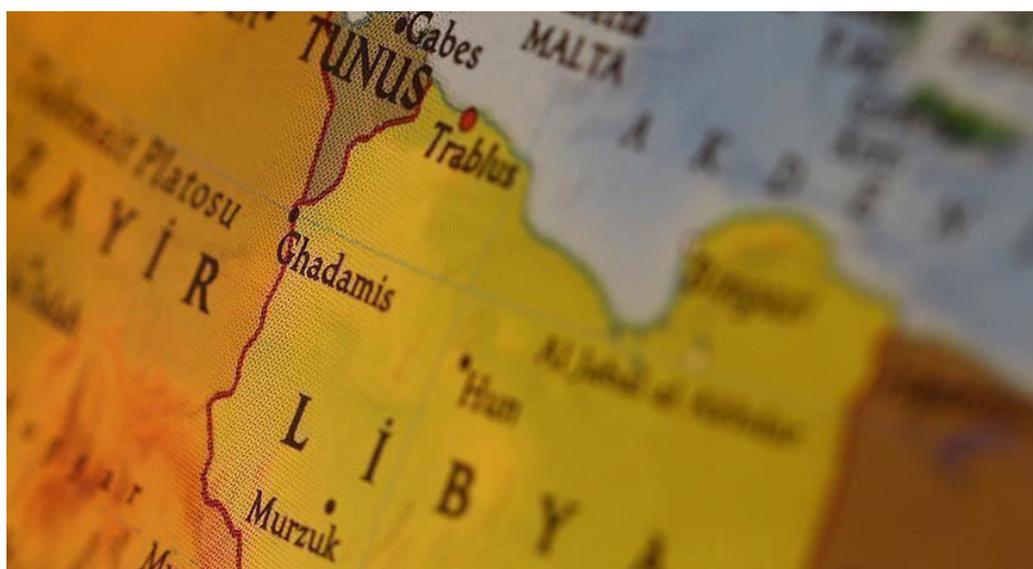


A MONTHLY REVIEW OF EURO-GULF RELATIONS

A Euro-Gulf Information Centre Publication
February 2020

Is Libya's Political Future Key to Mediterranean Tensions?



Only a week after the Berlin Conference on Libya, which had signaled an international willingness to 'refrain from interference in the armed conflict' and had welcomed the 'reduction in violence since January 12th and the negotiations undertaken...aimed at paving the way towards a ceasefire agreement', open confrontation has erupted between General Khalifa Haftar's Libyan

National Army (LNA) and forces loyal to the UN-backed Government of National Accord (GNA), close to the city of Misrata. Besides, according to the United Nations Support Mission in Libya (UNSMIL), foreign powers have not stopped their proxy campaigns in the country. On 25 January 2020, UNSMIL issued a statement warning that the truce was 'threatened by the ongoing

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GCC Trade: Opportunity Knocks

The United Kingdom formally left the EU on 31 January 2020. One thing is for sure, things will never be the same again. The onus is now on Britain to negotiate new trade deals with as many countries as possible. Those six countries comprising the Gulf Cooperation Council (GCC) represent one of the main prizes to be won. Leaving the Customs Union offers the

UK a new ability to forge free trade agreements and trade deals, but it would be foolish to underestimate the challenges surrounding negotiating such deals. The good news is that the UK has built up established trading links with the six countries - Bahrain, Kuwait, Saudi Arabia, the United Arab Emirates, Qatar and Oman - that form the GCC. In this context, there is much that

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Hezbollah in Latin America

Lebanon's long civil war (1975-1990) produced an exodus of almost one million people and left at least 120,000 dead. While global eyes were focused on the political dynamics of the war, it neglected to monitor some of the long-term impacts, such as sectarianism and radicalism. Hezbollah grew from the Lebanese civil war. Created in 1985 as a Shi'a guerrilla group by Iran, for over 35 years Hezbollah has emerged as a political party in Lebanon while establishing a worldwide network of supporters, fundraisers and training camps. Indeed, Hezbollah took advantages of Lebanon's diaspora and solidarity between compatriots in order to grow, especially in Central and South America, where almost 9 million Lebanese are estimated to live. Over the past two decades, investigations have uncovered terrorist plots planned in Latin America and the nexus between terrorism and criminal organizations, involving Hezbollah, is acute. While many concentrates on terrorist activities in the Middle East, the fun-

Continued PAGE 8

THE REPORT

What is Happening in Iraq?

The event was held on 29 January 2020. Further information is available at www.egic.info

Over the past months, Iraq has become — again — the epicentre of regional crises. The south of the country is in the midst of widespread protests focused on Iran's destructive role while an escalation of violence between Washington and Tehran keeps political embers burning. Against this backdrop, the Euro-Gulf Information Centre hosted journalist Sofia Barbarani — whose tenure in Iraq began in 2013 — to preside over an information session and brief the public as to what is really going on in Iraq.

From Protests...

