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Assessing the Impact of Brexit on the UK-Qatar Relations: Economic and Political Dimensions

Brexit'in Birleşik Krallık-Katar İlişkileri Üzerindeki Etkisinin Değerlendirilmesi: Ekonomik ve Siyasi Boyutlar

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#### Abstract

The economic and political cooperation between the United Kingdom and Qatar has been at the agenda of the Gulf studies since the mid-19<sup>th</sup> century. Political consolidation in the state-formation process of Qatar, defence cooperation and economic ties are central elements of the parties' relations for decades. In this respect, Qatar and Britain have been loyal allies, despite the changes in the regional political atmosphere and their domestic politics. The post-Brexit era might trigger the UK and Qatar to develop their economic and political bilateral ties. This paper aims to discuss what makes these countries mutually economically and politically attractive to maintain their dynamic partnership. The primary purpose of this research is the codification of the British-Qatari relations during the post-Brexit era while considering the continuities and the changes that bilateral ties have faced for years. This will assist in understanding the impact of Brexit, as well as the blockade against Qatar, with a particular emphasis on the economic and political relationship between the two countries.

Jel Kodları: *O53, P16, P48, R11* Anahtar Kelimeler: *Economics Relations, Political Relations, Qatar, United Kingdom, Brexit* 

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### Öz

Körfez bölgesi çalışmalarında 19. yüzyılın ortalarından itibaren, Birleşik Krallık ile Katar arasındaki ekonomik ve siyasi iş birliği önemli bir yer tutmaktadır. Katar'ın devlet oluşum sürecindeki siyasi, askeri ve ekonomik bağları, bu iki ülkenin ilişkilerinde temel unsurlardır. Katar ve Birleşik Krallık, bölgesel siyasi atmosferdeki ve iç siyasetlerindeki değişikliklere uyum sağlayarak ilişkilerini geliştirmiş ve sadık müttefikler olmuşlardır. Birleşik Krallık Brexit sonrası süreçte, ticari ve siyasi olarak alternatif ortaklıklar ararken, bu durumun iki ülke arasındaki ilişkilere ivme kazandırması mümkündür. Bu makale, iki ülkenin dinamik ortaklıklarını sürdürmek adına karşılıklı olarak atabilecekleri adımları ve hedefleri tartışmayı amaçlamaktadır. Buradan hareketle, bu araştırmanın temel amacı, ikili ilişkilerin yıllardır karşılaştığı süreklilikler ve değişimler göz önünde bulundurularak, Brexit sonrası dönemde Birleşik Krallık-Katar ilişkilerinin analiz edilmesidir. Böylelikle çalışma, iki ülkenin kapsamlı müttefikliğine ve Brexit etkisine odaklanmanın yanı sıra Katar'a uygulanan ablukanın etkilerinin de anlaşılmasını hedeflemektedir.

Jel Codes: 053, P16, P48, R11

Keywords: Ekonomik İlişkiler, Siyasi İlişkiler, Katar, Birleşik Krallık, Brexit

#### 1. Introduction

The United Kingdom's decision to leave with the European Union (EU) will be a fundamental determinant for the British foreign policy in years to come. Britain's deep-rooted defence and economic relations with the Gulf Cooperation Council (GCC) member states provide a useful case study for post-Brexit scenarios. Despite the geopolitical instabilities and human rights violations perpetrated by the Arab monarchies in the Gulf, the region is at the centre of the British policymakers for strengthening military and economic alliances to fill the gap that emerged with so called 'the divorce'. This paper notably focuses on British-Qatari alliances with its advantages for the parties, as well as the latent handicaps.

A short outlook of Gulf study literature bringing these two parties together is significant to examine. There are several studies on Britain's early relations with the small Arab states of the Gulf (Al-Otaibi, 1996; Hollis, 1989, 2010; Kurşun, 2002; Miller, 2016; Onley, 2007, 2009; Said Zahlan, 1998; Sato, 2017; Smith, 2007; Von Bismarck, 2013; Zahlan, 2016). Political recognition of sheikhs and sheikdoms, the discovery of oil and state-formation processes are main topics of these studies that focus on the British role and their withdrawal from the region (Sato, 2017). Though research are focusing on more contemporary eras (Jones & Stone, 1997; Rabi, 2006; Roberts, 2014), the majority of written works focus on the early period of ties, notably, until 1971. The literature also examines the US role regarding Britain's impact in the region; its affiliation with the British policy-makers and withdrawal of the British forces from the Gulf in 1968 (Al-Otaibi, 1996; F. G. Gause, 1985; Jones & Stone, 1997; Smith, 2007). However, there is no specific study regarding the UK-Qatar relations in the contemporary era. There are analyses on the Gulf and the West (Khatib & Maziad, 2019); however, the current framework of the bilateral ties combining it with the historical context has unaddressed yet. Hence, in this context, although the British influence and support have continued after the official withdrawal, the Gulf studies literature lacks analysis of assessing the impact of Brexit



on the UK-Qatar Relations, including economic and political dimensions. This paper aims to fill this gap with a comprehensive remark of bilateral ties in both these regional contexts comprising the post-Brexit EU and the GCC's internal dimensions.

This paper has three main time frames to scrutinise the bilateral ties. The first is the early years of relations until the official withdrawal. The second is the years of consistent, loyal alignment until Brexit. The third is, as a milestone in European history, the post-Brexit era. Instead of considering the activities after Brexit as something distinctly new, this paper reads them as the codification of a series of ad-hoc initiatives and agreements that have occurred since the initial arrival of Britain to the Gulf. In these time frames, while adopting the ties to the current domestic, regional, and global demands for the countries, defence cooperation, regime support and economic relations are three primary elements in categorising the nature and types of good diplomatic relations. It is worthwhile to note that there is a lack of data notably on economic consolidation in relations with a central focus of the UK's ties with Qatar from post-British Gulf to post-Brexit era. The primary purpose of the research is the codification of the British- Qatari relations mainly in the post-Brexit era considering the continuities and the changes that bilateral ties have faced for decades. Thus, this study highlights the determinants of policymaking among the parties to assess the transformation in these relations over the years.

