out in 1650. Since then, Oman was only shortly occupied from 1737 to 1739 by Iran, whose rule was replaced by that of the Al Bu Said dynasty, which still rules the country. In the 19th century, Oman had its own empire which at its peak included parts of the East African Coast (Zanzibar, Mombassa) and even reached the Indian subcontinent. Britain, with whom Oman signed a series of friendship treaties, progressively expanded its influence on the country, whose "empire" finally collapsed. By the time of the First World War, the British had established a de facto protectorate on an increasingly divided and isolated Oman. They supported Sultan Said Bin Tamur, who came to power in 1938, against Saudi-backed rebels in the 1950s, but the Sultan established an overly repressive and unpopular regime. He was deposed in 1970 by his son, Qaboos Al Said bin Said, who modernised the country's economy and society. Qaboos has so far failed to effectively open the political system, but he is commonly presented by observers as a benevolent ruler and seems to enjoy a considerable amount of popularity thanks to his economic and social management.

Political situation

The Sultanate of Oman is an absolute monarchy. There is no constitution as such, but a Basic Law was issued by royal decree and promulgated on November 6, 1996.

The executive

The sultan is the head of state and concentrates most powers. He is also Prime minister, Foreign, Defence and Finance minister, Supreme Commander of the Armed Forces and Governor of Oman's central bank. He appoints and dismisses deputy prime ministers, ministers and all senior officials in the government, the administration and the judiciary. He issues and ratifies laws. He

may declare a state of emergency, general mobilisation or war, and make peace in accordance with the provision of the Law. He may sign international treaties in accordance with the provisions of the Law and issue decrees ratifying them. He has the power to wave or commute punishments. Finally, he is "inviolable" and must be respected and his orders obeyed.

Educated in England, Qaboos Al Said bin Said has been Sultan since July 23, 1970. Aged 67, he is the only son of Sultan Said bin Tamur and has no children. The Basic Law clarifies the issue of succession, which will be determined by the Ruling Family Council within three days of the position of Sultan becoming vacant. If no successor is agreed upon, the person designated by the Sultan in his letter to the Family Council shall be appointed by the Defence Council.

The function of Prime Minister was created by the Basic Law, which didn't provide for a specification of its competences and powers. If the sultan was to give up the position, its competences would be specified in the decree appointing the new Prime Minister.

The Council of Ministers formulates aims and general policies, proposes draft laws and decrees, discusses development plans and Ministry proposals and monitors the implementation of all legislative and administrative acts. There are currently four women with Ministerial rank.

The legislative power

The 1996 Basic Law establishes a bicameral parliament composed of the **Consultative Council** (Majlis ash-Shura) and the **Council of State** (Majlis al-Dawla), both of which mainly have advisory functions and are in effect controlled by the Sultan. There was no parliament in Oman until 1981, when a Consultative assembly was created (replaced in 1990 by the Consultative Council).

The Consultative Council is composed of 84 members elected in 61 provinces by universal suffrage (since 2002)¹ for four-year terms, renewable once. Its president is appointed by the Sultan. It gives its opinion on draft laws, and only has very limited powers to propose legislation.

The Council of State is composed of 59 members appointed by the Sultan. It prepares studies, presents proposals on technical issues (investment, political and administrative processes) and gives its opinion on draft laws.

The judiciary

The Omani legal system is primarily based on the Ibadi interpretation of the Shari'a. Nevertheless, several royal decrees have codified laws since the adoption of the 1996 Basic Law. The judiciary is theoretically independent, but it is under the Sultan's control in practice. Indeed, the Sultan makes all judicial appointments and presides over the Supreme Judicial Council.

Political parties and civil liberties

Political parties are illegal, and election results reflect above all tribal equilibriums. Citizens' participation is at the image of the extreme centralisation of the political system: public meetings are held all around the country by Sultan Qaboos himself to listen to the citizen's requests. Although the Basic Law guarantees freedoms of association, of assembly and of opinion, associations must be registered, professional syndicates and trade unions are banned,

¹ The minimum voting age is 21.

public gatherings require government permission and public criticism of the Sultan is forbidden by law. Other personal liberties are guaranteed by the Basic Law (equality of all citizens, freedom of religion, ban on torture) but many are not or badly implemented.