The wave of recent protests in Iraq has entered its fifth month. With demands unmet, people remain on the streets and continue to demand that government provide basic services, end endemic corruption, nepotism, mismanagement and foreign interference to create space and incentives for Iraqis — no matter the sect — to rebuild their country on their own terms. Protest movements thread through all the major cities in Iraq's south—weaving in from Baghdad to the Shia holy cities of Karbala and Najaf through Nasiriya to Basra. People from various strata of society are rallying around a common national cause. Indeed, according to freelance journalist, Sophia Barbarani, 'what we are seeing today, transcends the



sectarian divide, it transcends the class divide and gender divide, they are genuine, organic protests.' Barbarani, who was stationed in Iraq and covered the protests in November 2019, explained the unfolding dynamics in the country during her public lecture The Iraq Impasse at EGIC HQ in Rome. Barbarani continued by noting that 'the bulk of the protestors are young men, who were born in the late 1990's, are working class and unemployed.' Many of them come from the so-called "Sadr City"—a suburb in northern Baghdad — and engage in the front-line fighting against security forces and their anonymous, black-clad allies (largely understood as Iranian paramilitary teams). They are supported by what Barbarani referred to as 'youth from the middle class,' such as medical students, volunteering to provide medical services on Tahrir Square, many women (a new

phenomenon in more conservative areas) and a Motley Crew of people from older generations and across the social spectrum. Tahrir Square, which Sofia described as a place where the Iraqis managed to build 'a state within a failed state,' where locals provide various services for everyone, became a symbol of a resisting Iraq. Protestors face routine attacks from unidentified attackers and government security forces who shoot 'rubber bullets, tear gas and live ammunition,' indiscriminately into crowds, which has left hundreds dead and tens of thousands wounded. And, according to Barbarani they often deploy 'intimidation, kidnapping, and torture' against the protestors. Violence continues to escalate, particularly following the government's failure to present an independent candidate for Prime Minister by 20 January, a deadline supported by the protest cities. Fearing the increasing violence, many Iraqis fled the hotspots to calmer areas. Barbarani further observed that the spiking violence has even prompted many people to move from Baghdad to Fallujah which was, until recently, considered among the most dangerous places in Iraq. Local authorities in Anbar Province 'are keeping people from protesting' to avoid problems, even if it means using violent means.



WWW.EGIC.INFO



...to Impasse

As protests continue, government delays of naming a Prime Minister seem to be a deliberate ploy to retain the status quo by waiting out people's resolve. But those encamped on the streets are showing no intention to capitulate. Since resigning on 30 November 2019 after two months of sustained demonstrations, Prime Minister Adel Abdul-Mahdi and his government — named in 2018 following a compromise between the two largest, rival, parliamentary factions: Sairoon, led by cleric Muqtada Al-Sadr, and Fatah, linked to pro-Iranian militias — have acted as a caretaker government until a new one is chosen. This was largely done as appeasement. Protesters are demanding new-blood, an independent who is outside the circles of the existing political elite, which have dominated national politics since 2003. Parliamentary blocs are now confronted with an impasse: to put national interests ahead of narrow, individually articulated political-economic interests. This is not in the political culture of Iraq at the moment. An independent candidate will likely threaten their positions. Given the stalemate, Iraq's President, Barham Salih, gave the political blocs a deadline to present the candidate by 1 February, otherwise he will choose one himself.

Enter Muqtada Al-Sadr. On 14 January 2020, a day after meeting with senior officials of the Iraqi Iranian-backed militias, including Asa'ib Ahl Al-Haq and Harakat Hezbollah Al-Nujaba (in Qom, Iran), Al-Sadr called for a million-man march against the US presence in Iraq,

which was endorsed by some leaders of the pro-Iranian militias. This caused friction among Al-Sadr's followers, some of whom saw it as an attempt by Al-Sadr and the Iranian elements to hijack the domestic protests and turn them into an anti-US campaign. Ten days later, Al-Sadr announced on Twitter that he will refrain from interfering in the protests, expressing disappointment with the anti-government protestors for questioning him and rejecting to participate in his million-man rally. Some of his followers then withdrew from the protests, which was expected to be a blowback for the protests, but many more demonstrators went into the streets the next day to show that Al-Sadr's withdrawal will not restrain them. Despite that 'Sadr has a lot of support,' according to Barbarani, 'but his support is waning a little bit, especially among the young generation.'

Continued Foreign Interference

The tit-for-tat escalation between the US and Iran (and its Iraqi Shia militias under the Popular Mobilisation Forces umbrella), is playing out on Iraqi territory. The targeted assassination of the Islamic Revolutionary Guard Corps (IRGC) Al-Quds Force's Commander, Qassem Soleimani together with the leader of Kata'ib Hezbollah and high official of the PMF, Abu Mahdi Al-Muhandis, along with other Iranian agents has partly overshadowed the protests. The Iranian penetration of security and political elites runs very deep but 'Iraqis are intelligent and incredibly strong-willed.' These protests are reflecting 'a gen-

eration that is no longer interested in either Iran or the US having any kind of say in their country,' said Barbarani. However, despite calls for tailoring foreign interference, neither Iran nor the US have any intention to quit their deployment; rather the opposite. Given the continuous rocket and missile attacks from pro-Iranian militias, the US are now devising plans and seek to obtain an approval from the Iraqi government to place Patriot missile defence batteries in Iraq to protect its bases and personnel in the country.