#### 2. The Early Years: Rule Britannia

Looking at the UK's initial policies in Qatar is significant to see how they determine the current relations. From a general perspective, it can be seen that Britain's policy in the Gulf was dictated by its priorities in India (Peterson, 2016). After World War II, oil became a central part of Britain's relations with the Gulf. Thus, the nineteenth and the first half of the twentieth centuries were the heydays of British influence in the Arab Gulf states (Onley, 2009). In the early years, the British-Qatari alliance had two main dimensions: political consolidation and the discovery of oil. Therefore, this section examines political and economic cooperation regarding the political authority of the early years and use of natural gas. This will be a general discussion to introduce the timeline and historical outlook of the century-old ties.

#### 2.1. Political Consolidation

During the early period of their relation, the UK's leading support was a political consolidation to the newly established small oil monarchies. Since the small sheikdoms were in afford to establish nation-states of federations in the case of the UAE, their recognition by a foreign power and its defence support against attacks from the neighbours was an easing element for these early years of statehood. Thus, the UK's ties with Qatar in these years might be defined as enabling Qatari political consolidation in domestic, regional and global scale through providing a political balance between the Gulf monarchies. Qatar was under the British influence since the mid-1800s, but, there was simply no formal state regulations or tradition of monarchy in Qatar before the 1868 agreement between Qatari Sheikh Mohamed bin Thani and the British Colonel Pelly (Fromherz, 2012). This was not a formal protectorate treaty like the United Kingdom managed to have with other small Arab monarchies; however, it was the



first recognition of Al-Thani rule, before the arrival of the Ottoman forces in 1871. The Anglo-Qatari treaty of 1916 between Sheikh Abdallah bin Jassim Al-Thani and the British representative Lieutenant-Colonel Sir Percy Cox, was the legal foundation of protectorate status (Fromherz, 2012). The studies briefly mention the Ottoman influence on Qatar's recognition of Al Thani by the United Kingdom; however, the vital reason was the geographic position of Qatar and oil in the later stage.

Britain's foreign affairs with Qatar thus began before the formal state formation in the oil monarchy, and a better of Britain's role in the Gulf in the 18<sup>th</sup> and 19<sup>th</sup> centuries is possible (Said Zahlan, 2016). The United Kingdom was a determinant power both in the state-formation process of the small monarchies and in the emergence of the Gulf regional system. Although Britain had ceded its control to the United States in years, the official end of British Protectorate is 1971. London's announcement for the end of its military presence in the Gulf in 1968 had led the regional contestation because the absence of a significant power deterrence could bring more tension among the smaller Arab states. The British withdrawal from the Gulf coincides with a dramatic increase in oil prices between 1970 and 1974. The US was not eager to take military responsibilities for the region, as Britain was practising for decades (Jones & Stone, 1997; Onley, 2009).

Sato (2016) presents five reasons behind the decision to withdraw from the Gulf: economic contraction; political and ideological changes in the world; ideological pressure; local opposition; and political decisions. However, what made the UK officially leave, leading the Arab states of the Gulf, was domestic politics. As Gause (2010) aptly interprets, neither power nor interest can explain the UK's decision of withdrawal. The Arab monarchies of the Gulf were demanding the continuity of the UK's leading role and the oil revolution was about to happen. Thus, the region's economic and political importance was rising, and there was no social movement or political stance against the British Protectorate. However, the British domestic politics did not accept the British ruling in the Gulf like the Gulf leaders (Miller, 2016). Despite economic difficulties, the regional financial support did not attract the attention of the Treasury or the Cabinet, because the British government did not want British soldiers to be seen as mercenaries in the region. Furthermore, considering a rising Gulf region at that time, the thoughts that the withdrawal decision was taken for economic reasons are seen as unfounded. This is because, as mentioned above, the region was crucial for surplus revenue investments in the Gulf and also oil for Britain (Smith, 2007). In fact, in addition to Kuwait, other Gulf countries had emerged as major actors by the mid-1960s, and it was estimated that they could produce 100m tons of oil per year within ten years (Smith, 2007). British military involvement in Southern Arabia, today's Yemen, was already losing its power and the Labour party members in the Parliament were calling for an end to the political burden of a colonial role. The domestic motivations were prevailing and by 1967, starting from Aden, the British power in the Gulf withdrew.

The small Arab monarchies in the Gulf expedited the state-formation process to consolidate their political power and to prevent any attack from the more significant regional power, particularly Saudi Arabia. Thus, three years of the transition process was devoted to constructing institutions of self-government in the UK-Qatar relations. During the process of the formal transfer of power from Britain to the new states, the negotiations over territorial



disputes and the united Arab federation continued; however, Qatar ended up declaring its statehood on September 3<sup>rd</sup>, 1971 (Onley, 2009).Thus, it is valid to say that in addition to the UK's role of recognising sheikhdoms Arabia as independent political units, its withdrawal from the region was the triggering element in their state-formation process.