The October 2007 elections to the Consultative Council

The latest legislative elections took place in October 27, 2007. Turnout reached 78%. Some 632 candidates stood for the 84 seats in the council; they were all independent and the most successful of them campaigned along religious and tribal lines, political parties being forbidden in Oman. Only 38 of the 64 candidates who were standing for re-election were successful, which seems to indicate that the electoral process was open and fair. Although two female candidates were elected in the previous elections, in 2003, no women were elected to the council this time, despite there being 20 female candidates.

Economy

GDP - official exchange rate: \$29.38 billion (2007)

GDP - purchasing power parity: \$61.21 billion (2007)

GDP per capita: \$19,100 (2007)

Growth: +5.3% (2007)

Unemployment: 15% (2004)

Inflation: 4% (2007)

Oman's economy is heavily dependent on oil¹, whose revenues ensure a comfortable trade surplus (\$3.8 billions in 2007) and the accumulation of foreign reserves (\$7 billions at the end of 2007). Oil started to be commercially produced in 1970 under the impulsion of Sultan Qaboos, who used its income to invest in an economic development based on both the public and private sectors. Nevertheless, the expected rarefaction of resources and the 1998 downturn in oil prices (later reversed) have convinced Oman to engage into a development programme, "Vision 2020", in order to promote privatisation, diversification and foreign investment. The programme notably seeks to develop other industries such as natural and liquefied gas production, metal manufacturing and petrochemicals, but also such areas as tourism, information technology and higher education.

Real GDP growth is estimated to have slowed to around 5.3% in 2007, as crude oil output continued to decline. A rise in imports and an eventual fall in exports will further slow GDP growth to an average of 5.2% in 2008-09. Despite a fall in Oman's oil production over the forecast period, high international oil prices will ensure that the sultanate's current account will remain in surplus, at an average of 7.2% of GDP in 2008-09.

The country's main export partners are China (23.6% in 2006), South Korea (17.9%), Japan (16.5%), the US (8.1%), Germany (5.4%) and India (4.3%). Apart from oil, Oman exports fish, metal, live animals and animal products, textiles, and others. As regards imports, Oman's first partner is the neighbouring United Arab Emirates (22.4%), followed by Japan (16.5%), the US (8.1%), Germany (5.4%) and India (4.3%). Imports include machinery and transport equipments, basic manufactures, food and live animals, chemicals and related products, and others.

Oman has signed a free trade agreement with the US, ratified in September 2006. Through the Gulf Cooperation Council of which it is a member along with Bahrain, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates, it is also negotiating FTAs with the EU, China and Japan.

¹ Production is managed by Petroleum Development Oman (PDO), in which the Government holds a 60% share, while Royal Dutch Shell (the other major shareholder) has 34%. In 2004 PDO was responsible for over 90% of Oman's hydrocarbons output, the remainder being produced by a number of foreign concerns.

In early 2008, **Oman backed out from the GCC common currency**, a project originally foreseen to be implemented in 2010. The sultanate has reiterated its commitment to the US dollar currency peg.

Oman's international relations

Oman had no foreign policy and no embassies of its own under the British de facto protectorate. Completely isolated, Sultan Said Bin Tamour had to rely on British troops to combat insurrections in Jebel Akhdar (1957-1959) and in Dhofar (throughout the 1960s). Taking note of the international dimension of this domestic unrest (rebels were supported by external powers), **Sultan Qaboos** decided to deal with these domestic threats through a series of **foreign policy moves, firstly towards Saudi Arabia and Iran**. While maintaining a strong relationship with Britain, Qaboos struck deals with both countries, taking advantage of their shared aversion for the communist influence in the region. Thus, Saudi Arabia ended its support to insurgents, Iran took part to the military struggle against the Dhofar rebellion, and both signed agreements with Oman addressing long-lasting border disputes. As a result, Qaboos **neutralised domestic pressures** and affirmed the sovereignty of his country under better-defined borders.

