

# DYNAMICS

#03 | 2022



## Oman Tradition and Future

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Dynamics is a special publication on the unfolding relations between Europe, the Arab Gulf and the wider Middle East. Published in both hard- and digital formats, each issue features information papers, commentaries, analyses and interviews of field specialists. Every issue represents a collection of ideas, insights and comments, both exclusive and collected from external sources, with the aim of providing an innovative look towards the Gulf region. Dynamics is completely **free** and collaboration is open to everyone.

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## INTRODUCTION

# Personal Reflections on Oman: A Land of Tradition and Neutrality

Author: Melissa Rossi

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When I was very young, around 10 or 11 years old, I remember being particularly curious about a book in my mother's library. The cover was of a man serving what seemed like tea, standing in the midst of his travel companions surrounded by the desert. Growing up in the South American tropics, there was something quite unusually fascinating about that image. Later, when I was 16, I got around to reading Wilfred Thesiger's *Arabian Sands*. It was the first book I read in English. *Arabian Sands* transported me to a different world, with an almost otherworldly landscape—I was mentally standing in front of the Rub al-Khali, the Empty Quarters of the Southern Arabian desert. I could sense the silence of the desert, so different from the lively and familiar sounds of the Atlantic Forest outside of my window. For some strange reason, the silence of that imaginary desert has never left my mind. Fast forward to the present and almost by chance I find myself researching about Salalah in Oman for an article which should highlight some of the country's cultural and historical elements. Thanks to its location along the Arabian Sea, the city enjoys lush, green, vegetation during its summer months/monsoon season, which runs from June to September. Thesiger's starting point for his journey to cross the Empty Quarters

was exactly from a Royal Air Force base in Salalah in 1945, where he joined the Bait Kathir Bedouin who led him to the Al-Qara mountains and beyond. Suddenly, I close my eyes and The Rub al-Khali is getting closer again. Perhaps I will visit, one day, in person. Inshallah! (God willing!) Oman also caught my attention while studying about the geopolitics of the Gulf. First, because it is conflict free in the midst of a geopolitically charged area. Second, it occupies an incredibly important strategic location in the Southeastern part of the Arabian Peninsula. One of the most fascinating strips of land belonging to Oman is its Musandam Peninsula, separated from the rest of the country by a stretch of the United Arab Emirates. The patch of land that belongs to Oman faces the Strait of Hormuz, which at its narrowest point, is about 35 miles wide (between Oman and Iran). This is indeed one of the most important, and tense, maritime bottlenecks in the world and about one-fifth of the world's oil passes through the narrow strait. Beyond the giant tankers and multinational warships stationed in bases in different Gulf states, I cannot help but imagine how past navigators ventured into those same waters, crossing the Arabian Sea into the Gulf of Oman: from the Portuguese who arrived in 1507 and were expelled from Oman in 1650 (the Omanis still

celebrate that event with great joy and I certainly don't blame them as we also celebrate their departure here in Brazil, except that our independence was in 1822) to British protectorships in the 19th and 20th centuries. After expelling the Portuguese, the Omanis extended their territory all the way to the eastern coast of Africa and eventually Zanzibar became the capital of the Omani Kingdom for a short period of time in the 19th Century when Sultan Said of the Al Busaidi dynasty moved his court to the east African island. This is somewhat similar to what happened in Brazil when the entire Portuguese court escaped to Rio from Lisbon fleeing from Napoleon's 1808 invasion. Interestingly, a considerable group of Omanis still speak Swahili nowadays. Back to the British: Interested in controlling the maritime routes that led to India and in eliminating the Al Qasimi naval attacks (which was considered as piracy) in the north of Oman, the British signed treaties with the northern Sheikdoms in 1820, creating what became known as the Trucial States, which in 1971 formed an independent federation from Oman called the United Arab Emirates. The British only began leaving the region in 1968, when they decided to withdraw from all posts east of the Suez Canal. It is important to mention that Oman had remained independent from the British de jure, but not de facto. British troops helped them regain control of a rebellious interior under Sultan Said bin Taymur (1932-1970) in exchange for loans, advice and assistance. In 1970, Sultan Said was overthrown by his son Sultan Qaboos bin Said Al Said who ruled the country until his death in 2020. Under Sultan Qaboos,

