

France - GCC Relations







1. Key Domestic Developments

In April 2022, Emmanuel Macron was re-elected for a second five-year term as the President of France, although his party, Renaissance, and its allies lost their parliamentary majority in the June legislative election that same year. Governing as a minority administration will result in slower policymaking, with reform ideas dulled down to gain opposition support or possibly get more measures approved controversially by decree. If political deadlocks become common, the chances for early elections increase.

Following a failed pension reform attempt in 2019, which was thwarted by the coronavirus outbreak, the renewed attempt by pushing through these reforms in 2023 represents a move by the Macron government to align France's economy with its EU neighbors, the majority of which already have higher retirement ages than the planned 64 years. Macron's plan to raise the retirement age is a centerpiece of his second term, which he has justified as "necessary" given forecasted deficits in the coming years. The objective is to get the pension system out of the red by 2030, saving approximately 18 billion euros (\$19.5 billion) annually by making people

work longer hours and eliminating some special retirement programs.

Left-wing opponents of the minority administration have filed thousands of amendments ahead of the parliamentary debate, the first round of which took place in February 2023. Meanwhile, civilians have undertaken walkouts, marches, and strikes in protest of the reform. Opponents claim that the legislation fails to appropriately account for those in physically demanding industries, such as construction, and address firms' reluctance to hire and keep older workers. Elizabeth Borne, the prime minister, stated that the government would increase pressure on businesses to stop letting go of elderly staff, which under current practices leaves many people unable to find work in their final years before retirement.

This political contest over pension reform further threatens economic growth in France, which is already weakening, because of the energy market shocks and the global economic downturn. The energy outlook is also impacted by issues with France's nuclear facilities that have added uncertainty to both France's and the EU's demand picture as about half of the country's reactors were offline as of February





2023 due to issues such as maintenance and an aging nuclear infrastructure.

Key French Economic and Demographic Data

France's economy is a highly developed social market economy with significant governmental engagement in strategic areas. It is the world's seventh-largest economy by nominal GDP and tenth-largest economy by PPP, accounting for around 4% of global GDP. France has a diverse economy dominated by the service sector (which accounted for 78.8% of GDP in 2017), with the industrial sector accounting for 19.5% and the primary sector accounting for the remaining 1.7%.

• GDP: \$3.013 trillion (2022)

• GDP per capita: \$44,747 (2022)

• Annual Growth Rate: 2.6%

• Inflation: 6.7% (December 2022)

• Population: 68 million

• Unemployment Rate: 7.3 % (November

• Exports (Goods and Services): \$887 B

Imports (Goods and Services): \$972 B

Credit Rating:

Standard & Poor: AA with a negative outlook

• Moody: AA2 with a stable outlook

Fitch: AA with a negative outlook

2. French Foreign Policy

The quest for 'European strategic autonomy' has characterized Macron's foreign policy over the last five years. In a nutshell, this concept aims to equip the EU with the tools to take decisions and act independently based on its own interests. During the French presidency of the Council of the EU in the first half of 2022, France used the term 'European sovereignty,' rather than the previously-used 'autonomy' – an important political signal to Germany and Eastern European states, who perceive the concept of 'autonomy'

to mean 'autonomy from' the US or NATO. The Ukraine crisis has pushed the issue of European autonomy somewhat into the background and has solidified transatlantic ties.

Among other foreign policy concerns for France are China's expansion, the weakening of democracies, nuclear proliferation, and crisis epicenters. President Macron has thus outlined priorities on three fronts:

First, France seeks to revamp the entire structure of interactions with African governments. President Macron has previously stated his ambition to develop a new model of ties with Africa, but he has only sketched out its limits, speaking of equality, acknowledging colonial mistakes, and relying on youth and civil society rather than political elites. In response to the repeated accusations of neocolonialism, Paris is attempting to make its strategy on the continent more appealing, presenting itself as a vital, but not exclusive, partner of African countries. A major trend in recent years has been the Fifth Republic's efforts to establish contacts with non-Francophone Africa, where the component of historical memory is not as powerful. At the same time, there is uncertainty about the continuation of Operation Barkhane, which has been ongoing in the Sahel since 2014, and whether the French lead on the mission will be maintained.