Crucially, Qaboos also drew the features of a foreign policy based on cooperation and dialogue with Oman's neighbours as well as on the promotion of balance of power **between the two main regional players**, thus implying **cooperation with Iran**. This strategy, totally rejected at that time by the other Gulf countries, was notably based on the idea that Iran and the Gulf peninsula share an interest in securing the highly strategic Strait of Hormuz. Interestingly, the terms of the Gulf's security equation remain pretty much the same today. The last element to be added is the **American influence in the Gulf**. Failing in his early attempts to promote security coordination amongst Gulf countries, Qaboos concluded a military and strategic partnership with the US in 1980. This corresponded to America losing its main ally in the region, Iran's Shah. Oman was followed by other Gulf countries, which consolidated the US' position in the Gulf.

In parallel, relationships amongst Gulf countries were improved. The **Gulf Cooperation Council (GCC) was established** in Abu Dhabi in May 1981. Oman signed a reconciliation agreement with Aden (South Yemen) in 1982, followed by an agreement delimiting their common borders. Furthermore, all border disputes were solved with Saudi Arabia and almost all similar disputes with the United Arab Emirates by the mid-1990s. While encouraging regional cooperation, Qaboos made independent policy choices such as his refusal to join the OPEC not the OAPEC¹, probably in order to keep this capacity to act independently.

Indeed, some of Qaboos' choices even isolated him at times from most other Arab countries, although they were coherent with his own vision. It is by pragmatism that Oman, having taken part to the US-led coalition against Iraq in 1990-1991, refused to cease contacts with Saddam Hussein after the war and pleaded for an ease of the embargo. The Sultan also maintained **relations with Iran** after the Islamic Revolution, when Iranian leaders became number one enemies of the US (Oman's ally) and of the Gulf monarchs. Finally, **Sultan Qaboos even received, in December 1994, the Israeli Prime Minister Rabin** for multilateral negotiations on water in the framework of the Madrid process.

In fact, Qaboos' cooperative attitude towards Israel and Iran anticipated today's underground trends in Arab foreign policies. Indeed, on the one hand, the Arab states' wariness of the growing Iranian influence recently led them to clearly consider a **strategic rapprochement with Israel** (at the origin of the 2002 Arab League peace initiative). On the

¹ OPEC: Organisation of Petroleum Exporting Countries; OAPEC: Organisation of Arab Petroleum Exporting Countries

other hand and paradoxically, **Gulf Arab states are now showing signs of growing discomfort towards a US strategy which could lead them to an undesirable confrontation with Iran.** Hence, the GCC received the visit of Mahmud Ahmadinejad at its December 2007 summit in Doha. GCC members still view Iranian policies with suspicion, but they seem ready to consider cooperating with, rather than confronting Iran on such issues as, for example, Iraq's stability. In doing so, **Gulf Arab countries are upgrading their own cooperation on security issues** and may be moving towards a more united and balanced foreign policy, as long advocated by Oman.

The Strait of Hormuz

See map in annex

The Strait of Hormuz is **21 miles wide**. On the north coast is Iran and on the south coast are the United Arab Emirates and Musandam, an exclave of Oman. Some 30 percent of the world's oil supply passes through the strait. Ships moving through the Strait follow a Traffic Separation Scheme (TSS). The traffic lane is six miles wide, including two two-mile-wide traffic lanes, one inbound and one outbound, separated by a two-mile wide separation median.

To traverse the Strait, ships pass through the territorial waters of Iran and Oman under the *transit passage* provisions of the United Nations Convention on the Law of the Sea. Although not all states have ratified the convention, most states, including the U.S., accept these customary navigation rules as codified in the Convention.