A Calm before the Storm?

Iraq's protracted impasse, coupled with the spike in US-Iran tensions and a looming threat of a resurgent Daesh harms, first and foremost Iraqis, many of which seek to break away from the shackles of sectarianism, nepotism and foreign intervention. Anti-government protestors seem united regardless of their background, sect, age or gender and are continuing to push their agenda despite the violence from the government and pro-Iranian militias. However, not all of Iraq is yet protesting and many people have adopted a wait-and-see approach in relation to the looming political change—elections or, it seems, repression. Until an outcome is settled, Iraq will likely juggle even more crises threatening to tip the fragile balance and turn it into a quagmire producing repercussions for the region and indeed the world.

By Nikola Zikalová

UPCOMING EVENTS

24 FEB

STOCKHOLM

Flashpoint Yemen: Assessing the socio-political, economic and cultural damage

28 FEB

PRAGUE

Between Peace-Makers and Peace-Breakers: Europe in Middle East Conflicts

GCC Trade: Opportunity Knocks

FROM PAGE 1

binds the countries together, not least the use of the English language and the extensive cultural and educational ties that have been developed over the decades. Oil and gas dominates the economies of the GCC, generating the greater share of all export earnings and government revenue. The challenge for these six countries is to transform their current tangible oil wealth into intangible human capital, by investing in the education and skills that are needed for a diversified economy with the focus on more value-added, skilled sectors. In 2015 UK exports to the Gulf amounted to £20 billion, more than sales to China and India combined. Two thirds of UK exports are in goods, primarily machinery such as aerospace products. Just under a third of GCC imports from the UK are in services, primarily in the health and education sectors. Britain is a favoured location for investment from the Gulf countries. Capital investment continues to flood into the UK. Indeed, Britain is the leading destination for foreign investment in Europe. Looking forward, from a UK viewpoint there are exciting opportunities across the Gulf, one of the world's most rapidly growing consumer markets. It is worth remembering that the GCC has a young and growing population with a high income per capita. In particular, GCC members are seeking to build capacity in healthcare, education and financial services – all sectors where the UK has much to offer. Dr Liam Fox, a former Secretary of State for International Trade, has cited two examples of where the UK has been successful in supporting Gulf States with their ambitious development strategies. One involves the University of South Wales, which is setting up a new centre focused on advanced aerospace engineering in Dubai; the other involves a British company that has won the contract



for the new Duqm port in Oman. An important role is also being played by the UK's export credit agency, UK Export Finance (UKEF). This is already providing £100 million of financing for the creation of the Dubai World Trade Centre by ASGC UK, a construction company. Phase 4 of the project envisages the building of a hotel that is likely to generate significant business opportunities for UK suppliers. UKEF is also fulfilling an invaluable role in supporting UK businesses to win export contracts in Bahrain by lending or guaranteeing loans in Bahraini Dinar, offering buyers of UK goods the ability to 'Buy British, pay local'

Future Challenges

Nevertheless, boosting trade will require further action by both the UK and the GCC to lower existing barriers. In the Gulf these range from a perceived lack of transparency in public procurement and barriers to entry for foreign investors in the services sector. On the British side, the issue of employment visas is likely to prove a crucial matter. Yet it is encouraging to see that progress has already been made. In October 2017, the inaugural meeting of a UK-GCC joint working group on trade & investment was held to address restrictions and bottlenecks impeding trade. Between 2016 and 2017 the GCC

implemented no less than 103 reforms in a move to improve the business environment in the region. Saudi Arabia has been the most active, introducing a significant reform plan to improve the ease of doing business in the country, with the underlying principle of involving the private sector in its decision-making. The reform initiative is achieving results: it is commended by the World Bank this year for topping the global league table as the most improved economy in *Doing Business 2020*. Significantly, Saudi Arabia is joined by Bahrain and Kuwait among the top ten most improved economies with respect to regulatory reform. Bahrain topped the rankings with the highest number of regulatory reforms (nine), improving in almost every area measured by *Doing Business*. Saudi Arabia and Bahrain are runners-up with eight reforms each. Business regulatory reforms have been motivated in part by the urgent need for economic diversification. Successful reforms in the United Arab Emirates have served as an inspiration. Hence, Saudi Arabia is intent on promoting the Kingdom as an open world-class investment destination. The Kingdom's "Vision 2030" plan for long-term development encompasses a variety of legal and structural reforms.

A New Trade Deal

Graham Stuart, the UK's Parliamentary Under Secretary of State for International Trade (Minister for Investment), has highlighted a number of key areas in which British trade with the United Emirates, a GCC member, could be quickly expanded. He singled out energy with particular reference to nuclear power. Education, healthcare and financial services are other promising sectors. Indeed, he acknowledged "there's a whole list." Clearly, the UK government's priority will be to ensure continuity

in trade after Brexit, which essentially means replicating as closely as possible the current situation with the goal of moving over to a new trading arrangement that creates no disadvantage on either side. The great prize will be to negotiate a full free trade agreement. This may be agreed following improved arrangements in specific areas of trade where quick win-wins can be concluded. Fortunately, as the UK will no longer be part of the EU Customs Union and single market, it will have much greater discretion to negotiate such ar-

rangements. But if these benefits are to be seized much will hinge on the skill and resources of the negotiating teams working to forge a new trade deal.

