

**Gulf Research Center**  
Knowledge for All

# Spain - GCC Relations



## 1. Key Domestic Developments

2023 is set to be a very busy year for Spanish voters, as they will head to the polls in May for municipal elections and again in December for general elections. How the elections play out will be crucial, as Spain is currently amid a particularly difficult and polarized political climate. The Socialists have been a minority in power since June 2018, after winning a no-confidence motion against the conservative Popular Party (PP) led by Mariano Rajoy. The no-confidence vote came after the PP leadership came under scrutiny for corruption, and with the support of separatist and hard-left parties, and after winning the general election in November 2019, the Socialists party has been part of Spain's first coalition government since the 1930s, again in a minority, with Unidas Podemos (UP). The local elections in May will determine whether or not the Socialists will continue in power, with 8,131 municipalities and the governments of 12 of the country's 17 regions up for grabs. The Socialists received 6.65 million votes and 22,329 councilors in the 2019 municipal elections, the PP received 5.05 million votes and 20,325 councilors, the would-be centrist Ciudadanos (CS) received 1.87 million votes and 2,788 councilors, and the hard-right VOX received 659,736 votes and 530 councilors.

The rebellious Premier of Madrid, Isabel Daz Ayuso, sought a sudden local election in 2021 and won resoundingly, although the region still needs to hold an election in May. The PP more than doubled its members in the 136-member assembly to 65, more than the three left-wing parties combined. Her triumph fell four seats short of an outright majority. She governs with the assistance of VOX. Meanwhile, CS lost all 26 of its seats in the 2019 election. The PP even took over the 'red belt' regions of Madrid's south. The elections in May will be critical for the survival of CS, which has failed to forge itself as a centrist party in its 17-year existence and appears to be on the edge of extinction, as well as for the consolidation of VOX, founded in 2013, as a permanent presence

to the right of the PP. The most recent poll on a general election, which some analysts believe would be conducted on December 10 at the end of Spain's six-month EU presidency, shows VOX losing seats (to the PP) in the national parliament and CS disappearing.



The PP's rage at the government's catering to Catalan secessionists to retain power lies at the heart of the standoff. Parliament reformed the archaic law of sedition (which had remained virtually unchanged since 1822) that was used to sentence nine separatist leaders to prison terms ranging from nine to thirteen years in 2019 after they were found guilty of sedition and misappropriation of public funds, for organizing the illegal 2017 referendum. In 2021, they were partially pardoned. Prime Minister Pedro Sánchez believes he has done enough to defuse the Catalan independence crisis, which arose during the PP's tenure, and sees no cause for the Mesa de Diálogo to convene again. Independence has lost popularity. Pèrre Aragonès, the ERC leader and current Catalan Premier, appears to have ruled out unilateral independence, much to the chagrin of Together for Catalonia, the other pro-independence party, but remains committed to a referendum agreed upon with Madrid.



## Key Spanish Economic and Demographic Data

Spain's economy is a well-developed social market economy. It has the world's sixteenth-largest nominal GDP and Europe's sixth largest. Spain is a member of the European Union, the eurozone, and the Organization for Economic Cooperation and Development, as well as the World Trade Organization. In 2021, Spain was the world's twentieth-largest exporter and sixteenth-largest importer. The automotive industry, medical technology, chemicals, shipbuilding, tourism, and the textile industry are some of the most important economic sectors.

- GDP: \$1.389 trillion (2022)
- GDP per capita: \$46,511 (2022)
- Annual Growth Rate: 5.2%
- Inflation: 6.8% (December 2022)
- Population: 47 million
- Unemployment Rate: 13.5 % (March 2022)
- Exports (Goods and Services): \$887 B
- Imports (Goods and Services): \$972 B
- Credit Rating:
  - Standard & Poor: A with a stable outlook
  - Moody: Baa1 with a stable outlook
  - Fitch: A- with a stable outlook

## 2. Spanish Foreign Policy

Spanish foreign policy aims to address four major global fault lines. The first is a socioeconomic fault line, with increasingly concentrated wealth accumulation, a less fair playing field, and growing disparities within countries, all exacerbated by the lack of a new economic paradigm since the Great Recession of 2008. The second is an environmental and demographic fault line that translates into restrictions for human development and well-being, as well as severe migratory concerns. The third is a technical fault line, with rapid change creating development gaps between countries and areas, presenting tremendous challenges but also massive potential. Lastly, and more broadly, there

is a political and governance divide caused by a lack of public trust in institutions.

