

# France - GCC Relations







## 1. Key Domestic Developments

In April 2022, President Emmanuel Macron was reelected for a second five-year term as the President of France. However, his party, Renaissance, and its allies lost their parliamentary majority in the June legislative election that same year. Governing as a minority administration has resulted in slower policymaking, with reform ideas dulled down to gain opposition support or possibly get more measures approved controversially by decree.

Following a failed pension reform attempt in 2019, which was thwarted by the coronavirus outbreak, the renewed attempt to push through these reforms in 2023 represented 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 currently required minimum of 62 years in France. Macron's plan to raise the retirement age to 64 years 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 and eliminating some special retirement programs.

The explosive social climate in France was underscored in July 2023 after a 17-year-old boy was shot by police near Paris, resulting in a series of violent protests. Forty-five thousand police officers, including special forces, were deployed to respond to the protests across many cities in France, including Paris, Marseille, and Lyon. France's Ministry of Interior reported over 1,300 detentions and over 2,500 recorded fires. These protests further threatened economic growth prospects in France, which is already suffering from 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 France's and the EU's demand picture.

In January 2024, President Macron appointed 34-year-old Gabriel Attal as his new Prime Minister, making him the youngest Prime Minister in French history. Attal, who is considered a "popular and media-savvy rising star of French politics," has been focusing on the widespread public discontent over last year's pension reforms. President Macron has also nominated various new government officials in the ministries of interior, foreign affairs, defense, and gender equality and





the fight against discrimination, among others. These actions signal President Macron's goal to improve his centrist party's chances in the European Parliament elections set for June 2024.

France is also facing domestic issues ahead of the Paris 2024 Olympics. The issue of hijabs and secularism has resurfaced after France decided not to allow its athletes to wear head coverings, even for religious purposes. Other issues such as the crises in Ukraine and Gaza, disputes over public transport and transport workers and police unions' strikes, terrorism, homelessness, and the bouquinistes ban, all could interfere with the 2024 Olympics.

## Key French Economic and Social Data

GDP: \$3.18 trillion (2024)

GDP per capita: \$48.22 thousand (2024)

Annual Growth Rate: 1.3% (2024)

Inflation: 2.8% (2024)

Population: 66.02 million (2024)

Unemployment Rate: 7.3% (2024)

Credit Rating: Standard & Poor: AA with a negative outlook. Moody: Aa2 with a stable outlook. Fitch: AA- with a stable outlook. DBRS: AA (high) with a stable outlook.

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%. Following a period of near-stagnation in the second half of 2022, the French economy fared only slightly better in 2023 with GDP increasing by 0.9% for the year. High inflation and tighter financial conditions restrained growth, despite government support and a favorable labor market.

## 2. French Foreign Policy

President Macron has outlined priorities on three fronts: First, he shared his plan for a renewed partnership, including his ambition to develop a new model of ties with Africa in February 2023. However, he has only sketched 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 attempted to make its strategy on the continent more appealing, calling for a "new, balanced, reciprocal, and responsible relationship" with Africa while respecting African identities. President Macron is now seeking to promote an economic model in the "land of competition," moving away from simply providing foreign aid, to taking a more partnership and investment-based approach.

The 2023 coup in Niger, however, revealed strong anti-French sentiment after then-Nigerian President Mohamed Bazoum was accused of being "a puppet for French interests." The junta led by General Abdourahmane Tchiani revoked five military deals with France, and thousands of Nigeriens, in favor of the coup, staged protests and demonstrations at the French embassy. In late December, France completed the withdrawal of its troops, ending years of on-the-ground military support. This raised concerns from analysts about a gap in the fight against jihadi violence across the Sahel region of Africa.

Second, a review of Paris' Middle East strategy is also on the table. France, once a significant regional force, has not been able to re-establish itself as an eternal force with influence given that despite President Macron's mediation efforts, he failed to resolve the crises in either Syria or Libya. Similar shortcomings can be seen in Lebanon



where requests that the government form a new cabinet of ministers and implement structural reforms, following the explosion in the Port of Beirut in 2020, were not implemented or followed up upon. France's revision of its Middle East policy also comes against the backdrop of other regional countries, such as Türkiye, becoming more active in regional affairs.

Like other European leaders, President Macron initially asserted Israel's right to self-defense and called for a strong and fair response to Hamas's attack following the attacks of October 7, 2023. Since then, Macron has gradually shifted towards a more even-handed approach also in response to the internal debate in France and the global discussions on Israel and Gaza, He became the first European leader to visit Palestinian President Mahmoud Abbas in the West Bank and has called for the Israeli government to clarify its objectives in the Gaza Strip. As part of its oral statement delivered on February 21, 2024, before the International Court of Justice, France highlighted that Israel's settlement activity contradicts international law and must be halted. It further emphasized that the current Israeli policy not only obstructs the prospects for lasting peace but also serves as a catalyst for violence and tensions on the ground. Paris has further denounced the largescale Palestinian civilian casualties and criticized the lack of sufficient humanitarian aid deliveries into Gaza.