On January 6, 2008, five Iranian patrol boats crewed by the Revolutionary Guard approached three U.S. Navy warships in the Strait of Hormuz. In a compilation of video and audio released by the Pentagon, a US radio officer is heard attempting to make radio contact with the Iranian vessels. A few moments later another voice radioed the USS *Hopper* saying, "I am coming at you. You will explode [in some] minutes." The Iranian boats finally withdrew.

Human rights and liberties¹

Personal liberties

Personal freedoms are legally guaranteed but the actual practice differs. The Basic Law states that all citizens are equal before the law, regardless of gender, origin, colour, language, religion, sect, domicile, or social status. In practice women suffer from legal and social discrimination and citizens of African origin have reported employment discrimination.

According to the law, arbitrary arrest and detention are prohibited. In practice the police are not required to obtain an arrest warrant in advance. Government authorities must obtain court orders to hold suspects in pre-trial detention, but the police and security services do not regularly follow these procedures.

Freedom of religion is respected, provided that it does not disturb "public order and accepted standards of behaviour." Non-Muslims have the right to worship, although non-Muslim religious organizations must register with the government and non-Muslims are banned from proselytising. The government requires all imams to preach sermons within the parameters of standardized texts distributed monthly by the Ministry of Religious Affairs and Endowments.

No person may be subjected to physical or psychological torture. No statement is valid if it is established that it has been obtained as a result of torture. The rights to counsel, appeal, and

¹ Main source: Carnegie Endowment for International Peace, *Arab Political Systems: Oman*, p.8-11, www.ceip.org

litigation are protected. In practice many of the civil liberties guarantees expressed on the Basic Law are not implemented.

Freedom of association and of assembly

The Basic Law guarantees freedom of assembly, but all public gatherings require government permission and the government has the authority to prevent organised public meetings without any appeal process.

The Basic Law guarantees freedom of association. Associations must have legitimate objectives and not conflict with the stipulations of the Basic Law. Associations whose activities are inimical to social order, are secret, or are of a military nature are forbidden. Associations must be registered with the government, and the Ministry of Social Development must approve their establishment and their by-laws. Industry associations, professional syndicates and trade unions are banned. Finally, due to the vague wording of the law governing NGOs many associations, particularly religious ones, are kept waiting for years when they apply for a licence.

Freedom of speech and of the media

The Basic Law provides for freedom of opinion and expression within the limits of the law. The law prohibits individuals or the media from criticising the Sultan. The Basic Law prohibits printing or publishing material that leads to public discord, violates the security of the state or abuses a person's dignity and rights. Most organisations avoid controversial issues to ensure their events are approved. Academic freedom is also restricted by the government.

The 1984 Press and Publishing Law enables the government to censor publications if they are politically, culturally, or sexually offensive. The state owns and controls the local radio and television companies which are operated by the Ministry of Information. Private print publications are permitted, but many of them accept government subsidies and practice self-censorship. Content of domestic websites and access to foreign sites is controlled by the sole official Internet Service Provider, the Oman Telecommunications Company (Omantel) established in 1997.

The EU and the Gulf Cooperation Council

The GCC

The GCC was established on 25 May 1981, with six countries as members: Saudi Arabia, Bahrain, Kuwait, Oman, Qatar and the UAE. The initial driving forces behind this union were the common points of culture and language which link the populations of these countries.

EU relations with the GCC are channelled through a Co-operation Agreement signed in 1989; the objective of this Agreement is to contribute to strengthening stability in a region of strategic importance and to facilitate political and economic relations. Working groups have been established in the fields of energy and the economy. An annual Joint Council/Ministerial Meeting between the EU and the GCC foreign ministers is foreseen by the Agreement.

The Middle East Peace Process and Lebanon were among the topics discussed at the 17th GCC-EU Joint Council and Ministerial Meeting in Riyadh on 8 May 2007.