Spain's responses to these global challenges are characterized by four main lines of action. First, to promote full and guaranteed human rights in its foreign policy, including support for democratization. Second, the commitment to an equitable economy and an integrated and inclusive society, which revises the parameters of growth and well-being, works towards the creation of a new global and intergenerational social contract, and promotes fair norms on a global level. Third, the defense of a more sustainable, resilient, habitable, and greener planet, where one aspires to be at the forefront in terms of climate diplomacy issues like combating desertification. Finally, a determined commitment to the improvement of global governance mechanisms, beginning with strengthening the European project itself, intensifying its social dimension and proximity to citizens, and focusing on achieving the goals of the 2030 Agenda.

Spain's top priorities in the Maghreb and Middle East regions are: (1) promoting an area of security and political stability to address threats such as terrorism and organized crime; (2) building an area of shared prosperity by strengthening economic ties; (3) promoting democratic values and human rights; (4) fostering cultural and human contacts; (5) fostering regional integration through existing formats such as the Union for the Mediterranean (UfM) and the 5+5 Dialogue; (6) managing the growing migration flows through the Western Mediterranean and Atlantic routes; (7) strengthening energy and climate dialogue; (8) contributing to economic recovery through business activity and economic diplomacy; and (9) contributing to UN efforts to reach a political solution to regional disputes in accordance with international parameters.

The Union for the Mediterranean (UfM) was founded in pursuit of such value projection but has proven to be largely unsuccessful. The UfM's entire architecture has suffered because of its



inability to deliver concrete outcomes. The summit of the Heads of State and Government of the UfM Member States was repeatedly postponed. The UfM's hidden flaws have now been revealed: it is impossible to separate socioeconomic progress from peace and improved domestic and regional political conditions. Furthermore, it is necessary to clarify the ambiguity surrounding its primary goal and mission: it is sometimes presented as a political dialogue, having been entrusted with the functions originally covered by the EMP's "political and security pillar," and sometimes as an economic dialogue based on sectoral projects.

In relation to Morocco and the Western Sahara, Sanchez assigned the pro-Moroccan diplomat and former ambassador to Paris José Manuel Albares as Minister of Foreign Affairs to appease Moroccan King Mohammed VI after a row of malware attacks and a halt to border patrols which indirectly facilitated the arrival of migrants to the Spanish Canary Islands. Eventually, Sánchez caved on the biggest issue of all—in a letter to King Mohammed VI, Sánchez dubbed the 2007 Moroccan proposal of Sahrawi autonomy under Rabat's control in Western Sahara "the most serious, credible, and realistic basis" toward resolving the conflict. The pivot has sparked widespread condemnation across the political spectrum, a rarity in Spain's fragmented political landscape. Above all, the u-turn has enraged Algeria, the EU's third-largest gas provider during the current energy crisis.

Thus yet, the administration has had little to show for its efforts. Although border crossings between Morocco and the two North African exclaves of Ceuta and Melilla have opened—but without customs checks, as Spain had promised earlier—Morocco has remained hostile. According to Amnesty International, "Moroccan authorities have increased their persecution of human rights defenders and activists in the last two months." Algeria condemned Morocco's bombing of a truck caravan on the border between Mauritania and Western Sahara in April 2022.

## 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.
- Spain approved the release of two million barrels of oil from its "strategic reserves" in a coordinated action with the International Energy Agency (IEA) to support the Ukrainian army in March 2022.
- On Ukraine's future, Prime Minister Sanchez emphasized the importance of supporting the country's reconstruction. As a result, Spain announced a contribution of approximately 250 million euros through the World Bank and the European Bank for Reconstruction and Development during the Lugano Conference on Ukraine's Recovery in July 2022.
- Spain has taken in more than 130,000 Ukrainians as refugees, sent several tons of humanitarian aid to Ukraine and neighboring countries, committed more than 31 million euros to Ukraine for humanitarian aid, 7 million of which will be dedicated to reinforcing the protection of women and minors through UNICEF and the United Nations Population Fund. Furthermore, Spain provided 2.5 billion euros to the European Peace Fund.
- In a joint news conference, the two Social Democrat leaders, Prime Ministers Olaf Scholz and Pedro Sanchez, who respectively run the European Union's first and fourth largest economies, played down their differences on how to approach Europe's energy crisis in the wake of Russia's invasion of Ukraine. They vowed to strengthen their alliance and doubled down on their plan to build a new Pyrenean gas pipeline despite opposition from mutual neighbor France. The completion of the pipeline by 2025 is



considered paramount to achieve a truly robust internal energy market within the EU and to accelerate the green transition and reinforce EU’s strategic autonomy considering its energy crisis.