#### 2.2. Economic Atmosphere in Pax-Britannica

The collaborative relationship between the UK and Qatar was the motivation behind the success and longevity of the Pax Britannica in the small monarchy between 1916-1971, and oil was the determinant element in it. Zahlan (1989) states that the presence of vast natural oil reserves, which has far-reaching and inevitable economic and political consequences throughout the GCC countries, has played a pivotal role in the establishment of the nation-states (Zahlan 1989). In recognition of the economic and political consequences linked to these natural resources, critical states in the region established the GCC as an organisation overseeing political and economic cooperation throughout the Arabian Gulf in 1981. A few decades ago, these countries only imagined the success, wealth and development that is now seen in the GCC countries. The GCC states have made the transition from being a minor player in the global economy to a major one (Rehman, 2010). This region is currently experiencing a high economic growth rate and increasing significant political clout globally, thanks to its oil revenues and associated natural resources, such as gas (Gani & Al-Abri, 2013).

In terms of economic interest, the British did not have a financial interest in the region, except in Muscat, until the early 19<sup>th</sup> century (Onley, 2007). However, security problems on the way to the Indian maritime trade resulted with Britain also being interest-oriented in the Arab region by expanding its presence out of Muscat. Furthermore, the British government decided to extend their securing buffer states in the Gulf region to cut off India from French influence. Therefore, Britain started to spread towards the inlands of the Gulf region (Sato, 2016). Although the British withdrew from India in 1947, the most important reason for staying in the Arab region was their economic interests as oil was discovered in Bahrain (1932), Kuwait (1938), Qatar (1940), Abu Dhabi (1958), and Oman (1964) (Onley, 2007: 34; Helene Von Bismarck, 2013: 16), as well as the establishment of airfields for British Overseas Airways (1932) which connected Britain with India (Onley, 2007). Therefore, it is possible to state that the main economic interest of the British began with India's independence and the discovery of oil in the Gulf region. From this point, it is also possible to remark that the Gulf region, which is trying to build a modern economic order, accelerated this process with the British presence in the area by developing the oil sector (Rabi, 2006). Qatar and Bahrain were the only other states except Kuwait in the Gulf that produced and exported oil. Although Qatar's production was lower than Kuwait, which was 8 million tons in 1960, it was still a significant income source for Qatar. However, Abu Dhabi became the richest after Kuwait in the region by discovering first oil at a commercial level in 1958 and exporting its oil in 1962 (Von Bismarck, 2013). However, other countries, except Kuwait, did not make it economically attractive for the British government to stay in the region at that time. Therefore, on January 16, 1968, Prime Minister Sir Harold Wilson announced that British military forces would withdraw from the region entirely by the end of 1971 as British economy had chronic problems and needed to



cut defence expenditure, especially considering the devaluation of the pound (Jones & Stone, 1997).

Britain had considered the gulf region before withdrawing from the area. However, as their countries gained their independence in the region, Britain increased bilateral economic relations with these states, which are rising economies. Although "[Gulf]-capital is structured around a Saudi-Emirati axis, with other Gulf capital-groups congealing as subordinate partners within interlocking hierarchical structures of accumulation" (Hanieh, 2010: 64), the main axis of this study is the relationship between the UK and Qatar. This is because Qatar is a priority for the UK due to its superiority in LNG and because of the Brexit and Gulf crisis that both countries have experienced in their regions in recent years. The next section examines the transformation in the relationship between the UK and Qatar after the withdrawal until Brexit.

#### 3. A Real Withdrawal?

It is essential to understand the UK's ties with Qatar in the post-Brexit era, which requires analysing the process before and after Britain's departure from the EU (Vagneur-Jones, 2017). Thus, a substantial assessment of the post-Brexit era is based on the continuities and changes in these relations over the years. Therefore, a brief outlook of the years before Brexit is required. The British ties with the Qatari policymakers were consistently strengthening in these years around economic and military cooperation.

After the end of the official British protectorate, the ties have proceeded in a consistent and assistive manner. The UK's relations with Qatar since 1971 is not isolated from Britain's policies toward the Middle East. In these years, there were several milestones in the region's history and Britain's domestic politics that shape the British strategies towards the Middle East: The Iranian revolution, Iraqi occupation of Kuwait, 9/11, Iraq War, and the war on terrorism. Approaching the time of the Qatari political history, the British withdrawal coincides with Qatar's declaration of independence. Following the official state formation, Qatar's rising economic power with oil and LNG; improving its political role in the globe are important factors in defining its steady ties with Britain. This section remarks transformation in the bilateral relations by assessing the regime support and defence cooperation, economic relations and finalises by briefly discussing points on neglecting Gulf and shadow British predominance in the region.

#### 3.1. Regime Support and Defence Cooperation

The British role in the Gulf has never been wholly eliminated with an official withdrawal; however, it has re-shaped with the changing priorities. Similarly, in the case of Qatar, although there was not a formal protectorate after 1971, cooperation in political and military methods have continued in two forms: military trade and regime support (Jones & Stones, 1997). The British army was lastly part of the Dhofar campaign until Saddam Hussain invaded Kuwait in 1991 and mostly stayed unanimous in its military support to the Gulf monarchies until then. British forces were active in this combat operation, named Operation Grandby, to specifically support the Kuwaiti regime, but the Arab Gulf states, in general, were against Saddam's antimonarchy politics (Jones & Stones, 1997). Jones & Stones (1997) interpret the deployment of



some 40,000 service personnel in the Operation Grandby to help Kuwait as "...the most visible demonstration of Britain's continued military presence and influence in the region since 1971, and a clear political signal from London that it was still a key actor with vital interests to protect in and around the Arabian Peninsula" (Jones & Stone, 1997: 9).