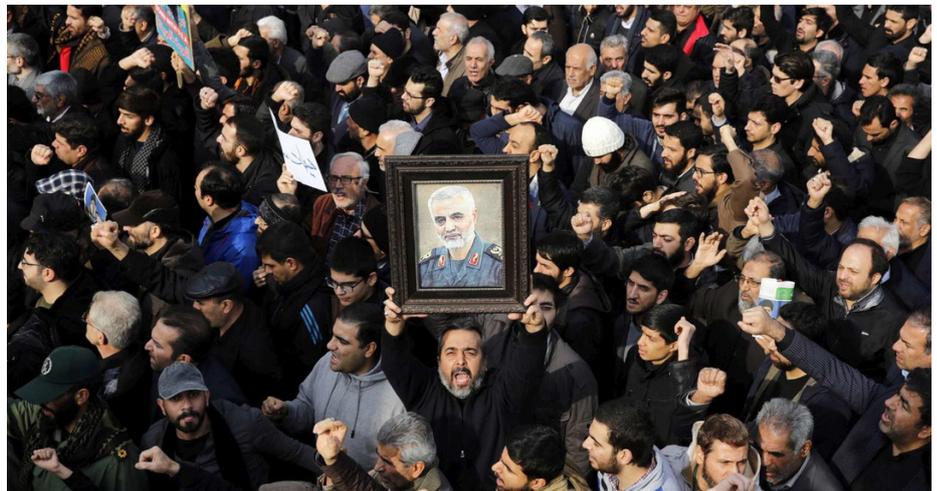
[1] 'Post Brexit Trade Talks between UK-GCC to resume soon, says minister', www.thenational.ae, 16 May 2018.

*By Keith Boyfield**

*Keith Boyfield is a member of EGIC's Steering Committee

Iran, Soleimani and the Regime's vendetta

On Tuesday, 03 March 2015, approximately 20 kilometres west of Tehran, an inmate at the Gohardasht Prison serving time for blinding another man with acid was rendered unconscious as medical doctors gouged out his left eye. This state-sanctioned punishment was condemned as "barbaric" and "unspeakably cruel" by various international human rights groups and seemingly marked the first time in modern history that Iranian authorities actually carried out this ancient "eye-for-an-eye" style of punishment. When viewed from an international perspective however, it starts to become clear that the Iranian regime is no stranger to revenge or retribution. Indeed, with the recent U.S. operation that killed General Qassim Soleimani, the leading commander of the Quds Force within Iran's Republican Guard Corps (IRGC), Iran has pledged "severe revenge" for his death. To respond to his death, on 08 January, Iran sent a barrage of missiles to several Iraqi airbases housing US troops—injuring Iraqis, but not Americans, in the process. Although Iran's Foreign Minister, Javid Zarif, celebrated it as a victory and called it a day, it would be prudent to remain on guard. One particularly salient example from history is the Islamic Republic's response to the tragic destruction of its Iranian Air Flight 655 in 1988. The initial attack itself, which was



deemed by an investigation a result of human error and deficient human-machine interfaces, ultimately resulted in the death of nearly 300 Iran Air Passengers. In a similar fashion to their modern-day outburst of anger following the death of Soleimani, Tehran responded immediately with verbal condemnations against Washington. Although the Iranian government did not directly vow revenge or make any immediate threats against the United States for what they perceived as an attack of Iran Air Flight 655, it has recently been revealed that just several months after the destruction of the Iranian air flight, an Iranian Secret Service Official, close to former President Rafsanjani, paid some \$10 million (USD) to the Libyan authorities to conduct a terrorist attack on American Airlines accord-

ing to information obtained by a secret US Defense Intelligence Agency report that has been declassified under the Freedom of Information Act. Numerous subsequent investigations uncovered that the Popular Front for the Liberation of Palestine General Command was tasked to carry out the mission. While Ghaddafi sanctioned the operation, it was instigated by the Iranian regime. Roughly five months later, on 21 December 1988, a Boeing 747 American airline Pan Am (Flight 103) exploded over Lockerbie, Scotland, killing 270 people. But the Iranian regime felt that it needed to deliver even a clearer message: several months after the Iranian funded terrorist attack, the wife of William Rogers, the captain of the USS Vincennes warship responsible for the destruction of Iran

