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The Last Thing to Read this Week

by

FRAUKE GREIFFENHAGEN



Kingdom of Bahrain

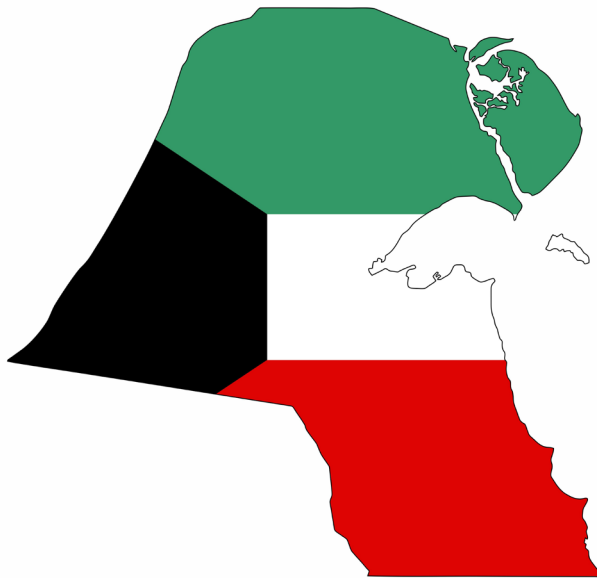


Monday, 25 June–Lockheed Martin was awarded a \$1.2 billion contract for the production of 16 F-16 Block 70 fighter jets for the Royal Bahraini Air Force. The sale will make Bahrain the first country to receive the newest model of the fourth-generation, multirole fighter aircraft.

Wednesday, 27 June–The Bahrain Development Bank successfully closed Al Waha Fund, the country's first venture capital fund, set up to support start-ups and create incentive for entrepreneurship in Bahrain and across the MENA region. The fund is worth some \$100 million and was officially launched last month. The Limited Partners Advisory Committee approved the allocation of \$35 million into a series of venture funds.



State of Kuwait



Tuesday, 26 June–Kuwait and Saudi Arabia have stopped oil production in the neutral zone, Kuwait's state news agency, KUNA, reports, citing the Minister of Oil, Bakheet Al-Rashidi. The halt was due to technical reasons, and production is set to resume soon, Al-Rashidi said. Oil output from the neutral zone is divided equally between both countries. As of 2015, oil production of the neutral zone stood at an estimated 600,000 barrels per day. The main fields involved are Khafji and Wafra.

Wednesday, 27 June–Kuwait approved a deficit budget for the fourth consecutive year. The parliament approved the budget for the 2018-2019 fiscal year with an estimated deficit of \$21 billion (18 billion euros), which accounts for roughly 17.5% of the country's GDP. The deficit will likely lower as oil prices continue to rise. Kuwait previously posted healthy surpluses for 16 years, the shift to deficit budgets occurred only after the slump in oil prices (2014).



Sultanate of Oman

Wednesday, 27 June–Oman’s largest urban development was launched in a joint venture between Oman Tourism Development Co. (Omran) and Dubai-based Majid Al Futtaim Group. The project will be developed in the western area of ‘Madinat Al-Irfan’ and cost 5 billion Omani Riyals, roughly \$13 billion (USD). The mixed-use community will span 4,5 million sqm, feature over 11,000 residential units, 100,000 sqm of retail space and 700,000 sqm of office space. The project will be developed in three phases over 20 years.



Wednesday, 27 June–The Sultanate’s Ministry of Manpower has extended a ban on expat hiring, which takes effect on 30 July. The ban prolongs the previous decision – 25 January, which prohibited the issuing of new visas for workers in 87 professions over the course of six months. The ban is to ensure increased hiring of locals and proved effective– at least 32,000 Omanis were hired over the past six months. The ban will remain in place for another half year, and is likely to affect: media, management, accounting, medical, airlines, information systems and insurance sectors.



State of Qatar



Tuesday, 26 June–Qatar Petroleum’s CEO, Saad Sherida Al-Kaabi, announced that the company was moving forward to increase liquefied natural gas (LNG) output by 30%, from 77 million to 100 million tonnes per year. Speaking at the 27th World Gas Conference in Washington, Al-Kaabi said the increase would be a milestone to meet the rising global demand for LNG and stressed the need for action by consuming countries to establish receiving LNG terminals. LNG is Qatar’s largest source of income, which is why the state is engaged in an aggressive marketing campaign to secure its economy amid the ongoing Gulf crisis, even if this puts the country at odds with other LNG majors such as Russia.