Britain's role as a deterrent foreign power for the sake of oil monarchies against the Islamic Republic of Iran has been another regime supporting element in the British position of the Gulf (Hollis, 1989). In addition to this, the provision of British military personnel and advisors working in the newly established armies of the small oil monarchies can be categorized as regime and defence support (Jones & Stone, 1997). Thus, the regime support, along with fair defence trade, has been critical in helping to ensure the stability of the GCC countries. The US dominated the arms market since the 1970s; however, the British defence industry created a manoeuvre space for its products, and although it only has a military presence in the UAE, there is continuous military equipment support to the GCC. These are dimensions that validate the British-Qatari cooperation in this era. There is an ongoing military trade between countries; the British advisors are everywhere in the army and other governmental institutions. As Rossiter (2014) explains, even Qatar's local police force that handles internal problems was supported by the British policymakers (Rossiter, 2014). Via quotation from Rossiter, Edward Henderson, the British Ambassador to Qatar in 1974, underlined continuity of strategic exercise influence after the official withdrawal as a shadow British predominance indicator:

"At a personal level at all points in the Government and in the business community, I think we have even better relations after independence than we had before. The Qataris welcome British experts and engineers in positions in the Government and armed forces and seem to want more of them." (TNA FCO 8/2291, Edward Henderson (British Ambassador, Qatar) to the Foreign Secretary, 'Five Years in Qatar,' 26 September 1974 quoted in Rossiter, 2014: 282).

Although there is a no exact data on the early years of defence cooperation, the governmental releases and the data bases on the military trade and expenditures (SIPRI, the World Bank and MIT's the Observatory of Economic Complexity) indicate that Qatar consistently buys military equipment which is a supportive element in its ties with Britain (Figure 1). Although the UK is not Qatar's primary supply for arms, it has a consistent share in Qatar's military expenditure. Britain also has an operational headquarter for the Royal Air Force (the RAF) in Qatar's al-Udeid military base where the US army is located ("About this group," ; Gulf Countries and Qatar, 2017). Training is another dimension of defence cooperation, and the Qatari cadets train at Sandhurst Military Academy each year (Debate Pack, House of Commons Library). The two countries have conducted meetings, joint training and exercises for countering violent extremism and ensuring stability in the region. The Sharaka bilateral dialogue is another British-Qatari alliance, including cooperation in several areas such as trade, investment, education and foreign policy cooperation (Foreign Office minister co-chairs 5th Sharaka Dialogue with Qatar, 2019). In July 2016, Defence Secretary Michael Fallon hosted his Qatari counterpart to discuss to counterterrorism in the region, specifically, DAES. Fallon emphasized that defence is at the cornerstone of the UK's ties with Qatar. The parties signed a new Defence Cooperation Arrangement (DCA) for closer coordination on military training and exercises ("Defence Secretary strengthens UK-Qatar Defence relationship," 2017). They



agreed on the UK's leading role in the Gulf-based Combined Task Force (CTF150), which aims to tackle terrorism and smuggling in the region. With this raising defence cooperation, Britain announced the creation of a new Deputy Defence Attaché role in Qatar (Gulf Countries and Qatar, 2017).

#### 3.2. Ongoing Economic Relations

Economic cooperation between the UK and Qatar has been on the agenda since the very early stage of the establishment of Qatar. This was mainly because of Qatar's gas reserve and the economic and political experiment of the UK in the Gulf region (Miller, 2016). However, trade between the UK and Qatar has started to increase since the beginning of 2000s due to the UK's increasing gas import from Qatar. Therefore, Figure 1 presents the trade data between the UK and Qatar in the period of 2001-2019. Taking a glance at the current conditions of diplomatic relations, the total bilateral trade between the UK and Qatar was around US\$ 5.1 billion in 2019. Qatar provides one-third of the UK's gas imports in addition to its investment in the UK through SWFs. The UK officially stated their profound commitment to partner with Qatar in its 2030 National Vision and World Cup 2022 (Aguilar, 2020). Therefore, there are two economic dimensions of the relationship between Qatar and the UK in this section: trade and investment. There are four main assessments for scrutinizing economic cooperation in this period.





Source: Trade Map, International Trade Centre.

Firstly, the total trade volume between the UK and Qatar has increased significantly since the beginning of 2000s. As for the total bilateral trade between the UK and Qatar, according to Figure 1, while the UK's export to Qatar was almost US\$ 252 million in 2001, this amount reached US\$ 3,21 billion in 2020. Along with this, Qatar's export to the UK has increased to 1,14 billion in 2020 from 4,9 million in 2001. It is essential to state that while Qatar has become a significant import source in meeting the British demand for LNG with 98% of total UK LNG import in 2015, Qatar's LNG met half of UK LNG imports in 2019. Qatar's exports to the UK were mainly mineral fuels, mineral oil and products of their distillation worth around US\$ 1,5



billion in 2019 ("Trade Map," 2020). However, UAE is still the UK's biggest trading partner in the Gulf region with total bilateral trade worth around US\$ 10 billion in 2021. While the UK's export to the UAE was around US\$ 7.8 billion in 2021, the UK's import from the UAE was around US\$ 2.2 billion in 2021. From this point, Qatar is the third-highest exporting country of the UK (Figure 3), after the UAE and Saudi Arabia among the Gulf regions. As seen in Figure 4, Qatar is also the highest importing country of the UK in 2021.

The second point refers to the portion of gas and oil in the trade. This picture presents how important Qatar is to the UK in the Gulf region with the UK's increasing demand for Qatar's gas while not outrightly relying on the Gulf's oil. Qatar's export to the UK includes refined petroleum (44.7%) and petroleum gas (43.1%) of total Qatar's export to the UK in 2018 ("Export," 2020). For this reason, Qatar's gas becomes a fundamental priority in the UK's commercial agenda (Wearing, 2018).