Air Flight 655, narrowly survived a car bomb near the U.S. naval base in San Diego. This marked the first attack of this type on American soil and demonstrated to the world the length that the Islamic Republic was willing to go through to exact revenge. President Hassan Rouhani made sure he would remind the world of the incident. On 6 January he tweeted 'Those who refer to the number 52 should also remember the number 290. #IR655. Never threaten the Iranian nation.' His Tweet did not make sense to a lot of people because they could not draw the connection, and Iran does not want to directly admit it. Given Iran's covert role and U.S. intelligence familiarity with the case, the threat should be clear. The modern-day Iranian vendetta to avenge the death of Soleimani is rife with even more possibilities for clandestine Iranian retaliation. As the assassination of Soleimani was beyond conventional norms, the response will be in kind, on Iran's time and its own terms. Many experts are already warning of the possibility of an increase in cyberattacks. Just recently, in October 2019, it was shown that Iranian hackers targeted more than 170 universities between 2013 and 2017, who successfully stole more than \$3.4 billion dollars' worth of intellectual property. Iranian hackers have also conducted a series of attacks against the Trump campaign, current and former U.S. government officials, journalists and many Iranians living abroad. While Iran signalled satisfaction with the 08 January attacks on the Iraqi bases, anyone familiar with Iran and its style of revenge would know that

their creativity transcends such an attack in which no US servicemen were killed. They should also understand that Iran will not admit culpability for any act that could be seen as disproportionate or cruel. This is why Iran hid behind Yemen's Houthis as it attacked Saudi Aramco oil installations last September. Iran's capacity to inflict violence is most effective when it denies responsibility for it, such as denying its role in supporting Assad's Syria (initially) and denying its role in supporting the Houthis of Yemen. Moreover, Soleimani's aura among his Arab supporters and militiamen abroad was too impactful to ignore. From Iraq to Syria, Lebanon, and Yemen, Soleimani helped establish a transnational network known as the "Axis of Resistance," with the sole responsibility of defeating the "Coalition Countries" represented by the United States, Israel, Saudi Arabia and the United Arab Emirates. This is why Soleimani's daughter felt confident enough in calling upon the Houthis' of Yemen to avenge her father's death. Although there is a sigh of relief for the limited damage of Iran's missile barrage, the operation appeared to serve Iran's strategy rather than pursue revenge. For now, the Islamic Republic's ultimate goal is to expel the U.S. and shutter its bases in the region entirely. In his speech after Soleimani's death, Hassan Nasrallah, the leader of Lebanon's Iran-backed Hezbollah movement, made it clear that an end to the U.S. role in the Middle East is the most effective retribution for Soleimani's death. Whether this will take a year or a decade, all of Iran's focus now is to serve this objective. In

fact, the Iraqi parliament's vote (non-binding) on removing U.S. forces is a first step towards ensuring a region free from U.S. influence. Iran's attack appeared to be aimed at threatening Iraq to swiftly ask US forces to leave. If history is any indicator, Iran's revenge will likely be much like General Soleimani himself — cold, calculated, methodical and operated from the shadows. While it is highly unlikely that any single cyberattack or terrorist attack — even one as damaging as the Lockerbie Flight 103 — will be the extent of Iranian retaliation to Soleimani's death, what would likely be a response is either the assassination of a high-profile American official outside of the United States or Iran's usual modus operandi in leveraging its experience in asymmetrical warfare to inflict as much damage as possible to the U.S. and its allies. Unfortunately, the inability to hold Iran accountable for its destruction in the Middle East has been part of the problem that has emboldened Iran to act violently against whatever it perceives as a threat, whether from the U.S. or from its own citizens. This does not mean that the U.S. should maintain its confrontation with Iran and abandon diplomatic pursuits for de-escalation, instead, it should attempt to put together a bipartisan plan that would allow it to respond immediately should the Islamic regime decide to escalate, as it most definitely will.

*By Fatima Alasrar**

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Is Libya's Political Future Key to Mediterranean Tensions?

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transfer of foreign fighters, weapons, ammunition and advanced systems to the parties by member states, including several who participated in the Berlin Conference'. These episodes continue to affect the possibility of an effective ceasefire in the North African state and plunge Libya's social, political and military reality once again into the dire uncertainty of an almost year-long ongoing conflict linked to Haftar's bid for power. It is important to point out, however, that Libya has suffered consistently from political and military turmoil since the ousting of Dictator Muammar Gaddafi in 2011. The implications of resumed internal fighting for control over Tripoli are far reaching. On the opposite side of the Mediterranean, Turkey has set its sights once again on Libya, making the GNA an important ally in Ankara's race for hydrocarbon exploration in the Eastern Mediterranean. Not only has Turkey's Parliament approved the deployment of Turkish troops to aid the GNA, but it has also signed a maritime deal with Tripoli last November, which delineates the maritime borders of both states, causing outrage in countries such as Greece, since the supposed borders overlap its Exclusive Economic Zone (EEZ). Besides overlooking Greece's sovereign rights in the region, the maritime deal has even greater ambitions: it aims at blocking the construction of the East Mediterranean pipeline that is meant to transport natural gas from both Israel and Cyprus' recently discovered massive gas and oil fields, to Greece and finally to Italy. Two very distinct scenarios could develop from now on in regards to Libya's role in Turkey's geopolitical strategy. On one hand, if the GNA and the maritime deal with Turkey stand, Ankara could really act upon its word and start exploring



for oil and gas in Greece's EEZ, as it continues to do quite defiantly so in Cyprus' case. In fact, Turkish Petroleum drill ship Yavuz finds itself currently in Cyprus' EEZ. The European Union (EU) is not able to do much in terms of sanctions against Turkey, besides the classic economic measures, since Turkey is also a crucial NATO member, with the second largest NATO army after the USA, and has political leverage when it comes to halting the flow of refugees trying to reach Greece in the Aegean Sea. On the other hand, the degree of instability in Libya as a result of foreign interference on both sides added to General Haftar's clear ambitious drive to secure the country under his own command might render the maritime deal null in the future in case Haftar's forces conquer Tripoli or in case the country remains split into two governments. Let us not forget that the maritime area in question is in the Eastern part of Libya, off the Derna-Tobruk coast. In fact, the Libyan House of Representatives (HoR) in Tobruk, loyal to Haftar, has already expressed itself against the deal, accusing GNA leader, Fayeze al-Sarraj, of "high treason" for signing the agreement with President Erdogan and further voting to cut ties with