Third, there is the issue of furthering French policy in the Indo-Pacific. In 2018, Paris stated its intentions in this region 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 to extend the European Union's naval presence and the rapid execution of the EU's new Indo-Pacific strategy. 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 OUAD, remains questionable.

One example of this is President Macron's recent policy statements on possible troop deployment to Ukraine, which led to pushback from other European leaders, such as Germany's Chancellor Olaf Scholz, who ruled out the idea of European or NATO ground forces inside Ukraine. The recent friction between the two leaders comes from Scholz's continuous refusal to consider providing long-range Taurus cruise missiles to Ukraine. The rift between Germany and France is seen as a key impediment to better coordinated EU responses on a range of issues.

## Key Foreign Policy Initiatives

- In June 2023, France called for adopting a New Global Financing Pact. President Macron held the Summit on 22 and 23 June 2023, intending to discuss common challenges relating to development.
- During the visit of French Foreign Minister Catherine Colonna to India in September 2022, an agreement was made to set up a separate trilateral framework with Australia and the UAE. The year 2023 marks 25 years of the Indo-French Strategic Partnership.
- On 23 and 24 June 2022, the Heads of State and Government meeting in the European Council granted candidate status to Ukraine and Moldova for EU membership.



## 3. France-GCC Fact Sheet

France's trade in goods with GCC countries in 2022 (Millions, USD):

Country	Exports	Imports
Saudi Arabia	4,058.53	6,932.66
United Arab Emirates	4,672.59	2,573.25
Qatar	914.99	3,746.08
Oman	228.45	289.04
Bahrain	193.17	205.17
Kuwait	961.77	1,794.17

Source: IMF DATA – Direction of Trade Statistics (DOTS)

## Establishment of Diplomatic Relationships

France-GCC Diplomatic Relations: Saudi Arabia (1926), Oman (1972), United Arab Emirates (1972), Qatar (1972), Kuwait (1964), and Bahrain (1972).

## Key Research Centers and Think Tanks

- Institut Montaigne
- French Institute of International Relations

## (IFRI)

- Académie des Métiers de la Diplomatie
- Foundation for Strategic Research
- **European Council on Foreign Relations**
- European Union Institute for Security Studies
- Terra Nova
- Centre d'Etudes Prospectives et d'Informations <u>Internationales</u>

## Selected Key Regional Experts

- Michel Duclos
- Emma Soubrier
- **Dorothee Schmid**
- Gilles Kepel
- Stephane Lacroix
- Alain Gresh
- Charles Thépaut



## 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. Under President Macron, France 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 UAE than in Saudi Arabia. However, 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. The two countries also further solidified their bilateral partnership following the Crown Prince's visit to Paris in June 2023.

Moreover, on February 2, 2023, while meeting with the French Minister of Europe and Foreign Affairs, Catherine Colonna, in Riyadh, H.E. Jassem Mohamed Albudaiwi, Secretary-General of the Gulf Cooperation Council, expressed the importance of enhancing Gulf-French cooperation to be more mutually beneficial, in a way that better serves common interests. The two leaders reviewed how to develop relations between them through the Joint Action Plan for 2023-2028.

### France-Saudi Arabia

- In December 2023, discussions on economic cooperation, global aid initiatives, and human rights were held at a conference in Riyadh with leading government and business representatives from Saudi Arabia and France. Dr. Abdullah Al-Rabeeah, supervisor-general of the Kingdom's aid body KSrelief, briefed Amelia Lakrafi, chair of the French-Saudi Parliamentary Friendship Committee, on the nation's efforts worldwide.
- Saudi Minister of Defense Prince Khalid bin Salman bin Abdulaziz held a meeting in Paris in December 2023 with several heads of leading French industrial companies as part of his official visit to France. They reviewed promising cooperation opportunities in the field of military industries, research and development, as well as technology transfer and localization in accordance with the Kingdom's Vision 2030.
- In July 2023, Saudi Arabia's Energy Minister,





Prince Abdulaziz bin Salman, and French Energy Minister, Agnes Pannier-Runacher, signed a memorandum of understanding to cooperate in energy fields. The MoU focuses on clean energy and calls for establishing a "French-Saudi task force"