### Spain – GCC Fact Sheet

- **Spain’s Trade in Goods with GCC Countries in 2022 (USD)**

source: (<https://oec.world/en/profile/country/esp>)

Country	Exports	Imports	Balance of Trade
Saudi Arabia	2.18 B	2.49 B	-0.31 B
United Arab Emirates	1.77 B	375 M	1.395 B
Qatar	424 M	386 M	38M
Oman	249 M	29 M	220 M
Bahrain	151 M	130 M	21 M
Kuwait	361 M	63.5 M	297.5 M

### Establishment of Diplomatic Relations:

Saudi Arabia: 2006

Oman: 1972

United Arab Emirates: 1972

Qatar: 1972

Kuwait: 1964

Bahrain: 1971

### Current Diplomatic Representation:

#### Saudi Arabia

- Spanish Ambassador to Saudi Arabia (Riyadh) - H.E. Jorge Hevia Sierra
- Spanish Interior attaché in Riyadh - D. Carlos Yuste González

- Spanish Defense attaché in Riyadh - Coronel José María Bonastre Cenarro
- Saudi Ambassador to Spain (Madrid) - H.E. Azzam bin Abdulkarim Al-Qain

#### Oman

- Spanish Ambassador to Oman (Muscat) - H.E. Maria Luisa Huidobro Martin-Laborda
- Omani Ambassador to Spain (Madrid) - H.E. Omar bin Said Alkathiri

#### United Arab Emirates

- Spanish Ambassador to the UAE (Abu Dhabi) - H.E. Iñigo de Palacio España
- Spanish Interior attaché in Abu Dhabi - Teniente Coronel D. Joaquín Rebollo González
- Spanish Defense attaché in Abu Dhabi - Coronel José M<sup>a</sup> Bonastre Cenarro
- Emirati Ambassador to Spain (Madrid) - H.E. Omar Obaid Alshamsi

#### Qatar

- Spanish Ambassador to Qatar (Doha) - H.E. Javier Carbajosa Sanchez
- Qatari Ambassador to Spain (Madrid) - H.E. Abdulla Ibrahim Al-Hamar





### *Bahrain*

- Spanish Ambassador to Bahrain (Residing in Kuwait ) - H.E. Miguel José Moro Aguilar
- Spanish Honorary Consul to Bahrain - H.E. Omar-Javier Baba Quiros
- Bahraini Ambassador to Spain (Relating through Paris) - H.E. Dr. Mohammed Abdulghaffar Abdullah

### *Kuwait*

- Spanish Ambassador to Kuwait (Kuwait City) - H.E. Miguel José Moro Aguilar
- Kuwaiti Ambassador to Spain (Madrid) - H.E. Khalifa Al-Kharafi

### *Key Spanish Officials with Responsibility for the Gulf Region:*

- **Ministry of Foreign Affairs**
  - José Manuel Albares Bueno, Spanish Minister of Europe and Foreign Affairs
  - Alberto José Ucelay Urech, Director of the MENA program
  - Pablo Barbara Gomez, Assistant Director for the Middle East
  
- **European Parliament**
  - Antonio Lopez-Isturiz White: Christian Democrats – Delegation for relations with the Arab peninsula (DARP)
  - Jose Ramon Bauza Diaz: Renew Europe Group – DARP
  - Jordi Solé: Greens – Delegation for relations with the Maghreb countries and the Arab Maghreb



Union, including the EU-Morocco, EU-Tunisia and EU-Algeria Joint Parliamentary Committees (DMAG)

- Manu Pineda: The Left – Chair of the Delegation for relations with Palestine, Delegation for relations with the Mashreq countries

### Key Research Centers and Think Tanks:

- [Barcelona Centre for International Affairs](#)
- [Elcano Royal Institute](#)
- [Real Academia de Ciencias Morales y Políticas](#)
- [Instituto Español de Estudios Estratégicos](#)
- [Institut Barcelona Estudis Internacionales](#)
- [European Institute of the Mediterranean](#)