Oman underwent a rapid process of modernisation thanks to growing oil revenues and the need to catch up with the rest of the world and its neighbours. From what I gather, he was greatly loved by his people due to his opening towards the world while also trying to preserve traditional traits crucial to Omani identity. In fact, in contrast to its more lavish neighbours, Oman's capital, Muscat, has retained a greater density of its traditional architecture and avoided the skyscraper building spree of some other Gulf states. Finally, in terms of its strategic interests, Oman is described as the Switzerland of the Middle East and its diplomacy strives to seek out peaceful solutions to conflicts, often playing a mediating role between regional powers. Under the country's present leader, Sultan Haitham bin Tariq Al Said, the country continues to play a balancing act: maintaining diplomatic channels to Iran and acknowledging that Israel is a legitimate player in the region. Indeed, last month Oman participated in the International Maritime Exercise (IMX 2022) led by the United States, together with Israel. It was the first time Oman and Israel conducted a naval exercise together. Until now, however, there is reluctance to join the Abraham Accords—the country remains neutral. While only touching the surface of this incredible country's history, with its diverse landscape, strategic location, traditional architecture and neutral approach to its neighbours, I hope to have given readers a sense of the various aspects of this unique and diverse culture and sparked interest in learning more.

# UK-OMAN IN HISTORY

## Britain and the Education of Sultan Qaboos of Oman, 1958-1964

Author: Gerald Power

Chair of the Department of History and Philosophy, Anglo-American University Prague.

Although the subject of British-Gulf relations during the era of the Cold War and independence is a topic well served by history, political science and other disciplines, there is one aspect which has so far eluded detailed study: that of educational links. This is an area I have begun to examine in terms of British attempts at contributing to Gulf education during the 1950s and 1960s. In this discussion, I would like to branch out to a related but separate issue: British attempts to educate future Gulf rulers and other elite members in the UK itself. Given the symbiotic relationship that existed between the ruling families of the Gulf territories and Britain before and following the independence in 1971 it is odd that few scholars consider how Gulf elites were trained and what exposure they had to the West before assuming positions of authority. It is assumed here that education and training in early years can be a formative influence upon later attitudes of elites and are therefore worthy of study. This approach does not seek to push education ahead of other salient influences such as oil, tribal politics and regional dynamics; but it does suggest that additional, and potentially very valuable, insights into UK-Gulf relations can be gained by inquiring into the educational demands of the ruling families of

the Gulf, the extent to which the UK was able to meet that demand, and the ultimate results of this exchange. A brief case study is offered to serve as an example of this contention: that of the British education of Qaboos bin Said, the Sultan of Oman between 1970 and 2020. It is widely accepted that Qaboos had crucial links with Great Britain during his early life. In particular, Qaboos's education had a high degree of British input. Aged eighteen, Qaboos was sent by his father, Sultan Said bin Taymour, to a small private school in rural Britain where he was tutored between 1958 and 1960. He then trained at the military academy at Sandhurst, and this was followed by an attachment to a British regiment in West Germany. 1963 was a busy year. Qaboos returned from Germany, conducted a world tour, then a tour of Britain, completed a training course in public administration in London and was attached to two local municipal authorities in Suffolk to learn public administration and accounting. In March 1964 he returned to Oman, where his father kept him in isolation, a frustrating period for Qaboos. However, with his father demonstrating a lack of good judgement in the eyes of his British civil and military advisors, and with a regional Marxist rebellion in the Dhofar province going badly,