- Saudi Arabia's Crown Prince Mohammed bin Salman met with President Macron in Paris in June 2023, as well as participated in the Summit for a New Global Financial Pact and attended a reception for the Kingdom's candidacy to host Expo 2030.
- On February 2, 2023, Saudi Arabia's Crown Prince Mohammed bin Salman and France's Minister of Foreign Affairs Catherine Colonna met in Riyadh to discuss ongoing regional and global developments. They discussed their bilateral relations and ways to enhance them in several fields.
- Saudi Energy Minister Prince Abdulaziz bin Salman met in Riyadh with French Economy, Finance, and Industrial and Digital Sovereignty Minister Bruno Le Maire on January 29, 2023. The two ministers welcomed bilateral relations and discussed opportunities for collaboration in the peaceful applications of atomic energy. They also discussed future potential in several energy disciplines, such as renewable energy and clean hydrogen.
- Saudi Minister of Industry and Mineral Resources Bandar Alkhorayef received French Minister Delegate for Foreign Trade, Economic Attractiveness, and French Nationals Abroad Olivier Becht on December 22, 2022, and his accompanying delegation. They discussed strengthening bilateral cooperation between the two countries in the industrial and mining sectors. The two diplomats also discussed investment opportunities for French investors under Vision 2030.

- 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 the two nations within the framework of their strategic partnership. They also discussed global and regional issues and efforts to enhance security and stability.
- President Macron hosted Crown Prince Mohammed bin Salman on July 28, 2022, amid the Ukraine war and the two leaders engaged in talks to revive a nuclear deal with Iran

#### **France-United Arab Emirates**

- Dr. Sultan bin Ahmed Al Jaber, Minister of Industry and Advanced Technology and Managing Director and Group CEO of ADNOC, and Patrick Pouyanné, Chairman and CEO of Total Energies, co-chaired, on February 19, 2024, in Paris, the second plenary meeting of the UAE-France High-Level Business Council, in the presence of Bruno Le Maire, French Minister of Economy, Finance, and Industrial and Digital Sovereignty.
- In June 2023, France and the UAE, alongside India, concluded the first-ever trilateral maritime exercise in the Gulf of Oman. The exercise "strengthened the maritime ties between the navies and enhanced interoperability to address traditional and nontraditional threats in the maritime environment thus ensuring the safety of mercantile trade and freedom of navigation at high seas in the region."
- The 15th session of the UAE-France Strategic Dialogue was held in Paris in June 2023. The two sides discussed the status of strategic bilateral investment partnerships and ways to expand collaboration on financing the energy transition.

- UAE President Mohammed bin Zayed met with President Macron in Paris in May 2023. Both leaders discussed their countries' longstanding strategic alliance and explored opportunities to further their collaboration in various sectors
- 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, during the latter's visit to the UAE. The UAE and France decided to start a bilateral program to develop commercial and investable prospects to accelerate clean energy development, particularly in decarbonizing difficult-to-abate industries, such as clean hydrogen solutions for transportation.
- François Delattre, then Secretary General of the French Ministry for Europe and Foreign Affairs, held the 14th session of the UAE-France Strategic Dialogue on June 2, 2022, under the 10-year bilateral roadmap of the UAE-France strategic partnership (2020-2030) adopted in June 2020. The meeting was aimed at enhancing bilateral cooperation in various sectors, such as economy, trade and investment, oil and gas, nuclear and renewable energy, climate change, education, culture, health, artificial intelligence, food security, and cybersecurity.
- On May 15, 2022, President Macron traveled to the UAE to pay tribute to Sheikh Khalifa Bin Zayed Al Nahyan.
- On April 8, 2022, Sheikh Abdullah bin Zayed, the Minister of Foreign Affairs and International Cooperation, met with his French counterpart Jean-Yves Le Drian in Paris. They addressed security and the Ukraine conflict and agreed to strengthen strategic connections between the two nations. Following the February drone attacks by Yemen's Houthi

rebels, Le Drian stated that France completely supported the UAE.

#### France-Qatar

- The Emir of Oatar H.H. Sheikh Tamim bin Hamad Al Thani met with French President Emmanuel Macron and other senior officials on February 27, 2024, during a visit to Paris. The two sides spoke about relations between Oatar and France and how to tackle regional and international issues including the future of the Palestinian cause.
- In February 2023, H.E. the Amir Sheikh Tamim bin Hamad Al-Thani visited France and met with President Macron. The meeting was focused on relations between the two countries and ways to enhance them in several aspects.
- 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 to review bilateral cooperation and the means to enhance them in various fields, such as economics. They also discussed regional and international developments, particularly the Palestinian issue, Iran's nuclear deal, and developments in Libya, Lebanon, Ukraine, Chad, and Afghanistan.
- Qatar's Amir Sheikh Tamim bin Hamad Al Thani held a "working dinner" with French President Macron in Paris on May 29, 2022. The two leaders discussed bilateral ties and issues of common concern.
- Oatar and France held the first round of strategic dialogue in Doha on 27-28 March 2022. Deputy Prime Minister and Minister of Foreign Affairs, H.E. Sheikh Mohammed bin Abdulrahman Al-Thani, chaired Qatar's side, while Minister for Europe and Foreign Affairs



of the French Republic, H.E. Jean-Yves Le Drian, chaired France's side. They discussed bilateral cooperation and opportunities to further develop relations. They also discussed several political and economic issues and international developments, such as in Chad, Lebanon, Afghanistan, Palestine, Libya, and Iran.