# Table 1: Fastest-growing Markets for UK Exports of Goods and Services between 2011 and2021 (£ Billion)

Rank	Export Market	Value in 2021 (£ billion)	Growth 2011-21 (%)
1	North Macedonia	1.6	469.4
2	South Korea	6.1	140.2
3	Switzerland	10.3	94.7
4	China	18.8	81.8
5	Egypt	1.5	35.6
6	Qatar	1.6	34.4
7	Hong Kong	7.3	30.1
8	Japan	6	27.9
9	Turkey	4.8	27
10	Canada	6.1	22.7

Source: Trade and Investment Core Statistics Book 2022, Department of International Trade.<sup>3</sup>

Thirdly, an assessment of Qatar's portion in the UK's exports of goods and services requires attention. Regarding UK's export, although Qatar is not the UK's highest trading partner in the Gulf region, it is the fastest-growing market among the GCC countries and sixth fastest-growing market in total importing countries for UK exports of goods and services between 2011 and 2021, as seen in Table 1. The UK's exports to Qatar were mainly machinery, mechanical appliances, electrical machinery and equipment, precious or semi-precious stones, and precious metals as well as aeronautics and motor cars ("Trade Map," 2020). To put it differently, the UK's exports to Qatar specifically comprise of gas turbines (33.5%), jewellery (17.2%), and cars (7.39%) in 2018 ("Export," 2020). While Qatar is the third-largest exporting market for the UK in MENA, the UK is the fourth largest exporting country to Qatar (Wearing, 2018).

<sup>&</sup>lt;sup>3</sup> Trade and investment core statistics book. (2022). Department for International Trade Retrieved from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/1083406/ dit-trade-and-investment-core-statistics-book.pdf



Investment is the fourth element that has played a prominent role in the parties' economic cooperation. There is no doubt that Qatar Investment Authority (QIA), as Qatar's sovereign wealth funds (SWFs), has a leading role in terms of investment from Qatar to the UK with its share in UK's leading companies such as Barclays, Sainsbury's, Harrods, Heathrow Airport, Canary Wharf, and The Shard. For instance, QIA bought a 5.9% stake in Barclays, a 21.8% stake in Sainsbury's, a 10.6% stake in Heathrow owner BAA, and Harrods with around £1.5 billion. Furthermore, state-owned Qatar Airways also bought a US\$ 600 million stake in British Airways-owner IAG ("Factbox: Qatar's investments in Britain - Barclays, Sainsbury's, Harrods and IAG," 2020). These acquisitions show that the UK is one of the most popular investment partners of Qatar. In fact, in 2011, Qatar ambassador to London, Khalid bin Rashid bin Salim al-Hamoudi al-Mansouri, had stated that

"The UK is a dear country to us. We have been investing in this country before and after the [2008 financial] crash. Our investment is a long-term investment. We don't need cash money now. This comes from a strategy of diversifying our economy over 10, 20, 30 years. We think the UK is the right place to put our investment. The UK is a strategic partner with our country" (Booth, 2011).

From this statement, it is possible to derive the future projection of Qatar's investments and trade with the UK. Qatar considers the UK as a long-term partner, and thus it is possible to claim that Qatar will stand by Britain during the Brexit process.

#### 3.3. Neglecting the Gulf or a Shadow Predominance

In the UK Defence Staff, General Sir David Richards discusses that Britain has plans to expand its military footprint in the Gulf region. Following this statement that can be the interpretation of the UK's returning to 'the East of Suez', Roberts (2014) highlights that the 2013 House of Commons report on British relations with Saudi Arabia and Bahrain refers the Gulf region as either 'critical' or 'key' to Britain's national interests (Stansfield, Kelly & Clarke, 2013). These statements were not made unconsciously. Despite the long-term military, political and economic ties, after 1971, Britain's dominant position in the GCC's security was eroded, and by the 1990s, Britain disengaged with the Gulf (Roberts, 2014). Thus, in the time of two following labour governments run by Tony Blair and Gordon Brown between 1997- 2010, Gulf leaders accused the British policymakers of neglecting their relationship prioritizing China and Asia (Stansfield et al., 2013).

Later, David Cameron made notable efforts to increase the link with the Gulf countries. Cameron's moves to rekindle the special relationship with the Arab monarchies were interpreted as rediscovering a role in the region (Roberts, 2014). However, Cameron's afford for the maintenance and nurturing was for improving ties with the UAE (Stansfield & Kelly, 2013). Especially with rising visibility of SWFs investment in the UAE in London, Boris Johnson, while mayor of the capital, described London as "the eighth Emirate", referring to the UAE ties with Britain (Vagneur-Jones, 2017). It can be argued that since 2010, the UK strategically reorientated its defence and security towards the Gulf; however, it is not a strong 'return to East of Suez', rather forging economic and political ties with military trade, when it is plausible for the British national interests. Thus, the British and Qatari relations in the years before



Brexit was the consistent forging of economic, political, defence and cultural ties. Despite Qatar's unique position in Britain's economy with its LNG and SWFs, it is better to define that the UK must afford to maintain convenient relations with all GCC countries, rather than focusing on one of them.

#### 4. Post-Brexit Era: 'A Global Britain' and Qatar Under the Siege

Post-Brexit Europe and the UK are central case studies for the international relations of the Gulf as it affects the GCC countries foreign affairs, economic policies, and defence partners. Before discussing Brexit's economic and political impact in the British-Qatari alliances, assessing its impact on the British foreign policy priorities is essential. Since leaving the EU comes with a disengaging variety of economic pacts, diplomatic missions, political and defence agreements, Britain's policy makers framed this decision as a step that let them play for the global, rather than be limited in Europe. Teresa May's definition of 'Global Britain' aims to poise potential opportunities over the disadvantages of this new era (Chalmers, 2017). A recent paper that was published by the RUSI on the UK Foreign and Security Policy after Brexit in 2017 suggests that "in order to help fill the gap in diplomatic representation resulting from Brexit, the UK will need to invest more in bilateral, and cross-Whitehall, diplomatic representation in other European capitals" (Chalmers, 2017: 1). The UK's withdrawal from the European Union means a gap of several ties that might be fulfilled by the support of other third parties. Consolidation of relations with non-European third parties might give Britain more chance of diversity, rather than limiting its partnerships to Europe in the post-Brexit era. Thus, 'Global Britain' sees the value of consolidation of ties with the Arab Gulf states. This paper reads much of the UK's recent manoeuvring in the Gulf, particularly with Qatar, to dispel fears for a potential loss of diplomatic role and economic integrity. As Kinninmont underlined in 2016, the UK would seek more cooperation with Arab monarchies to "double down on its existing geographic areas of strength" (Kinnimont, 2016). In doing so, the UK is redemonstrating keen focus on its foundational strategy in the GCC: the maintenance and nurturing of the special relationship with the Arab monarchies.