Second, a review of Paris' Middle East strategy is also on the table. France, once a significant regional force, has lost most of its prior positions in the last 10-15 years, having failed to establish itself by resolving crises in either Syria or Libya - despite President Macron's mediation efforts in both cases, which were unsuccessful. French diplomatic efforts in Lebanon became indicative of recent failures when, following the explosion in the Port of Beirut in 2020. President Macron asked that the local authorities form a new cabinet of ministers and implement structural reforms,



which have since failed. France's revision of its Middle East policy also comes against the backdrop of other regional countries, such as Turkey, becoming more active in regional affairs.

Third, there is the issue of furthering French policy in the Indo-Pacific. In 2018, Paris stated its intentions in this region, wanting to form its own quasi-alliance with Australia, India, and Japan. However, with the formation of AUKUS in 2021, Canberra withdrew from this potential "axis," and the French were dealt a devastating financial and political blow after losing a multibillion-dollar contract for submarine construction. Instead, President Macron has been pressing for the extension of the European Union's naval presence and the rapid execution of the EU's new Indo-Pacific strategy. With the recent voyage of the frigate Bayern, Germany has already demonstrated its interest in the Indo-Pacific. Paris is bound to continue to express its intention to follow a "third road" in the Asia-Pacific between the United States and China; however, the practicality of such a policy, especially given the involvement of all its regional partners in the pro-American QUAD, remains questionable.

Key Foreign Policy Initiatives in 2022

- Germany, France, Denmark, Spain, Italy, and the Czech Republic have submitted 16 proposals for new European Union sanctions against Iran for its violent crackdown on protests over women's rights.
- Development assistance to France's African partners has increased since 2017 and France dedicated more than €12 billion in 2020, equivalent to 0.53% of its national wealth, making it the fifth-largest donor of aid in the world. It should reach the goal set by the President of the Republic, which was to dedicate 0.55% of French GDP to development assistance by 2022.

- France is supporting the Palestinian Authority on the path to establishing a future Palestinian state with strong democratic institutions, through intense institutional, economic, cultural, and academic cooperation. It dedicates considerable sums to assistance for the Occupied Palestinian Territories (more than €500 million over the period 2008-2017, and in 2020 it brought forward the annual budgetary assistance to the Palestinian Authority, amounting to €16 million, in response to the COVID-19 pandemic), approximately a third of which goes to Gaza. The Palestinian Territories remain the leading beneficiary of French budgetary assistance. France is also contributing to Palestinian economic development and particularly the private sector.
- During the visit of French Foreign Minister Catherine Colonna to India in September 2022, an agreement to set up a separate trilateral framework with Australia and the UAE ranging from development projects to collectively dealing with global challenges like the Ukraine crisis was reached. One of the three initiatives on which the countries agreed is the "partnership for the Indo-Pacific and a rules-based international order." Under this. the ministers emphasized providing solutions maritime security, regional cooperation, and healthcare among others. Indian External Affairs Minister Subrahmanyam Jaishankar has acknowledged France as a vital "Indo-Pacific player."

France – GCC Fact Sheet

• France's Trade in Goods with GCC Countries in 2022 (USD)

• source: (https://oec.world/en/profile/country/fra)

Country	Exports	Imports	Balance of Trade
Saudi Arabia	\$2.82 B	\$2.91 B	\$ -90 M
United Arab Emirates	\$3.67 B	\$984 M	\$ 2.686 B
Qatar	\$1.72 B	\$482 M	\$ 1.238 B
Oman	\$287 M	\$20.9 M	\$ 266.1 M
Bahrain	\$136 M	\$121 M	\$ 15 M
Kuwait	\$1.02 B	\$161 M	\$ 859 M

Establishment of Diplomatic Relations:

• France – GCC diplomatic relations: Saudi Arabia (1926), Oman (1970), United Arab Emirates (1972), Qatar (1972), Kuwait (1964), Bahrain (1972)

Current Diplomatic Representation:

Saudi Arabia

- French Ambassador to Saudi Arabia (Riyadh) H.E. Ludovic Pouille
- Saudi Ambassador to France (Paris) H.E. Fahad Al-Ruwaily

Oman

- French Ambassador to Oman (Muscat) -H.E. Véronique Aulagnon
- Omani Ambassador to France (Paris) -H.E. Dr Ghazi bin Said Al-Bahr Al-Rawas