#### France-Oman

- In February 2024, Ahmed bin Mohamed bin Nasser Alaraimi, Oman's Ambassador to France, met with former President François Hollande. During the meeting, prospects for bilateral cooperation and ways to develop relations between Oman and France were discussed.
- 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.
- The foreign ministries of Oman and France held a strategic dialogue session at the Foreign Ministry in Muscat on March 13, 2022. Sheikh Khalifa Alharthy, Undersecretary for Diplomatic Affairs, chaired Oman's side, while Anne Gueguen, Head of the French Foreign Ministry's Middle East and North Africa department, chaired France's. The session reviewed the relations between the two countries and ways to promote bilateral cooperation in economy, investment, and cultural exchanges.
- In February 2022, the Omani Maritime Security Center (MSC) signed an MoU with the French Navy to exchange information regarding maritime security.

#### France-Bahrain

- On February 15, 2024, Prince Salman bin Hamad Al Khalifa, Crown Prince and Prime Minister of Bahrain, met with French Ambassador Eric Giraud-Telme at Riffa Palace. The two leaders discussed the importance of further strengthening Bahrain-France's strategic partnership and the ongoing development of multisectoral partnerships. Giraud-Telme expressed gratitude for the partnership and wished Bahrain further progress and prosperity.
- In February 2023, the Minister of Industry and Commerce, Abdulla bin Adel Fakhro, met with MEDEF President and Fives Group Chairman, Frédéric Sanchez, and the President of the French Chamber of Commerce and Industry in Bahrain, Jean Christophe Durand, to enhance French-Bahraini economic development.
- 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. The two discussed further developing bilateral relations, particularly in the economic, trade and investment, cultural, and tourism sectors. In conjunction with the visit, Minister for Europe and Foreign Affairs Catherine Colonna welcomed her Bahraini counterpart, Abdullatif bin Rashid Al Zayani, where the two underlined their intention to strengthen all areas of cooperation ahead of the High Joint Commission session.
- In February 2022, France and Bahrain celebrated 50 years of diplomatic relations. French Ambassador Jérôme Cauchard hosted an event in the presence of the Foreign Affairs Ministry Undersecretary for Political Affairs, Dr. Shaikh Abdullah bin Ahmed Al Khalifa, to highlight the increased ties between the two countries.



#### France-Kuwait

- Kuwaiti Deputy Prime Minister and Minister of Defense Sheikh Ahmad Al-Fahad Al-Ahmad Al Sabah met on July 23, 2023 with French Ambassador to Kuwait Claire Le Flecher to discuss strategic partnerships and joint interests.
- In September 2023, Kuwaiti Defense Minister Sheikh Ahmad Fahad Al-Ahmad Al-Sabah met in Kuwait City with his French counterpart Sebastien Lecornu to discuss strengthening bilateral cooperation. The two officials reviewed military training and regional and international affairs. Sheikh Ahmad commended the close ties between the two countries, especially in terms of knowledge transfer, while Lecornu reiterated Paris' desire to enhance military cooperation.
- France and Kuwait's foreign ministers met in June 2023 in Paris, where they signed a memorandum of understanding to establish a strategic dialogue at the ministerial level between their countries, which they will cochair. The strategic dialogue will cover all aspects of cooperation between France and Kuwait, particularly the economy, investment, culture, and climate change.

 Kuwait's Minister of Foreign Affairs, H.E. 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. They discussed topics of mutual interest and cooperation between Kuwait and France in several sectors.

## **5. Supporting Documents**

#### Araa Magazine

- There is No Unified European Position on Regional Issues. Instead, Italy and France Compete in Libya – Issue 186, May 2023.
- President Macron's Reconciliatory Visit to Algeria to Meet France's Energy Needs – Issue 178, September 2022.
- Britain Challenges France: The Planning of the AUKUS Agreement Began Long Ago – Issue 167, October 2021.
- France Retracts Support for Haftar and Calls for a Peace Agreement Between the Conflicting Parties in Libya – Issue 154, September 2020.
- Europe is Serious About Confronting Turkey, and the US will not Abandon Greece and France – Issue 154, September 2020.



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