### Key Regional Experts:

- [Dr. Charles Powell CMG](#)
- [Haizam Amirah Fernández](#)
- [Dr. Federico Steinberg](#)
- [Eduard Soler](#)
- [Eckart Woertz](#)
- [Pol Morillas](#)

### Key Recent Literature:


- [What will the EU do if the Arab revolts return?](#)
- [Heightened tensions in the Maghreb](#)
- [A moment to reflect: Creating Euro-Mediterranean bonds that deliver](#)

### 4. Key Developments in Spain-GCC Relations:

The Kingdom of Spain enjoys healthy and vibrant relations with the GCC states. Like many other European countries, Spain was caught in a row over its supply of arms to Saudi Arabia but remained steadfast and continued its shipments citing its concern for Spanish port jobs in doing so. In recent years, there has been little or no mention of arms trades with the GCC states, but plenty talk of development in the sectors of investment, tourism, and culture. Alongside the UAE and Qatar, Spain has developed strategic partnerships based on strong economic ties and two-way private sector accessibility. Oman is in talks to join the UAE and the Schengen free club specifically for travel to Spain, which would contribute to diplomatic and tourism relations. The Spanish Ambassador to Kuwait seemed ambivalent regarding the relationship with Kuwait in his last visit to its’ capital and hoped for more progress in economic relations. This disappointment most likely comes because of the political deadlock in Kuwait and not due to any frictions with the Kuwaiti government.

### Spain - Saudi Arabia Relations:

- The Saudi ministries of investment and tourism held the Saudi-Spanish Investment Forum with the participation of a large commercial and public delegation from both sides on the 5th of June 2022. The forum enabled private sector partnerships and explored new opportunities in various sectors. The Kingdom’s Minister of Investment Khalid Al-Falih, Minister of Tourism Ahmed Al-Khateeb, and Spanish Minister of Industry, Commerce and Tourism Reyes Maroto attended the event, along with government and private sector officials, and representatives of major Saudi and Spanish companies.
- A high-level delegation from the Kingdom of Saudi Arabia, including key government



and private sector figures, traveled to Madrid to represent the Kingdom at the third Saudi-Spanish Joint Committee (SSJC), as Saudi Arabia and Spain look to further strengthen their longstanding bilateral relations, on the 19th of October 2022. The Kingdom's delegation was led by the Minister of Economy and Planning and included representatives from more than ten other ministries.

- Saudi Arabia's Deputy Foreign Minister Waleed Al-Khuraji attended a ceremony at the Spanish embassy in Riyadh on the 15th of January 2023. The occasion of the meeting was to commemorate the Kingdom's hosting of the 2023 Spanish Super Cup. The Saudi minister was welcomed by Spain's ambassador to the Kingdom, Jorge Hevia Sierra, who lauded the two kingdoms' improved connections in many disciplines, including sports.

### *Spain - Oman Relations:*

- The Foreign Ministry of Oman and the Kingdom of Spain had a virtual round of political consultations on the 18th of May 2021. The meeting was presided over by His Excellency Shaikh Khalifa bin Ali bin Isa Al Harthy, Undersecretary of the Foreign Ministry for Diplomatic Affairs on the Omani side, and Her Excellency Cristina Gallach Figueres, Minister of State for Foreign Affairs on the Spanish side. The two parties addressed numerous methods to boost and strengthen bilateral relations between the two friendly countries in various spheres, as well as regional and international issues of mutual importance.
- Sayyid Badr bin Hamad al Busaidi, Minister of Foreign Affairs, received a phone call from José Manuel Albares, Minister of Foreign Affairs of the Kingdom of Spain,

about bilateral relations between the two friendly countries, the development of cooperation in various fields, and the intention to sign more bilateral cooperation agreements on October 14, 2022. During the call, the Spanish minister expressed his country's support for reciprocal exemption of official visas between the two nations, as well as at the European Schengen Visa level.