thirty-year-old Qaboos assumed power with British approval and assistance, beginning a long reign which blended personal authoritarianism with a globally-esteemed concern for promoting internal development and friendly and pacific external relations. There is much evidence to suggest that Britain deliberately attempted to cultivate young Qaboos into a friendly and dependable future ruler of his country. Abdel Razzaq Takriti's important book *Monsoon Revolution* (Oxford, 2013) offers a compelling portrait of this. Takriti's discussion of Qaboos' education in Britain between 1958 and 1963 shows how the British Foreign Office, the Shell Oil Company and the British advisors to the then Sultan, Said bin Taymour, cooperated to ensure that the future Sultan was exposed to conservative, imperialist British influences, encompassing military experience, high Western culture, administrative training and introductions to a range of individuals and institutions that helped to constitute the so-called 'British establishment'. Takriti's central thesis: that the British seized what opportunities they had to influence the development of young Qaboos bin Said seems irrefutable. But it may be that closer analysis of the full corpus of primary source material on this issue - many of it now freely available via the Arabian Gulf Digital Archive - will reveal a more complex picture. For instance, it is clear that there were significant challenges for the Foreign Office in finding a school for Qaboos to prepare him for entry into Sandhurst. Overtures were made to various private schools but the future Sultan's lack of formal educational qualifications and his obscurity made

it difficult to find a place. Ultimately, a teacher named Philip Romans agreed to take on Qaboos at his small private school in Suffolk. Romans was to prove a fortunate choice, and he and Qaboos forged a strong bond. But this seems to indicate luck and ad hoc management rather than the workings of an integrated and effective British 'colonial' educational apparatus. Far more significantly, examination of the sources reveals that that the single greatest educational influence on Qaboos was not the British but his father, Sultan Said. Said made every significant decision regarding Qaboos' curriculum and treatment while in Britain. No initiative of any importance could take place without the Sultan's approval. Thus, Qaboos was something more than a 'product' of a late-imperial British education. Much of his 'British' education was in fact directed by his father, with British officials and institutions striving to respond to the Sultan's demands. And this, in turn, makes the eventual fate of Said and Qaboos all the more intriguing. For in facilitating Qaboos' acquisition of a rich fund of cultural capital, formal training (including military) and connections with a range of Britons, Said bin Taymour ultimately opened the way for his own ouster by in July 1970. Qaboos's coming to power was a very satisfactory development from a British perspective: the man they had trained now held power. But it was also an ironic final chapter to a deeply complex and erratic father-son relationship.

# TALKING DEVELOPMENT

## The Tejarah Talks: Oman's Long-Term Development Strategy

Author: Leone Radiconcini

Analyst at The Euro-Gulf Information Centre (EGIC)

On 23 February 2022 the Ministry of Commerce, Industry and Investment Promotion (MoCIIP) of the Sultanate of Oman held the first meeting of the Tejarah Talks, which is a series of seven events dedicated to economic diversification and developing non-oil sectors. The main idea behind these talks is to create an environment in which stakeholders, researchers and thought leaders can discuss the most relevant developments in the country for future generations and the business sector on the path to sustainability. The first meeting titled Sustainability: A Nice-to-have or a Need-to-have? conceptually explored sustainability and how both civil society and the industrial sector can engage with it by addressing the ever-increasing relevance of climate change and disruptive natural events. Oman (together with the other Gulf Cooperation Council countries) is deeply affected by climate change—a trend set to get worse. The Arabian Peninsula faces an alarming increase in droughts, rising temperatures and extreme weather. It is thus vital for Muscat to develop an adequate strategy to contain the climate change-related problems while promoting a business-friendly environment. However, as Michael Tsang (founder of Three Pillars Consulting) pointed

out during the first Tejarah Talks, sustainability encompasses various aspects and climate change is only one of the perspectives through which sustainability can be examined. He said that '(s)ustainability touches upon lots of impact categories [...] it could be access to clean drinking water, habitat destruction and restoration, biodiversity [...] it depends on what sector you're in [...] there are also societal aspects [...] social equity, equality, access to education, workers' rights [...]. Climate change [...] touches upon a lot of these things but is not the only way to talk about sustainability.' Sultan Haitham bin Tarik Al Said tried to expand the previous plan implemented by his predecessor Sultan Qaboos Al Said by opening the country to diversified foreign investment. COVID-19, the fluctuating energy markets, fiscal vulnerabilities and the, so far, unsuccessful diversification of Oman's economic structure. This underscores the need to attract foreign investors to support the transition to reducing dependency on energy exports. Adham Al Said, the moderator of the Tejarah Talks' noted that 'Business in manufacturing, energy, tourism and food are finding interesting and exciting ways to address sustainability issues. The upshot is companies discovering new ways to

go green, protect the environment and make substantial savings.’ Given the strategic position of Oman proximate to key commercial routes, the Sultanate has priorities promoting investment opportunities in its ports and free zones such as:

1. The Special Economic Zone at Duqm
2. The Almazuna Free Zone
3. The Salalah Free Zone
4. The Sohar Free Zone.

The Public Authority for Special Economic Zones and Free Zones (OPAZ), established in August 2020, spearheads this initiative. Creating a business-friendly environment, cutting the oversized government budget, and implementing a more efficient bureaucracy are some of the steps undertaken by the Sultan to address economic and environmental problems. However, other issues require redress, including fundamental reforms to the labour market, developing a more transparent decision-making system and speeding-up new business approvals, in order to boost Oman’s appeal for foreign investors. These efforts are in line with the goals of the Sultanate’s Vision 2040, a roadmap for reforms and policies to improve the life of citizens, modernise the industrial and infrastructural sectors and achieve net-zero carbon emissions. Vision 2040 is based on three main pillars:

1. People and Society
2. Economy and Development, and
3. Governance and institutional performance.

Thesecondpillar,specifically,recognises the importance of diversification of Oman’s economy as well as ‘Preserving Environment Sustainability.’ These pillars are also aligned with the UN’s Sustainable Development Goals 2030 (SDGs). Oman, as well as the other GCC countries, adopted the requests made by the UN to implement policies that would address social and gender equality and recasting its economic and industrial structure to be more sustainable. As such, the Tejarah Talks are part of a more robust framework to engage with the public, the private sector, researchers and stakeholders in order to help boost the government’s international engagements, address the needs of the younger generations and environmental sustainability. Another step in this direction is in regards to cooperation with the European Union (EU). On 21 February 2022, Oman — along with the other GCC members — signed a Joint Cooperation programme for the period 2022-2027 with the EU. Within this programme, one of the more relevant aspects is the joint action in combating climate change, protecting the environment and developing renewable energies. All considered, the Tejarah Talks represent a relevant moment of engagement for the future of Oman. On this subject the following policy recommendations can be made:

1. Engage with the EU—as it represents the first external investor in the GCC countries, therefore engaging as much as possible with EU institutions as well as the business community could represent a relevant way to support the development and the

green transition in Oman.

2. Formalise the Tejarah Talks to be held annually—to help define a long-term strategy for these events and evaluate the achievements of Oman’s business sector and civil society annually.
3. Sector-specific consultations amongst business groups—chambers of commerce and trans-sectoral business communities within the GCC and EU countries culminating in outcome statements and/or joint policy recommendations will help to consolidate the economic network such monumental transitions will generate.



*From conquests and external incursions, the first tribal settlements, urbanisation, colonisation and chapters of intrigue, through border disputes and internal conflicts, oil and gas discoveries, to independence, nation-building and modernisation, the Euro Gulf History Portal delivers a daily dosage of selected historic events that contributed to shaping the current state of affairs in the Arabian Peninsula.*

*The Gulf countries' history is not only deeply fascinating but also crucial for understanding the present and future direction of the countries and the region.*

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# AN EYE ON THE REGION

## The EU-Gulf Monitor / March 2022

Author: Arnold Koka & Veronica Stigliani

The Monitor includes a carefully selected batch of the most important news unfolding in the Gulf countries to help you map the region's trends and the dynamics of its relations with Europe. It is published weekly and is also available in audio format at [www.egic.info](http://www.egic.info)

### Kingdom of Bahrain

In mid-March, Bahrain's King Hamad bin Isa Al-Khalifa held a phone call with Russian President, Vladimir Putin, discussing Ukraine. King Hamad highlighted the importance of avoiding the expansion of the conflict to other areas, and the need to ensure humanitarian aid for civilians. Two weeks earlier, Bahrain and all the other GCC countries had voted in favour of the United Nations General Assembly (UNGA) non-binding resolution which condemned Moscow's invasion of Ukraine.