United Arab Emirates

- French Ambassador to the UAE (Abu Dhabi) H.E. Xavier Chatel
- Emirati Ambassador to France (Paris) -H.E. Hend Mana Saeed Al Otaiba

Qatar

- French Ambassador to Qatar (Doha) -H.E. Jean-Baptiste Faivre
- Qatari Ambassador to France (Paris) -H E Sheikh Ali bin Jassem Al-Thani

Bahrain

- French Ambassador to Bahrain (Manama)
 H.E. Jérôme Cauchard
- Bahraini Ambassador to Franche (Paris)
 H.E. Dr. Mohammed Abdulghaffar Abdullah

Kuwait

- French Ambassador to Kuwait (Kuwait City) H.E. Claire Le Flecher
- Kuwaiti Ambassador to France (Paris) -H.E. Mohammad Al-Jedai



Key French Officials with Responsibility for the Gulf Region:

• Ministry of Foreign Affairs

- Catherine Colonna, French Minister of Europe and Foreign Affairs
- Anne Guéguen, Director of Middle East and North Africa Department

• European Parliament

- o Nathalie Loiseau
- François Alfonsi
- Manuel Bufala
- o Salima Yenbou
- Raphaël Glucksmann
- o Jean-Lin Lacapelle
- o Thierry Mariani
- o Bernard Guetta

Key Research Centers and Think Tanks:

- European Council on Foreign Relations
- European Union Institute for Security Studies
- Terra Nova
- <u>Centre d'Etudes Prospectives et d'Informations Internationales</u>
- Institut Montaigne
- <u>French Institute of International</u> Relations (IFRI)
- Académie Diplomatique Internationale
- Foundation for Strategic Research

Key Regional Experts:

- Michel Duclos
- Emma Soubrier
- Dorothee Schmid

- Gilles Kepel
- Stephane Lacroix
- Alain Gresh
- Charles Thépaut

Key Recent Literature:

- <u>Under Macron's leadership, France is</u> <u>leading a middle power strategy in the</u> <u>Gulf. Here's how.</u>
- <u>Introduction: new trends in Gulf</u> <u>international relations and transnational</u> <u>politics</u>
- The Gulf Cooperation Council at 40: <u>Finally Ripe for a Regional Security System?</u>
- <u>A Vanishing West in the Middle East:</u> The Recent History of US-Europe Cooperation in the Region
- Redefining Gulf Security Begins by Including the Human Dimension

4. Key Developments in France-GCC Relations:

France is promoting itself as a Western partner that, although not a replacement for Washington, offers a "convenient and credible" choice to Gulf leaders looking to diversify their partnerships, according to one former French ambassador. France, under Macron, positions itself as a Western middle power favoring a multilateral environment that seeks to avoid becoming entangled in the US-China rivalry.

This French policy has fared better in the United Arab Emirates (UAE) than in Saudi Arabia, but relations with Saudi Arabia are steadily improving including President Macron's visit to Jeddah in December 2021. During that visit, Macron made Lebanon the focal point of his cooperation with Riyadh, proposing a joint humanitarian endeavor



to reintroduce Saudi Arabia to Lebanon after years of disengagement.

Moreover, on February 2, 2023, Jassem Mohamed Albudaiwi, the new Secretary-General of the Gulf Cooperation Council, stressed the importance of strengthening the Gulf-French strategic partnership, in a way that contributes to serving common interests. He expressed these views during a meeting with the French Minister of Europe and Foreign Affairs Catherine Colonna in Riyadh. The two sides discussed ways to strengthen the strategic partnership and Gulf-French relations and develop them in all fields, through the joint action plan for 2023-2028.

France - Saudi Arabia Relations:

Saudi Arabia's Crown Prince Mohammed bin Salman and France's Minister of Foreign Affairs Catherine Colonna discussed ongoing regional and global developments in a meeting held in Riyadh on February 2, 2023. The Crown Prince

and French minister discussed bilateral relations between the Kingdom and France and ways to enhance them in various fields.