Wednesday, 27 June–The International Court of Justice (ICJ) in The Hague began hearings in the case of Qatar against the United Arab Emirates. Qatar accuses the UAE of discrimination against the state and its citizens in violation of the 1965 International Convention on the Elimination of all forms of Racial Discrimination of which the UAE is a signatory. The UAE, in its defence, said that Qatar was misusing the court to divert attention from the real reasons for the crisis, which were the country’s illegal practices of supporting terrorism, harbouring extremists and interfering in the sovereign affairs of other states in the region.



Kingdom of Saudi Arabia

Sunday, 24 June–The ban on women drivers was officially lifted. The long-anticipated overturn in legislation saw women, throughout the Kingdom, driving for the first time; many accompanied by journalists as they celebrated the lift. Women will not need the permission of a male guardian to obtain a driving license; or to drive.

Tuesday, 26 June–Saudi Arabia is reportedly planning on increasing oil output to 11 million barrels per day (bpd), the highest in its history. Output in June lay around 10.8 million bpd. OPEC and Russia agreed on 23 June to increase output from July by some 1 million bpd. The move comes in response to the concerns of major consuming countries, such as the US, China and India, that oil prices were rising too high too fast. Benchmark prices rose over 2% on Tuesday in response to the US pushing its allies to halt imports of Iranian oil from November.

ered following the announcement.

Wednesday, 27 June–Saudi Arabia, the UAE, Bahrain and Egypt announced they would file a case against Qatar at the highest UN court, the International Court of Justice in The Hague, over air space violations. The UAE previously filed two complaints with the International Civil Aviation Organisation (ICAO) over Qatari violations. Qatar stands accused of sending fighter jets to intercept civilian airplanes over Bahraini airspace.

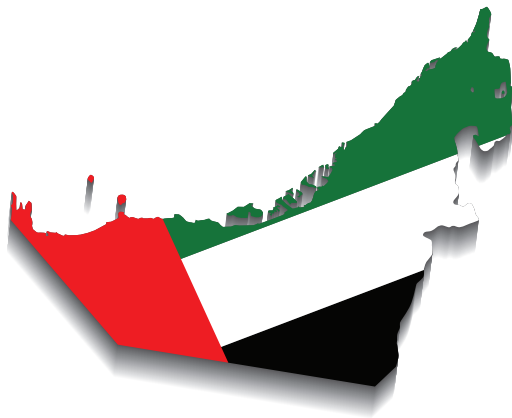
Wednesday, 27 June–In solidarity, Saudi Arabia, Kuwait and the UAE announced they would soon confirm a package to support Bahrain's public finances. The three Arab Gulf states said that the integrated programme would support economic reforms and stabilise the country's public finances. Bahrain's finances have been weak since the 2014 oil price slump and worsened in recent weeks, prompting the move. Bahrain's dinar has been pegged to the dollar since 1980 and reached its weakest level since 1988 this week. The bond prices and currency recov-





United Arab Emirates

Wednesday, 27 June–The UAE’s Ministry of Economy and its French counterpart signed a Memorandum of Understanding (MoU) for improved competitiveness of small and media-sized enterprises (SMEs) and for the promotion of intellectual property awareness.



Thursday, 28 June–The UAE’s Permanent Representative to the UN, Obaid Salem Al-Za’abi, delivered a statement before the 38th session of the UN Human Rights Council in Geneva. The UAE is the current chair of the Council of Heads of Arab Permanent Missions to the UN office in Geneva and delivered the speech on behalf of the Arab Group. The speech centered around the issue of internally displaced persons (IDPs) and called for a more comprehensive and positive approach to guarantee final solutions for IDPs to rebuild their lives. The UAE also reiterated its support for UNRWA, the UN Relief and Works Agency for Palestine Refugees, which struggles with underfunding, especially since the Trump Administration withdrew critical funds.



The Arabian Gulf is rapidly becoming a geopolitical pivot. As a result, it is important to understand the internal and international dynamics unfolding in the region and the countries that compose it. We at EGIC are proud to present “The Last Thing to Read this Week” segment which contains a small, carefully selected, batch of the most important events unfolding in the countries of the Arab Gulf to help you map the region’s trends.