Ankara. All in all, a null agreement would mean Turkey loses the upper hand when it comes to blocking the construction of the East Mediterranean pipeline and of possibly playing naval war games in Greece's sovereign waters. Again, the situation in Libya is fluid so further developments will tell which of these scenarios will play out, but what is clear is that Libya has become an important pawn in Erdogan's geopolitical strategy for the Eastern Mediterranean.

By *Melissa Rossi**

*Melissa Rossi is a member of EGIC's Steering Committee

Read also:
**"Turkey- Libya Maritime Agreement:
 A Further Threat to East Mediterranean
 Stability?"**



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Hezbollah in Latin America

FROM PAGE 1

damental role that Latin America geographically plays is glossed over. From its beginnings, Hezbollah relied primarily on Iranian finance and training [1]. After some time, it began to earn its own money through the solicitation of private donations and via the diversion of revenue from businesses, charities and religious organizations. Although Shi'a precepts – as in every other religion – are very strict regarding sins, Hezbollah cleverly wove its way through them. Accordingly, the 'Party of God' is involved in numerous criminal activities, including human, drug and arms trafficking, smuggling, money-laundering and financial fraud, not to mention terrorism and murder. La triple frontera – the Tri-Border Area (TBA) – between Argentina, Paraguay and Brazil is a principal centre for organised crime in the region and Hezbollah exploits that. In fact, the Tri-Border Area's lawlessness, encouraging a culture of corruption, is a safe haven for Hezbollah. Hezbollah's showcase operations took place in 1992 with the bombing of Israeli's Embassy in Buenos Aires, and later the bombing of the Asociación Mutual Israelita Argentina (AMIA) in 1994. These were the only terrorist attacks conducted by Hezbollah in the region. Yet, due to the high level of corruption and strong relations between senior members of some governments of the region and Iran, Hezbollah received political cover. Consequently, it is understandable why the organization decided to use the Tri-Border Area: a geographical position in the US' backyard and the group's political connections made the region an ideal base for training, planning and as an international fundraising and money-laundering node. In 2007/2008, Colombian authorities uncovered the intimate relations between Hezbollah and drug cartels. After a decade of investiga-



tions and joint operations, the US Drug Enforcement Administration (DEA) revealed the full extent of Hezbollah's terror-crime nexus and its centrality to its organizational structure. In addition to private donations and revenues from the Lebanese diaspora, the DEA (in 2011) was able to uncover its money laundering network. In the Tri-Border Area, Hezbollah provided finance and logistical services to narco-trafficking groups: cocaine was sent from Colombia to European markets via Africa. Drug proceeds, made in Europe and the US, were mixed with legitimate used car sales' profits in Africa and sent to the Lebanese-Canadian Bank through exchange houses. Following the money, authorities linked a large portion directly to Hezbollah; a part was used to purchase consumer goods from Asia, shipped to consumer product dealers and sold in South America, in a scheme to pay off cocaine suppliers. Yet, another part of the money returns to the US to buy more used cars to sell in Africa – and so the circle continues. Investigation outcomes showed the importance of Latin America – especially the Tri-Border Area – for Hezbollah's global network to finance terrorism. Despite obstacles during the Obama Administration – done to save the nuclear deal with Iran – it is now clear that Hezbol-

lah is capable of raising substantial sums of money (more than \$20 million annually), which further enables the organization to fulfil objectives of international consequence. In the subsequent years, several Hezbollah facilitators were arrested in Europe, the US and Latin America. This money-laundering scheme is still active and it is now fundamental to tighten cooperation between law enforcement agencies and also to truly understand Hezbollah's global capacities and networks – in order to disrupt it.

By Veronica Del Torre

[1] Iran did not just provide found, but also manpower and training. Indeed, the first generation of Hezbollah was formed almost completely by Iranians; only from the second generation the members were Lebanese.

Read also:
"Terrorism and the Long Arm of Iran's Revolutionary Guards"



www.egic.info/analyses

Understanding Kuwait's Military Modernisation



The member states of the Gulf Cooperation Council (GCC) are located in a dangerous region. This has pushed them to reinforce their defence capabilities and reassess security priorities. In the case of Kuwait, the country's increasing investments in security and defence, point to formidable present and future threats.