- Saudi Minister of Industry and Mineral Resources Bandar Alkhorayef received French Minister Delegate for Foreign Attractiveness and French Trade Nationals Abroad Olivier Becht on December 22, 2022, and his accompanying delegation. During the meeting in Riyadh, they discussed strengthening bilateral cooperation between Saudi Arabia and France in the industrial and mining sectors, and the investment opportunities available to French investors within the framework of the Kingdom's Vision 2030. They discussed bilateral relations between the Kingdom and France and ways to enhance them in various fields. The two also reviewed the efforts both of their countries were taking to deal with regional and international developments.
- Saudi Energy Minister Prince Abdulaziz bin Salman met with French Economy,



Finance, and Industrial and Digital Sovereignty Minister Bruno Le Maire on January 29, 2023, in Riyadh. The two ministers welcomed bilateral relations and discussed prospects for cooperation in the peaceful applications of atomic energy. They also talked about future potential in several energy disciplines, such as renewable energy, clean hydrogen, and electrical connections

- Crown Prince Mohammed bin Salman received a phone call from President Macron on November 13, 2022, where the two sides discussed ways to enhance bilateral ties between their countries within the framework of their strategic partnership, as well as pressing issues of global and regional importance and reviewed efforts which have been made to enhance security and stability.
- French President Emmanuel Macron hosted Saudi Crown Prince Mohammed bin Salman on July 28, 2022, as part of increased Western efforts to court the major oil-producing state amid the war in Ukraine and fostering talks to revive a nuclear deal with Iran.
- President Macron held face-to-face

talks in Saudi Arabia with Crown Prince Mohammed bin Salman on December 4. 2021. Macron considers Saudi Arabia vital to helping forge a region-wide peace deal with Iran, as well as an ally in the fight against Islamist militants from the Middle East to West Africa, and a rampart against the Muslim Brotherhood.

France - Oman Relations:

- Dr. Saud Hamoud Al Habsi, Minister of Agriculture, Fisheries and Water Resources, met with Jean-Yves Le Drian, French Minister of Europe, and Foreign Affairs in Muscat on March 28, 2022. The two explored areas of cooperation related to food security and further developing bilateral relations.
- A strategic dialogue session between the foreign ministries of Oman and France was held at the Foreign Ministry in Muscat on March 13, 2022. The Omani side was chaired by Sheikh Khalifa Alharthy, Undersecretary for Diplomatic Affairs, while the French side was chaired by Anne Gueguen, head of the French



Foreign Ministry's Middle East and North Africa Department. The session reviewed the historical relations binding the two countries and ways to promote bilateral cooperation in the areas of economy and investment. It also explored ways of expanding cultural and scientific exchanges towards wider horizons. The two sides also exchanged views on regional and international issues of common concern. They underlined the importance of supporting all efforts that enhance the pillars of peace and stability.

France, since 2013, supports the Sultanate's efforts to promote its heritage, with continuous support to several archaeological missions, and the presence of researchers from the French Research Centre of the Arabian Peninsula (CEFREPA). The renovation of the Omani - French Museum in Muscat has yet to be completed. A French company is currently positioned for the building of a new museum.

France - United Arab Emirates Relations:

• As part of the French Minister's visit to the UAE, H.E. Dr. Sultan Ahmed Al Jaber, UAE Minister of Industry and Advanced Technology, met with H.E. Bruno Le Maire, Minister of the Economy, Finance, and Industrial and Digital Sovereignty on January 31, 2023. The UAE and France have decided to start a bilateral program to develop commercial and investable prospects to accelerate clean energy development, particularly in the decarbonization of difficult-to-abate industries, such as clean hydrogen solutions for transportation. The program's operations will be officially started during

COP28, with the goal of accelerating project identification and financing, as well as supporting firms contributing to the development of new clean energy solutions with the ability to lower the economic sector's carbon footprint.

- François Delattre held the 14th session of the UAE-France Strategic Dialogue on June 2, 2022. As part of the ambitious 10year bilateral roadmap of the UAE-France strategic partnership (2020-2030) adopted in June 2020, the high-level meeting involved discussions on enhancing key sectors of bilateral cooperation, such as economy, trade and investment, oil and decarbonized hydrogen, nuclear and renewable energy, climate change, education, culture, health, artificial intelligence, food security, fintech. intellectual property rights, anti-money laundering and combating the financing of terrorism, space, and cybersecurity.
- On May 15, 2022, President Macron travelled to the United Arab Emirates to mourn the death of Sheikh Khalifa Bin Zayed Al Nahyan and display his support for the ruling family, with whom France has long held business and military ties.
- Sheikh Abdullah bin Zayed, Minister of Foreign Affairs and International Cooperation, met his French counterpart Jean-Yves Le Drian in Paris on April 8, 2022. They agreed to consolidate strategic ties between the two countries and discussed issues including security and the crisis in Ukraine. Le Drian said France fully supported the UAE following the drone attacks launched by Yemen's Iranbacked Houthi rebels in February. He said that his government also supported measures taken by the UAE to improve its security.