It is important to ask, as to what extent the UK's ties with the GCC countries, notably Qatar, were oriented to its connection with the EU. The UK's policymaking in the Middle East and particularly in the GCC has been independent of its position in the EU. Thus, leaving the EU is unlikely to affect its power projection in the GCC substantially. However, there are some areas of EU policymaking that could help Britain strengthen its hands in the GCC, particularly on human rights, peacebuilding in the conflictual regions or the GCC regarding the blockade (Kinninmont, 2016). In general, trade relations, defence agreements and diplomatic ties with Qatar are free from the EU's policies. However, working on more delicate long-term policymaking for issues just as funding terrorism, human rights or political transparency was a better chance when the UK was part of the broader EU umbrella.

Nevertheless, there is another way to approach the UK's withdrawal from the UK. The Gulf countries will face two in Europe now. In other words, when there is an issue that the GCC is in, concerning Europe for diplomatic, political or defence-related problems, the countries need to visit the British and the EU opinions separately and manage a balance between them (Koch, 2016).



This new era will come with a shift in priorities; nevertheless, this does not mean that the Qatari-British ties will be affected negatively. Even before Brexit, the UK was affording to rejuvenate its defence relations with the Gulf countries since the beginning of David Cameron's government. (Rossiter, 2014). It is worth noting that despite the changes and transformation both in Qatar and in the UK, continuities are far more dominant in the relations than changes. Understanding the UK's ties with Qatar in the post-Brexit era lies in a complex conflict of interests combining economic priorities of Britain with Qatar's policies to engage in more international roles after the blockade through continuity of long-standing cooperation.

#### 4.1. The Blockade and Beyond

As it is underlined several times in the paper, the UK and Qatar share a longstanding history of political and military ties. Brexit has been interpreted as an opportunity, significantly in raising economic relations between countries. However, this drastic change in the British politics coincided with the diplomatic crisis in the GCC in which the four regional states, the UAE, Saudi Arabia, Bahrain, and Egypt, declared an air, sea and land embargo on Qatar. This critical political moment of Gulf history has strained the regional tension by breaking diplomatic ties among the parties; causing social and economic problems; and triggering severely intra-GCC rivalry. Although it is a regional issue, the GCC countries' role in global politics and their international relations, along with Trump's Middle East policy has carried the tension to a global level. Both parties have been able to manage the situation by supporting their economic and political alliances. Thus, the GCC crisis is a vital stage to assess British-Qatari ties. Both sides emphasised the importance of improving defence and security cooperation after the GCC crisis.

In December 2017, a new defence agreement, including the supply of 24 Typhoon fast jets, a package of missile and laser-guided bombs, all worth £6 billion was signed ("Joint UK-Qatari Typhoon squadron stands up as defence relationship deepens," 2020). Later in 2018, the defence agreement was celebrated by Defence Secretary Gavin Williamson and the Amir of Qatar Sheikh Tamim Bin Hamad Al-Thani at Horse Guards. Williamson stated that

"Qatar remains a close and important friend to the UK, and it is the only nation with which we have a joint squadron. This requires a level of trust, born from our long-shared history and our commitment to a shared future...Our formidable Typhoon jets will boost the Qatari military's mission to tackle challenges in the Middle East, supporting stability in the region and delivering security at home" ("Joint UK-Qatari Typhoon squadron stands up as defence relationship deepens," 2020).

This is a vital step for both Britain and Qatar. The Qatari military personnel, belonging to the Qatari Amiri Air Force (QAAF), will be initially stationed at the Royal Air Force station in Coningsby, and then will be transferred to Qatar. The personnel will undertake a package of training with their UK counterparts for the use of Typhoon aircraft and Hawk T2 aircraft. The RAF will form a joint Squadron for the first time since the Second World War with another nation ("Joint UK-Qatari Typhoon squadron stands up as defence relationship deepens," 2020). On October 2020, Qatar and the UK defence ministers signed a Statement of Intent that will offer a British base for the Qatari Emiri Air Force's (QEAF) acquired nine Hawk aircraft



with the recent deal. UK's defence minister Walley defined the cooperation as a new chapter in strengthening relations.

In addition to raising defence cooperation, the British Parliament, both in the House of Commons and House of Lords discussed the GCC crisis. The main areas of discussion were: Human rights violations over the siege, including the Qataris and the British residents; the conditions of the workers; and the British policy-making to ease the strain (*Gulf Countries and Qatar*, 2017; *Labour Reforms: Qatar*, 2018; *UK Relations with Qatar*, 2018). On 28 November 2017, the Parliament even tabled a motion titled Qatar Blockade and Effect on Human Rights attracting attention on "...the blockade's impact on the human rights of Qatari residents and citizens, with many facing issues of family separation, restrictions on rights to education and religious pilgrimage and restrictions to personal finances and freedom of the press..." (*Qatar Blockade and Effect on Human Rights*, 2017). In the motion, the Members of Parliament from different parties called on the Government to urge further progress towards a negotiated settlement. The political dimension of the bilateral ties, thus, is a key in going from "strength to strength" in cooperation, as Boris Johnson stated during Emir Tamim's visit to Downing Street ("UK-Qatar relationship going 'from strength to strength'," 2019).