### *Spain - United Arab Emirates Relations:*

- The UAE and Spain investigated expanding their defense connections and strengthening partnerships between respective defense businesses on the 7th of February 2020. This came as Major General Pilot Isaac Saleh Mohammed Al Baloushi, Assistant Undersecretary for Defense Industries and Development at the Ministry of Defense, met with Spanish Secretary of State for Defense, Angel Olivares, at the Spanish Ministry of Defense's headquarters in Madrid, in the presence of high-ranking officials from both sides and members of the UAE Embassy in Madrid. During the meeting, bilateral cooperation connections were reviewed, as well as several subjects of mutual importance.
- The Prime Minister of Spain, Pedro Sánchez, paid an official visit to the UAE, to celebrate Spain Day at the Dubai Expo on the 3rd of February 2022. Pedro Sánchez and Crown Prince Mohammed Bin Zayed of Abu Dhabi signed a joint statement of broad political and economic significance that creates a strategic partnership between Spain and the UAE. It was the first trip by a Spanish Prime Minister to the UAE since 2011. The visit had two objectives:





to support and strengthen the presence of Spanish companies in the UAE within the framework of the Universal Exposition; and to relaunch the relationship between Spain and the Emirates, raising it to a strategic level “in a multidimensional and mutually beneficial way”, as the Prime Minister stressed, saying he was “satisfied that both objectives have been met.”

- Dr. Thani bin Ahmed Al Zeyoudi, UAE Minister of State for Foreign Trade, held a meeting with Xiana Mendez, Secretary of State for Trade at the Spanish Ministry of Industry, Trade and Tourism, and discussed strengthening the trade and economic cooperation on the 23rd of February 2023. Emphasizing the deep historic relations between the UAE and Spain, Al Zeyoudi pointed out that both leaders remain keen

on enhancing the existing cooperation as part of their respective economic development visions. Al Zeyoudi said, “the bilateral trade figures demonstrate the rapid growth of the UAE-Spain economic relations. Our non-oil trade exchanges exceeded US\$2.6 billion in 2022. The UAE’s non-oil exports to Spain totaled US\$360 million last year while re-exports amounted to US\$181 million.”

#### *Spain – Qatar Relations:*

- The Prime Minister of Spain, Pedro Sánchez, received the Emir of Qatar, His Highness Sheikh Tamin Bin Hamad Al Thani, at Moncloa Palace on the 50th anniversary of their diplomatic relations on the 18<sup>th</sup> of May 2022. The Emir of Qatar was making his first official visit to Spain.



Spain and Qatar agreed to elevate their bilateral relations to a strategic partnership, deepening the two nations' economic and political connections. Although economic and investment links were already vital, and there had always been strong cultural and friendly ties, Pedro Sánchez believes that with the new strategic alliance, they will be given a significant boost.

- The Spanish National Day was held in Doha, Qatar, at the Ritz Carlton Doha Hotel, organized by the embassy in collaboration with the Chamber of Commerce of Spain in Qatar on October 12, 2022. It was inaugurated with a speech by Ambassador Javier Carbajosa Sánchez where he spoke about the 50th anniversary of the establishment of diplomatic relations between the two countries and where he remarked that “at the political level, 15 bilateral agreements and MOUs have been signed during the past two years, ranging from very diverse areas such as education, economy, and science. In addition, Spain has agreed with Qatar on a visa-waiver agreement for diplomatic and special passports. Moreover, Spain supports the on-going negotiations between the State of Qatar and the European Commission to lift the visa requirement for Qatari nationals” and added that “during 2021, bilateral trade rose by 34%, scoring a value close to €1 billion. Furthermore, during the first seven months of 2022 bilateral trade rose by 31% driven by the increasing demand of Qatari products from Spain.”

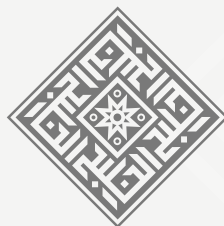
### *Spain - Bahrain Relations:*

- The Minister of Foreign Affairs, Dr. Abdullatif Al Zayani received the Kuwait-based Ambassador of Spain to Bahrain Miguel Jose Moro Aguilar on the 21st

of October 2021. Dr. Al Zayani and the Spanish ambassador reviewed the excellent ties between the two countries and ways of propelling them to higher levels. The meeting also touched on regional and international issues of common interest.

### *Spain - Kuwait Relations:*

- Speaking to businessmen and representatives of foreign companies on October 1, 2022, Spanish Ambassador to Kuwait, Miguel Aguilar, said the diplomatic relations with Kuwait have been historically excellent, but have yet to reach their full potential in terms of economic ties. Ambassador Aguilar went on to say: “We have to be serious in developing these relations in all fields, especially the economic, to raise the level of political and diplomatic relations between our two countries; we can do better, and we are striving to do just that.”



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