- The Crown Prince of Abu Dhabi, Sheikh Mohamed bin Zayed, visited Paris on September 15, 2021, where he spoke with President Macron about the battle against the coronavirus pandemic and the evacuation of Kabul.
- Florence Parly, former French Minister for the Armed Forces, was received by Mohammed bin Ahmed Al Bowardi, Minister of State for Defense Affairs on November 16, 2020. The meeting focused on bilateral relations and ways to enhance them, particularly in the fields of joint defense. Also discussed were the two countries' efforts to contain the spread of COVID-19 and how to mitigate its impacts.
- François Delattre visited Abu Dhabi to co-chair the UAE-France Strategic Dialogue and stated France's commitment to enhance and renew its strategic partnership with the United Arab Emirates on January 26, 2020. The visit gave him the opportunity to meet with H.E. Dr. Anwar Gargash, the UAE Minister of State for Foreign Affairs, to discuss regional and international issues and to strengthen the bilateral relationship.
- H.H. Sheikh Abdullah bin Zayed Al Nahyan, Minister of Foreign Affairs and International Cooperation met with Jean-Yves Le Drian, French Minister for Europe and Foreign Affairs, in Paris on January 24, 2020. During the meeting, Sheikh Abdullah and Le Drian discussed ways to enhance the bilateral relations between the two countries and cooperation in all domains, especially in education, technology, and culture. They also reviewed regional developments and issues of mutual interest, particularly the events in Libya, Iran and Sudan.

France - Qatar Relations:

- H.E. Deputy Prime Minister and Minister of Foreign Affairs Sheikh Mohammed bin Abdulrahman Al-Thani met with H.E. Minister for Europe and Foreign Affairs of the French Republic Catherine Colonna in Paris on July 11, 2022. The meeting dealt with reviewing bilateral cooperation and the means to enhance them, particularly in the economic field. They also discussed regional and international developments, particularly the Palestinian issue, Iran's nuclear deal, and developments in Libya, Lebanon, Ukraine, Chad, and Afghanistan. They also exchanged views on several issues of joint interest.
- Qatar's Amir Sheikh Tamim bin Hamad Al Thani held a "working dinner" with French President Emmanuel Macron in Paris on May 29, 2022. The two leaders discussed bilateral ties and issues of common concern, though no further details related to the meeting have been disclosed.
- The first round of strategic dialogue between the governments of the State of Qatar and the French Republic was held in Doha between 27-28 of March 2022. Deputy Prime Minister and Minister of Foreign Affairs H.E. Sheikh Mohammed bin Abdulrahman Al-Thani chaired the Qatari side in the strategic dialogue round. Minister for Europe and Foreign Affairs of the French Republic H.E. Jean-Yves Le Drian headed the French side. During the round, they discussed bilateral cooperation relations between the two countries and means of supporting and developing them, several political and economic issues, and international developments, in addition to issues of common interest, especially Chadian reconciliation, political

developments in Lebanon, Afghanistan, the Palestinian cause, Libya, and the Iranian nuclear file.

- The Milipol Qatar event took place with a visit from Gérald Darmanin (French Minister of the Interior) and included a total of 20 French cyber and civil defense conglomerates in the trade fair on May 24, 2022. The main goal behind the participation of French firms was to position themselves for anti-drone contracts for the FIFA World cup in Qatar and to hitch themselves to the development of Qatar's local defense industry.
- President Macron conducted a visit to Doha on December 4, 2021. He was welcomed by Sheikh Tamim bin Hamad Al Thani, Amir of the State of Qatar. During their meeting in Doha, they agreed on the need to develop bilateral cooperation in all areas ahead of the 50th anniversary of the establishment of diplomatic relations between the two countries. Both sides reaffirmed their desire to hold the next session of the French-Qatari Strategic Dialogue in Doha in early 2022.Two agreements were signed during the visit:
 - a memorandum of understanding between H.E. Mr. Bruno Lemaire, Minister of the Economy, Finance and Recovery and H.E. Mr. Ali bin Ahmed Al Kuwari, Finance Minister of Qatar.
 - A letter of intent between H.E. Mrs. Roselvne Bachelot, Minister of Culture and H.E. Sheikh Abdulrahman bin Hamad Thani, Minister of Culture on **Cultural Cooperation**
- The signature of an intergovernmental agreement on March 15, 2021, established