### State of Kuwait

Kuwait inaugurated a €14 billion worth biofuel project, which will aid the development of two refineries. The country also expanded its investment in the aviation sector, as Kuwait's investment and logistics company, Agility, acquired British aviation services firm, John Menzies, in a €670 million worth deal.

### Sultanate of Oman

Oman announced the expansion of the country's five-year plan for 2021-2025, through a number of new projects in the health, aviation, education, transport and tourism sectors. The country will also increase the financial

liquidity for the plan's development budget for 2022 by over €472 million.

### The EU Corner

The European Commission unveiled the 'REPowerEU' plan to replace two-thirds of Russian gas imports (100 bcm) by the end of 2022 and make Europe independent from Russian gas by 2030. It seeks to increase Liquefied Natural Gas (LNG) and pipeline gas imports from non-Russian suppliers, boost biomethane and renewable hydrogen production and imports, and gradually replace natural gas with renewables as well as help people and businesses affected by the energy crisis.

### State of Qatar

Qatar hosted the 20th Doha Forum 2022, titled 'Transforming for a New Era'. The event focused on global security, defence, food and energy security as well as climate change. International speakers included President of Ukraine, Volodymyr Zelenskyy, who intervened virtually, as well as US Special Presidential Envoy for Climate, John Kerry, US Special Envoy for Iran, Robert Malley, and EU's top diplomat, HR/VP Josep Borrell.

### **Kingdom of Saudi Arabia**

Riyadh hosted the Global Entrepreneurship Congress 2022 (GEC) in late March. The event focused on developing local entrepreneurship and assist the development of startups in the Kingdom. During the congress, twenty-one deals were signed, totalling over €6.8 billion (EUR). For example, Amazon partnered with the Saudi General Authority for Small and Medium Enterprises (SMEs) to assist businesses in the Kingdom in logistical issues.

### **The United Arab Emirates**

On 8 March, the UAE announced it will invest over €147 billion (EUR) in energy diversification, as part of its commitment to diversify the country's economy and tackle climate change, according to the country's Ministry of Energy and Infrastructure.

### **Key Official Visits**

On 27 March, Foreign Ministers of Bahrain, Egypt, Israel, Morocco and the UAE, as well as the US Secretary of State gathered for the first time in Israel for the 'Negev Summit'. The diplomats discussed regional and global security, notably the Iranian nuclear file and developments in the Vienna talks, agreeing to work towards a regional framework security and stability, as well as the Palestinian issue. During the event, Bahrain, Morocco and the UAE examined procurement opportunities for the Israeli air defence system, Iron Dome. The diplomats also agreed to make the Negev Summit a permanent diplomatic format.

In early March, Syria's President, Bashar Al-Assad, visited the UAE, in

the first visit to an Arab country since the eruption of the Syrian civil war in 2011. The Syrian President met with the UAE's Prime Minister and Ruler of Dubai, Mohammed bin Rashid Al-Maktoum, and with Abu Dhabi's Crown Prince, Mohammed bin Zayed Al-Nahyan. The leaders discussed Syrian-Emirati relations, particularly in the areas of economy, investment and commerce.

In mid-March, leaders and top diplomats of Austria, France, Italy, Germany and the UK travelled to the Gulf, seeking to expand cooperation with the GCC countries in reducing their energy dependency on Russian Gas.

# MARITIME SECURITY

## Distinct Anti-Piracy Missions Help Secure Commercial Navigation in the Gulf of Aden and Western Indian Ocean

Author: Melissa Rossi

Research at the Brazilian Naval War College

In the past decade, different naval missions have extended their mandates and responsibilities in the Western Indian Ocean, Gulf of Aden and Southern Red Sea with specific goals in mind: the fight against piracy and illicit activities that can seriously disrupt the flow of major maritime routes, responsible for connecting the Indian Ocean to the Red Sea and ultimately the Mediterranean. This piece will cover the objectives of two of these missions, namely the European Naval mission EUNAVFOR Somalia (Operation Atalanta) and Combined Taskforce 151 (CTF 151), which is part of the Combined Maritime Forces (CMF), a multinational naval coalition under the United States Fifth Fleet's command (based in Manama, Bahrain). The goal is to understand their main differences and whether they are effective given their apparent overlapping of areas and activities. Operation Atalanta, the very first European Union naval mission, was approved in 2008 under Joint Action 2008/851/CFSP and follows a broad mandate. Its goals range from anti-piracy to securing the navigation of World Food Programme (WFP) vessels that deliver much needed aid to displaced persons victims of the instability in Somalia. Moreover, the European mission also tackles the