However, it is also important to note that the British response to the GCC crisis came a week after the start of the siege on Qatar. The UK foreign secretary Boris Johnson, called the parties of conflict to ease the strain when his Qatari counterpart arrived in London to meet him. In this initial reaction, Johnson stated that Britain supports the Kuwaiti mediation efforts while urging Qatar to crack down on extremists and to heed their neighbours' concerns:

"Qatar is a partner of the UK in the fight against terrorism, but they urgently need to do more to address support for extremist groups, building on the steps they have already taken to tackle funding to those groups... I am also concerned by some of the strong actions which Saudi Arabia, UAE, Egypt, and Bahrain have taken against an important partner, and urge them to ease the blockade on Qatar. I call on all states to take immediate steps to de-escalate the situation and to find a rapid resolution through mediation" (Wintour, 2017).

Later in July, Johnson visited Kuwait and Qatar intending to end to the diplomatic tension. During his trips, Johnson underlined how the Gulf stability is interconnected with British security (Peck, 2017).

In any case, it is fair to interpret that British policymaking was more passive than the expected amount of diplomatic afford. There can be two factors for the UK's precautionary response to the siege. The first element may be related to the UK's dominating domestic politics. The UK policymakers were quite busy with internal affairs and the procedure of leaving the EU. Mostly, assessing the British policymakers' attempts in the past three years of the blockade in strategically one of the most critical areas for the UK in the region, Britain was passive in encouraging the parties for a solution, compared to its economic and military ties with the territory.







Source: The Observatory of Economic Complexity (OEC), https://oec.world

Secondly, although the UK has longstanding economic and political ties with Qatar, the UAE is its favourite partner in trade and military relations. Thus, the British policymakers need to assess the position carefully to manage between conflictual countries while urging them for a resolution, instead of picking a winner or scapegoat, which demands more attention and time. In other words, the regional strain in the GCC might affect Britain's foreign policymaking with Qatar by carrying the regional rivalries to another continent. For instance, military trade has been at the heart of Britain's strategy to reaffirm its position in the GCC. This is not only valid for its ties with Qatar but also the UAE. The British military commitment with the UAE is its largest defence agreement outside the NATO (Roberts, 2014). As it is evident in Figure 2, the UAE's military trade with the UK is much higher than Qatar's share. According to the data by the Observatory of Economic Complexity (OEC), the UAE's military trade with the UK between 1995 and 2018 reached US\$ 91 million in total, whereas Qatar has only US\$ 30 Million share ("Export," 2020) Although in terms of the military, the UAE has a higher position than Qatar, only a balance between these blocs in the Gulf can bring long-term success in Britain's relations. Securing its ties with the UAE goes through balancing the inter-Gulf rivalries. Thus, the British relations with Qatar requires careful policymaking not to trigger the intra-GCC feuds and not to jeopardise its ties with the blockade countries.

#### 4.2. Securing Economics amid Brexit and the GCC Crisis

As discussed throughout the paper, the UK and Qatar partnership has been historically political and economically strategic. However, this partnership has experienced drastic changes in the last years with the Brexit and the GCC crisis. The first step for countries experiencing regional difficulties will be to find new associates to replace the political and economic partners in the region or strengthen the relationship with existing partners. For example, Qatar has developed its relationship with Turkey and Iran after the blockade to replace the UAE and Saudi Arabia. As for the UK, it is possible to state that the country is willing to find new strategic partners among emerging economies like the GCC countries. Therefore, the remark "structural balance of the British economy depends on the security of the Gulf"



stated by Jones & Stone (1997) suggests cooperation with the GCC countries as one of the most initial strategic steps for Britain's welfare. Qatar has a privileged position among the GCC countries for the UK for possessing LNG. Therefore, by analysing official statements from the UK and Qatar and presenting secondary data related to the UK's trade with the GCC countries, it can be assumed that the UK's trade with Qatar has increased during Brexit.

Considering the increasing trade of Qatar with the UK during the post-Brexit era, two main reasons are prominent: Long-term investment and Gas trade. Firstly, Qatar deals with longterm investments, not short-term investments. Therefore, Qatar focuses on the long-term opportunities even during the crises. For this reason, when the shares of Qatar in the UK decreased as a result of the negative effect during Brexit, Qatar's Finance Minister Ali Shareef Al Emadi stated that "We look at our investments purely on a commercial basis and we were heavily investing in the UK and Europe during the financial crisis. Most of our investments are very much long-term." ("Qatar reveals details of \$6.3bn UK investment plan," 2017). Secondly, Qatar is willing to support the UK during Brexit because they do not want their gas trade with the UK to be affected during this period since an adverse effect due to Brexit means a negative impact on Qatar's gas trade with the UK (Awasthi, 2017). Furthermore, even in the beginning of Brexit process in 2016, Qatar's Energy Minister, Mohammed bin Saleh al-Sada, stated that "we can sense the possibility of the UK's manufacturing power going higher, and with that the need for energy. For that, Qatar will always be there to supply the energy required. Certainly, we can contribute to the UK's need" (Finn, 2017). From these statements, it is possible to affirm that Qatar seeks to follow its economic interest in the UK by supporting the country during Brexit, for the continuation of the gas trade. However, in addition to Qatar's financial interest, the statement "Europe is an important market. The UK is a very important market" by Mohammed bin Saleh al-Sada articulates Britain's privileged position for Qatar (Finn, 2017). Qatar's investments in the UK along with the UK's economic activities in Qatar in terms of Qatar National Vision 2030 and 2022 World Cup, bilateral trade between both countries has increased during the Brexit process and later on during the Gulf crisis. To support this argument, the statement of Governor of Qatar Central Bank, Abdulla Bin Saoud Al Thani, can be presented here:

"Qatar and the UK enjoy a strong economic partnership which generates numerous shared opportunities and benefits. The agreements signed today are testament to this strong relationship" and The UK is the single largest destination for Qatari investment in Europe, and in turn Qatar is proud to be a hub for UK companies doing business in the MENA region and a link for trade between the UK and Asia" ("Liam Fox: Qatar is 'natural' trade partner for the UK," 2019).