a security collaboration for the 2022 FIFA World Cup, indicating France's commitment to assist Qatari security forces in the planning and execution of the major event. With the ratification of the agreement defining the position of the security forces in 2019, significant progress was made.

France - Bahrain Relations:

- Minister for Europe and Foreign Affairs Catherine Colonna welcomed her Bahraini counterpart, Abdullatif bin Rashid Al Zayani, in conjunction with the King of Bahrain's visit to Paris on August 29, 2022. France and Bahrain celebrated the 50th anniversary of their bilateral relationship and the ministers expressed their desire to strengthen every aspect of the partnership ahead of that year's High Joint Commission session. They expressed their commitment to strengthening regional security and stability in the Middle East. This would entail a prompt return to compliance with the JCPOA, strengthening efforts to restore political prospects for resolving the Israeli-Palestinian conflict, and working to resolve the crises in Yemen, Syria, Lebanon and Iraq. The Minister for Europe and Foreign Affairs expressed her deep concern over Russia's war of aggression in Ukraine, whose consequences particularly regarding energy and food are having a serious impact on Europe and the Middle East.
- King Hamad bin Isa Al Khalifa and President Macron discussed ways to enhance the deep-rooted Bahrain-France friendship and cooperation at all levels on August 29, 2022. His majesty arrived in France in response to an invitation from



President Macron. They held an official talk at the Elysse Palace, where an official reception ceremony was held in H.M.'s honor. The talks focused on developing bilateral relations towards broader horizons, particularly in the economic, trade and investment, cultural and tourism sectors to achieve common interests.

France and Bahrain have celebrated their 50 years of diplomatic relations amid renewed commitment by the two countries to boost ties, strengthen their partnership, and widen cooperation across various areas on February 16, 2022. The French embassy in Manama hosted a ceremony that highlighted the multidisciplinary French presence in Bahrain and the strong deep-rooted ties between the two countries. French Ambassador Jérôme Cauchard hosted the event in the presence of Foreign Affairs Ministry Undersecretary for Political Affairs, Dr. Shaikh Abdullah bin Ahmed Al Khalifa. The undersecretary expressed pride in the robust relations, noting the exchange of expertise during these years of coordination in all fields.

France - Kuwait Relations:

- Kuwaiti Minister of Foreign Affairs Sheikh Dr. Ahmad Nasser Al-Mohammed Al-Sabah and his French Counterpart, Minister of Europe and Foreign Affairs Jean-Yves Le Drian discussed the bilateral ties and ways to enhance them on March 29, 2022. Both sides tackled topics of mutual interest and cooperation between Kuwait and France in a number of fields.
- On October 23, 2020, the nongovernmental Union of Consumer Cooperative Societies, which represents over 70 establishments in Kuwait, issued a boycott edict. Several co-ops had cleaned the shelves of things made by French

companies, such as hair and beauty products. According to union director Fahd Al-Kishti, all French products have been removed from all co-ops in reaction to "repeated insults" to the Prophet and have been taken independently of Kuwait's government.

5. Supporting Documents

Araa Magazine

- The Kingdom is the first market for France and the strategic partner in the Middle East. French Politics: a strategic partnership with Saudi Arabia based on constants and mutual interests., 2017
- Europe is serious about confronting Turkey and America will not abandon Greece and France, 2020
- France retracts Haftar's choice and for negotiations and new elections for a solution in Libya, 2020
- Britain raises the challenge in the face of France, and planning before the OCOS agreement began, 2021
- President Macron's visit to Algeria to reconcile and meet France's energy needs, 2022

GRC interviews:

• The Ukraine Crisis and the Gulf: A Saudi Perspective (Institut Montaigne)