trafficking of weapons and charcoal, the trafficking of human beings, illegal fishing activities and drug trafficking. Until March 2022, it was allowed to enter Somali territorial waters (up to 12 nautical miles off the coast's baseline) in order to carry out these objectives. Nonetheless, the United Nations Security Council (UNSC) has decided not to extend resolution 2608 (2021) in part due to resistance of Somali political forces who disagree on the continuation of the mission's activities in their territorial waters. Despite this new limitation, EUNAVFOR Somalia has released a statement reinforcing its continued commitment in fighting piracy in the international waters of the Indian Ocean and Gulf of Aden. CTF 151, approved in 2009, has similar goals, though more limited in scope. For instance, its main goal is to disrupt piracy off the coast of Somalia, Gulf of Aden and Southern Red Sea besides carrying out search and rescue operations when needed. In other words, it patrols similar areas, but carries out more limited interception activities. Its responsibilities do not include patrolling Somalia's territorial waters, as was the case for Operation Atalanta until March 2022. Nevertheless, both missions act closely by coordinating their steps in order to

avoid the overlapping of monitoring and interdiction activities, aiming thus at using their naval and aerial resources to their fullest effectiveness. The success of this cooperation and commitment is reflected in the numbers related to pirate attacks in the region. According to the data cited on Operation Atalanta's official site, the number of pirate attacks went from 212 in 2011 to 0 in 2020. All in all, naval missions such as Operation Atalanta and CTF 151 have helped to secure commercial navigation in a contentious region, reinforcing the commitment to international peace and security. Understanding their differences, helps us to better grasp the extent of the challenges they face and the importance of maintaining ongoing effective measures to fight piracy off the Coast of Somalia and Gulf of Aden.

# THE BENEFITS OF PEACE

## Abraham Accords Generate Real and Tangible Benefits: What Remains to Be Done

Author: Keith Boyfield

Senior Fellow at the Euro-Gulf Information Centre (EGIC)

While the world's media have focused intensely on the Covid pandemic, the Taliban takeover of Afghanistan, the tensions between China and the US and, most recently, the tragic conflict in the Ukraine, it has largely ignored the good news emanating from the Middle East. This is centred on the Abraham Accords, the joint statement signed on 15 September 2020 in Washington DC which formally regularised relations between the state of Israel, Bahrain and the UAE. What is more, two other countries, Sudan and Morocco, normalised their diplomatic and commercial relations with Israel shortly thereafter. The media is enthralled with bad news but the benefits stemming from the Abraham Accords need to be fully appreciated. They are a welcome sign that the signatories to the deal can confidently look forward to improved security, greater wealth and an ever widening range of cultural exchanges as citizens travel to and fro between the five countries that have signed up to this initiative.

### **A Boost to GDP and National Wealth**

Already, only a year and a half after the signing of the Accords, there has been a significant increase in trade between Israel and its neighbouring Arab partners. Trade has taken off in 2021,

illustrated by the massive gain of 511 percent recorded between Israel and the UAE. Whereas in 2020 there was no trading relationship with Bahrain, in 2021 the doors began to open with trade totalling \$6.5 million. This is now likely to surge with initiatives, for instance, to cooperate on innovation and development of water resources. This month saw a Free Trade Agreement signed between Israel and the UAE. This is likely to be a transformative step. The Rand Corporation reckons that over the next ten years this is likely to trigger a 0.8 percent rise in UAE's GDP, as the two countries develop tourism along with trade in diamonds, industrial goods and services. This move to cooperate constructively is illustrated by the fact that Ahmed Bin Sulayem, the chairman of the Dubai Diamond Exchange, has been the driving force behind opening an office at the Israel Diamond Exchange in Tel Aviv. Similar bilateral free trade agreements with Bahrain, Morocco and Sudan offer the prospect of increasing Israel's GDP by an additional 2.3 per cent over the next decade. The potential for its partners is even greater. Clearly, this is a win-win deal. The Abraham Accords promise to act as a catalyst for intra-regional trade through greater dialogue and cooperation.