Threat 1: The Most Dangerous Neighbour

The Arab Gulf states have feared revolutionary Iran's expansionism since the birth of the Islamic Republic in 1979. This led Kuwait to be among those that supported Saddam Hussein's invasion of Iran in 1980.[1] Iran has exploited the grievances of Kuwait's Shiite population to stoke unrest in the state. Therefore, Tehran's ongoing domination of Shiite political parties in Iraq is particularly concerning for Kuwait as the latter is also home to a sizeable and politically active Shiite population.[2] In case of an open conflict, Iran's military and its asymmetrical forces, represent a significant threat. Despite its technological weakness when compared to the militaries of GCC

members, Iran can rely on an array of proxy militias. Worryingly for Kuwait, some of Iran's most violent proxies—re: Asa'ib Ahl Al-Haq, Kata'ib Hezbollah and the Badr Brigades—are based in Southern Iraq, while Tehran's regular military force is large and composed of well-trained and ideologically-committed troops. Furthermore, Iran's IRGC Navy, its unmanned aerial vehicles and missile programme have recently demonstrated the potential to interrupt oil exports and damage oil infrastructure.

Threat 2: The Terror Quagmire

From 2015, Kuwait was the target of terrorist attacks. In 2016 alone, national authorities thwarted three major terrorist plots targeting Shiite mosques planned by radicalised youth that had joined Daesh. The terror group's strategy was to create chaos by igniting sectarian tensions. The immediate threat posed by Daesh prompted Kuwait to host and support US-led forces fighting the group in Iraq and Syria and enhance cooperation with NATO. Kuwait opened NATO's Regional Centre in 2017. [3]

Response: Building Unprecedented Capabilities

Also in 2017, Kuwait's parliament voted to re-introduced military conscription and approved a \$10 billion (USD) budget to fund defence modernisation, covering the procurement of products such as fighter jets, tanks and air defence systems until 2026.[4] Kuwait has paid special attention to the air domain, bolstering fighter, rotary-wing aircraft fleets and the relevant weapon inventories. Kuwait purchased a 28-strong fleet of Eurofighter Typhoons from Italy's Leonardo which will be delivered between 2020 and 2023. The Typhoon is not the only fighter being acquired by Kuwait. In June 2018, Boeing and Kuwait signed a \$1.5 billion(USD) contract to deliver 28 F/A-18E/F Super Hornets to the country. With regard to its land forces, Kuwait is currently upgrading its 218-strong M1A2 Abrams squadron to the M1A2-K standard.[5] This required an additional \$1.7 billion(USD) investment. Kuwait's maritime defence is also undergoing modernization. Most notably the US State Department authorised, in 2018, the US shipbuilder Vigor to finalise a \$100 million(USD) contract involving the sale of fast patrol vessels to Kuwait as the country aims to secure its maritime frontiers.

The Euro-Gulf Information Centre will continue to monitor the impact of regional threats on Arab Gulf states and the consequent efforts by those states to enhance their preparation to face potential future escalations.

By Antonino Occhiuto



SPECIAL
PUBLICATIONS



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A Month in the Gulf

The full Arab Gulf Bulletins are available at www.egic.info/gulf-monitor

BAHRAIN

Monday, 3 February—Bahrain's Crown Prince Salman bin Hamad Al-Khalifa inaugurated Bahrain's Embassy in Rome, Italy. He later held talks with Italy's Prime Minister, Giuseppe Conte, on strengthening bilateral relations and cooperation. Bahrain's Minister of Foreign Affairs, Khalid bin Ahmad Al-Khalifa and his Italian counterpart, Luigi Di Maio, discussed bilateral relations and issues of common concern, notably Iran and Libya. A number of agreements were signed on the occasion, notably in the fields of energy, air services, health, civil space cooperation and exports.

QATAR

Sunday, 26 January—Fincantieri, one of the world's largest shipbuilding companies, and Qatar's Ministry of Defence (MOD), acting through Barzan Holding, a company fully owned by the MOD and responsible for enhancing military capabilities of the Qatari Armed Forces, strengthened their strategic partnership by signing a Memorandum of Understanding (MOU) in Doha. It includes cooperation on the evaluation and studies of new technologies and capabilities and might possibly lead to Qatar's acquisition of new vessels already in 2020. The programmes in the MOU, include the design, establishment and management of the naval base, management of the warship fleet, use of new technologies and supply of naval vessels and submarines, among others.

KUWAIT

Sunday, 5 January—The two state-owned energy majors, Kuwait Petroleum Corporation and Qatar Petroleum, signed a 15 year Sale and Purchase Agreement for the supply of up to 3 million tons of liquified natural gas (LNG) per annum to Kuwait. The deliveries to Kuwait's new LNG terminal in Al-Zour Port should begin in 2022 to meet Kuwait's growing energy demands, particularly for its power generation sector.

SAUDI ARABIA

Thursday, 6 February—Saudi Arabia's Ministry of Transport signed an agreement with Virgin Hyperloop One to study the feasibility of the hyperloop technology for transport in Saudi Arabia. They will consider developing a wide network of hyperloop routes across the Kingdom, which could be more effective and eco-friendly than short haul flights and high-speed trains. Monday, 3 February—Saudi Arabia's King Salman bin Abdulaziz received Greece's Prime Minister, Kyriakos Mitsotakis. They discussed bilateral relations and ways to develop them in various fields as well as regional developments. Later, Crown Prince Mohammed bin Salman also held talks with the Greek Prime Minister. Greece seeks to expand bilateral cooperation with Saudi Arabia and the UAE.