International Trade Secretary, Liam Fox, further supported these statements during the 'Qatar Day' event held in 2019, where he identified Qatar as a "natural partner" for trade by highlighting the importance of Qatar's investments in the UK, which create jobs and drive prosperity. At the same time, Fox indicated that the UK is willing to support Qatar's National Vision by increasing economic cooperation and improving mutual business relationships such as asset management, cybersecurity, Islamic Finance, and FinTech. Some of the economic relationship developments between the UK and Qatar are as follows:



• A membership agreement between Qatar Development Bank (QDB) and Innovate Finance's international hub was signed to develop Qatar's FinTech ecosystem

• QDB's membership of the Financial Conduct Authority's (FCA) Global Financial Innovation Network (GFIN) was approved

• British Department for International Trade and the Qatar Central Bank affirmed their continued commitment to bilateral collaboration on cybersecurity. ("Liam Fox: Qatar is 'natural' trade partner for the UK," 2019)



Figure 3: UK's Exports to the GCC Countries (2016-2021)

Along with the official statements, it is possible to see that the UK's trade with Qatar is eminent among the GCC countries. Although the UAE and Saudi Arabia's role in trade and investment also draw attention and UK's trade volume with the UAE and Saudi Arabia is higher than Qatar, as it is indicated in the previous section, Qatar carries unique strategic importance for the UK with its superiority in LNG. In fact, as of 2004, Britain could not meet the domestic gas demand, hence became a gas importer (Pagnamenta, 2017). As a result, the UK started importing LNG from Qatar in 2008 via ships docking at South Hook in Kent, which is one of the largest LNG terminals in Europe and owned by Qatar (Finn, 2017). The volume of this trade can be seen in Figure 1, with a sharp increase in Qatar's export to the UK. Furthermore, as seen in Figure 1, there is an increase in the mutual trades of the countries after 2018. In Figure 3, it is also clear that the UK has had a steady decline in exports to Saudi Arabia since 2016, while the UAE has declined after 2018. On the other hand, the only GCC country that saw an increase in the UK's exports to the GCC countries in 2020.

**Source:** Trade Map, International Trade Centre.





Figure 4: UK's Imports from the GCC Countries (2016-2021)

When analysing the UK's imports from the GCC countries, it is clear from Figure 4 that imports from Saudi Arabia and UAE declined in 2019, while imports from Qatar began to rise rapidly. Thus, as of 2019, it is possible to state that Qatar is the only GCC country in which both exports and imports with the UK increased. In addition, UK imports from GCC countries declined sharply in 2020 following the COVID-19 pandemic. Qatar's export to the UK has, however, increased in 2021 due to its LNG advantages. To sum up, it is possible to see that the UK and Qatar relationship during the post-Brexit era has improved in terms of trade and investments from the official statements and secondary data presented in this study.

#### 5. Conclusion

Qatar and the United Kingdom have a convenient and plausible long-term relationship that serves their mutual interests. This paper provided a codification of alliances bringing together pre- and post-Brexit notions. The research came to three important conclusions. Firstly, the UK's post-Brexit 'home alone' strategy affects its relationship with continental Europe and its role in global politics. Despite the focus of this research on Qatar-UK alliances, it is also important to recognize that Britain's policy to be independent from other European actors has shaped both its foreign policy and relations with Qatar, as evidenced by its high-profile involvement in the Ukraine war. Since the UK's foreign policy changed after Brexit, the UK's current ties with Qatar could be considered a strong alliance eliminating the possibility of rivalry with other parts of the GCC. Put differently, bilateral ties are not oriented towards the EU or European States versus the GCC, but towards the objectives of the UK and Qatar versus each other. Secondly, as a result of the ties, long term goals are prioritized without compromising short-term gains. Defence cooperation, regime support and economic ties are three main concepts that the links have been strengthening around since Pax Britannica. Consequently, Brexit is a crucial component of British foreign policy; however, it commits to long-term relationships with Qatar. Although there are changes and transformations in bilateral relations, the continuities are more valid. The two countries form a variety of cooperation clusters together as loyal partners.

**Source:** Trade Map, International Trade Centre.



Lastly, after the resolution of siege on Qatar in 2021, the British diplomatic role is valuable for Qatar than at any other time to be able to negotiate strongly at the case of any regional tension. The fact that Saudi Arabia and the UAE are vocal when responding to the Ukrainian war while drifting away from the Western bloc illustrates Qatar's orientation to the extended Western bloc. Additionally, Qatar is mediating between Russia and Ukraine and supporting the European states during any energy crisis caused by the war. In other words, British-Qatari relations emphasize nurturing relations in political, military, and economic channels and connect the two powers to Europe and the Gulf once they have improved their strategic ties. To put another way, by constructing long-term and sustainable ties with Britain, Qatar contributes to assuring a high-profile foreign policy and balancing its global objectives between Western and Eastern powers. Despite the lack of analysis for the contemporary era and unavailability of specific data, this paper illustrated an understanding of the countries enduring relations amid regional and global transformations.

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