Compared with Europe, where trade between EU countries represents nearly two thirds (66%) of all trade, the Middle East compares poorly with less than 13% of trade involving countries in the region. The Accords could boost commercial activity and lead to a surge in new employment opportunities, turbo-charging the competitiveness of the private sector, particularly as it relates to aerospace, agriculture and IT/telecoms.

### **Getting Down to Business**

It is worth highlighting some of the many new specific developments that have occurred since the signing of the Accords in September 2020. For example: Bahrain has signed 12 economic agreements with Israel spanning the aviation, banking, technology and water sectors. Over the last year, Israel has begun importing aluminium from Bahrain, and, looking ahead, the two countries are planning to organise the trans-shipment of goods off-loaded in Bahrain onto cargo planes heading for Israel. Meanwhile, the National Bank of Bahrain has signed agreements to cooperate with Israel's Bank Leumi and Bank Hapoalim. Israel's Bank Leumi has also entered into a partnership with the Emirates based DP World Group to develop port capacity in Israel, starting with an ambitious terminal scheme in Haifa. Etihad Engineering has signed an agreement with Israel Aerospace Industries (IAEI) to convert Boeing passenger planes into cargo aircraft at a new facility in Abu Dhabi. UAE is cooperating with Israel's Start-Up Nation Central to develop

a range of Agrifood Tech projects. Israel, Jordan and UAE announced a deal in November 2021 which will provide electric power to Israel from Jordan, funded by UAE capital, while Israel, in turn, will provide much needed desalinated water to Jordan. Over the last year, the UAE's sovereign wealth fund has invested \$100 million in Israel's technology sector. In the burgeoning healthcare field, the UAE's Zulekha Hospital has signed a cooperation agreement aimed at promoting health tourism with the Israel's Health Plus. In addition, in November 2021, Israel's Sheba hospital signed a key agreement with Bahrain's King Hamad University Hospital on mutual exchange initiatives.

### **The Need to Mobilise Greater International Support**

These welcome advances ushered in by the Abraham Accords underline the importance of conveying these positive stories to a wider international audience. After some initial hesitation owing to its association with the Trump Presidency, the US Biden Administration is now fully committed to fostering Israel's growing ties with its Arab partners through widening the circle of cooperation. As Secretary of State Blinken points out, 'Normalisation leads to greater stability, more cooperation, mutual progress - all things the region and the world need very badly right now.' In this regard, US officials are reported to view the UAE as the region's 'Little Singapore', a trade hub with significant potential both across the region and globally. What is more, in terms of expansion, the longer term goal must be for Saudi Arabia to join the Accords

agreement, building on the informal intelligence and security links that already exist between the Kingdom and Israel. In the UK, a Middle East Forum was recently established to promote understanding of the Accords' goals, primarily aimed at Parliamentarians. An ambitious series of events is planned, including a programme of briefings and visits to Tel Aviv, Manama and Abu Dhabi to see the profound changes the Accords are generating. The Forum also plans to bring together young Emiratis, Bahrainis and Israelis to exchange ideas and aspirations. The Forum's board members include Lord Mendelsohn, the former Cabinet Trade Minister, and Lord Polak, President of the Conservative Friends of Israel. Another strand to this educational strategy is the appointment of Dr Liam Fox MP, the former International Trade Minister, as Chair of the UK Abraham Accords Group tasked with promoting the Accords and the wider cause of peace across the region. Stability and wealth creation in the Middle East is a crucial concern for the UK as it seeks to capitalise on its newfound freedom to strike trade deals independent of the EU. The Gulf Cooperation Council (GCC) is already an important trading partner, worth almost £22 billion in UK exports in 2020, and Britain is keen to agree its first free trade agreement with the GCC to boost digital trade, business services and engineering know-how associated with renewable energy and low carbon technology. The Gulf countries have been long standing investors in the UK and Arab ownership is now behind many household British names. Similar promotional moves are being made in an EU context, yet there