At its annual summit on 4 November 2007, the Gulf Cooperation Council (GCC) announced the launch of a pan-Gulf common market in January 2008 and common currency by 2010. Citizens of the six Gulf monarchies in principle will have equal rights to work in government and private institutions, make real estate and other investments, move freely, and receive education and health benefits in all GCC states. President Mahmoud Ahmadi-Nejad, the first Iranian president to attend a GCC summit, proposed the establishment of security and economic pacts and regional institutions between Iran and the six Gulf States.

Towards a single currency

The member kingdoms of this Council showed, after 1981, a growing desire for economic integration. After the launch of a customs union (started in 2003), a common market (free movement of capital and labour) is planned by end-2007 with an ultimate objective of introducing a single currency ("Khaliji Dinar" -the Gulf Dinar) by 2010. Gulf States have asked the European Central Bank to provide support for their proposed monetary union. Moreover, GCC countries have rightly adopted almost the same convergence criteria as the Eurozone.

The establishment of the EU and the launch of the Euro represent one of the rare historical precedents for such a project. The similarities between the Eurozone experience and the GCC monetary union project (ex nihilo construction process in both cases, with the monetary union preceding the political one) offer many possibilities for comparison and more importantly to discuss the relevance, feasibility and foreseeable timing of the Gulf monetary union. The Gulf countries could constitute a currency zone considerably more optimal than the Eurozone countries did, or even do today. They share convergent productive structures, a comparable degree of external trade openness, and linguistic and cultural homogeneity favouring labour market flexibility.

However, several Gulf States question the feasibility of monetary union under its schedule. In January 2008, Oman opted not to join the single currency and as it stands now, the timeframe seems rather unrealistic. While reiterating their full commitment to monetary union, Saudi officials finally admitted that the 2010 target was "very ambitious," leaving the door open for a rescheduling.

Another open question is the peg of a future common Gulf currency to the dollar. With the latest rise in oil price, GCC member states began talking once again about pulling out of the dollar-system in favour of another one linking them to the Euro or to a basket of currencies like Kuwait

did in May 2007. Yet, considerations on US security guarantees are more likely to weigh on this decision than mere economic grounds.

The EU / GCC negotiations on a Free Trade Agreement

Interestingly, the EU and the US run very different approaches in the region. While the EU has decided to negotiate with all six members of the GCC, the U.S. are attempting to negotiate individual pacts with each country.

Although Free Trade Talks between the GCC and the EU date back to 1989, the process has been severely delayed. Commissioner Mandelson visited the region in February 2007 and went on the record to blame "Gulf Arab protectionism" as a cause of delaying signing the Free Trade Agreement.

For the first time the Agreement foresees clauses on human rights, non-proliferation and counter-terrorism. Whereas the conclusion of the Agreement has many times been announced as being imminent, few but crucial issues remain now to tackle. They include the general interdiction of export duties and the access to foreign investment opportunities in the energy sector. The EU is sometimes criticised for adding "unjustified" new conditions while the Gulf countries lack coordination. Flexibility on both sides is needed if progress is to be made soon.

In 2006 trade between the EU and GCC countries reached around € 40 billion a year. The European Commission expects the trade volume to double soon after the Agreement is signed.

From 1 January 2007 the new financial Instrument for the Cooperation with Industrialised Countries (ICI) will apply to the GCC countries. Education will be covered through Erasmus Mundus.

Recent EP actions related to both countries

There are no specific EP resolutions on these countries. Latest EP Delegation visits took place to Bahrain at the beginning of the 1980s, to Qatar in 1990 and to the UAE in 2007.

In January 2007, Qatar's Second Deputy Prime Minister and Minister of Energy and Industry, Abdullah Bin Hamad Al-Attiyah visited the EP and met with the ITRE committee.

Qatar's Amir Shaikh Hamad bin Khalifa Al-Thani addressed the Plenary in Strasbourg in November 2006: the media widely covered his frank words criticising the international community's boycott of the Palestinian government; it is worth noting that Al Jazeera's English service was launched on the same day.

Annex

The Strait of Hormuz