OMAN

Monday, 3 February—Oman and Finland held a round of political talks in the Sultanate, focused on bilateral relations, ways to enhance them, and regional as well as international issues. Finland's Undersecretary for Foreign and Security Policies at the Foreign Ministry, Kai Sauer, also met separately with Yusuf bin Alawi bin Abdullah, Oman's Minister Responsible for Foreign Affairs, to talk about advancing cooperation in various fields, notably political, economic and cultural, and regional issues of common concern.

UAE

Tuesday, 21 January—The Abu Dhabi National Oil Company (ADNOC) signed a strategic framework agreement with the Italian energy major, Eni, to explore new opportunities for collaboration in carbon capture utilisation and storage and they agreed to cooperate on other research and development opportunities across the oil and gas value chain. Monday, 3 February—Almost 80 trillion standard cubic feet (TSCF) of shallow organic gas was discovered between the Abu Dhabi and Dubai Emirates. The Abu Dhabi National Oil Company (ADNOC) and Dubai Supply Authority (DUSUP) signed an agreement to further explore and develop the shallow gas resources in the area.



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THE MONTHLY REVIEW

Countering Terrorism

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In *Countering Terrorism*, Martha Crenshaw and Gary Lafree provide a very detailed account on global acts of terrorism. What makes the subject so challenging? Why is it so hard for governments to formulate an effective counter-terrorism policy? What are the obstacles that experts face and in what ways can terrorism best be defined, classified, studied and understood in order to design the best possible policies to counter terrorism? These are some of the questions answered in this book, which is divided in well-written, clear and understandable chapters. The book is divided into multiple cohesive and well-structured parts that all discuss different areas of the wider subject of terrorism, from the acknowledgement that terrorist attacks are still relatively rare, to the process of attributing a terrorist attack to a certain group, organisation or party. Crenshaw and Lafree use a wide variety of databases, such as the Global Terrorism Database (GTD), which consists of around 170,000 cases, to support their findings. Arguments rely on data retrieved from these databases, some of which have monitored every terrorist attack since the 1970's. This enhances the quality of the book. Crenshaw and Lafree argue that mass casualty attacks – such as the 9/11 attacks, which is still the deadliest attack between 1970 and 2015 – are incredibly rare. The aftermath of such attacks has a profound influence on national and international security policies — policies and regulations adopted after an attack are difficult to reverse. Crenshaw and Lafree also support their argument that terrorist attacks are still relatively rare by stating that in 2012, when there were 15,417 reported terrorism related fatalities, there were 437,000 homicides worldwide. A significant point discussed in the book are the 'failed and foiled' ter-

rorist attacks. Crenshaw and Lafree argue that these types of attacks are more difficult to study and are of less concern to the public. There have, for example, been around a hundred attempted plots to attack American targets post 9/11. Of these attempts, only eight resulted in casualties. But when does an attack fail or foil? Crenshaw and Lafree argue that – according to the Failed and Foiled Plots (FPP) database – a plot can either be failed or foiled due to malfunction of equipment, change of intention and external intervention. Crenshaw and Lafree define plots as successful when they are physically completed and result in tangible effects. Crenshaw and Lafree also argue that counter-terrorism policies should be tailor-made for terrorist organisations due to the absence of a single type of terrorist organisation, underlining the differences in structure, objective, ideology and alliances. Without knowing the structure of a certain terrorist organisation, its leadership, cohesiveness and decision-making process, governments struggle to calculate a terrorist organisation's reaction to certain counter-terrorism policies. Likewise, creating a working counter-terrorism policy for lone actors without clear affiliation and outside support proves difficult. What makes this difficult is that, although they are not formally part of an organisation, 'lone wolves' do identify with the cause of a certain organisation. According to Crenshaw and Lafree, these terrorist threats are so unexpected and unpredictable, that it is impossible to prevent them. For governments to attribute a certain attack to a certain organisation is a difficult process. Often, organisations take credit for acts they did not commit, or those responsible are not known at all. Being unable to punish the responsible perpetrator due to a lack

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of knowledge or misleading information on the responsible party, makes it, according to Crenshaw and Lafree, increasingly difficult for governments to assert blame on actors, which in return often ensures public unrest. From data, provided in the book, Crenshaw and Lafree conclude that between 1970 and 2015, there were 93,485 unattributed cases and that, overall, only 40.3% of attacks are attributed. To conclude, Crenshaw and Lafree have shown that defining and measuring the effectiveness of counterterrorism measures is a considerable challenge. Terrorism is a concept that keeps on changing, therefore, counter-terrorism policies should evolve and change as well, based on the specific terrorist organisation and threat posed. The book might be dense in places, but for students, scholars, counterterrorism experts, government officials and the interested public alike, it is a profound source of useful information that provides clear explanations and data, generated over the course of multiple decades, to give a reliable account on the difficulties of countering terrorism.

By Wouter Jansen



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