is considerable scope for greater engagement. For many years, EU diplomatic efforts towards the Middle East centred on the Palestinian issue. However, Arab nations' unprecedented willingness to cooperate on the Abraham Accords appears to have wrong-footed many in the EU foreign affairs firmament, transfixed as they are with the historic Palestinian dispute and blinded, perhaps, by a suspicion of any initiatives led by the Trump Administration. In practice, the Arab signatories to the Abraham Accords have clearly demonstrated their primary interest in establishing greater security and commercial cooperation with Israel. The Palestinian issue, while important, does not override issues surrounding wealth creation and regional security in the light of Iranian provocation. [iii] This groundswell of greater understanding was reflected by progress made at the Negev Desert security summit in March 2022, which brought together Israel, Egypt, the UAE, and Bahrain with US Secretary of State, Anthony Blinken, invited as an observer. Significantly, the Abraham Accord partners instigated the summit, not the US.

### **The Prize to be Seized**

The prize waiting to be grasped is the rapid expansion of the Abraham Accords. Israel continues to strengthen its links with its Arab neighbours, leaving aside the failed state of Syria. Demonstrable benefits from the Accords will do much to accelerate greater cooperation and, in this context, the support and trust of younger people will be crucial. After all, they are the ones who have most

to gain from success: namely, better employment opportunities, greater security and newfound freedoms to travel and attend educational courses. Fostering greater dialogue builds trust - that rare commodity over the last half century in Israeli-Arab relations - which the Abraham Accords convincingly nurture.



# SULTANATE OF OMAN



**309,500 km<sup>2</sup>**  
Land area



**Muscat**  
Capital

**60/189**   
Human Development Index (rank)

**53/139**   
Global Competitiveness Index 4.0

**68/190**   
Ease of Doing Business

**48/101**   
Energy Trilemma Index

**22/189**   
Oil reserves

**28/181**   
Natural gas reserves

## DEMOGRAPHICS & SOCIETY

(Source: Oman National Centre For Statistics & Information [NCSI], February 2022)

**4.6 million**  
total population

**38.8%**

**61%** **nationals**  
(50% women)



**6.9 million**  
projection for 2050

**2.6%**  
annual population growth



(United Nations, World Bank)

## RELIGION

(CIA, 2020 est.)



## EDUCATION

(UNESCO, 2020)

15+ literacy rate **95.7%**

65+ literacy rate **56.9%**

**12.2%**

of government expenditure

## PARTICIPATION IN EDUCATION

(gross enrolment ratio)



## AGE COMPOSITION

**26.5%**

under 14

**10.6%**

15-24

**2.5%**

over 65

**30.6**

Median Age

**78.6**

Life Expectancy

(Oman NCSI 2020, UNDP 2020)

## ECONOMY & TRADE

2020

**\$80.4 bn**   
GDP (constant 2015 US\$, World Bank)

**\$29,686**   
GDP per capita, PPP (const. 2017 int. \$, IMF)

IMF OUTLOOK FOR 2022:

**\$29,598**   
GDP per capita, PPP (const. 2017 int. \$)

**2.9%**   
Real GDP growth

## LABOUR FORCE

(World Bank 2020)

**2,651,627**  
total labour force

**12.3%**

**2.9%**  
total unemployment

## NATIONAL BUDGET 2022 (US\$)

(Ministry of Finance)

REVENUE

**\$27.5 bn**  
(OMR 10.6 bn)

EXPENDITURE

**\$31.4 bn**  
(OMR 12.1 bn)

DEFICIT

**\$3.9 bn**  
(OMR 1.5 bn)



## MILITARY EXPENDITURE

**10.9% of GDP**  
(SIPRI, 2020)

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**A Special Project by the Euro-Gulf Information Centre (EGIC)**