



The Cambridge Security Initiative

## TENSION IN THE GULF

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As of mid-2019, the tension between Iran and the Gulf countries, spearheaded by Saudi Arabia, has hit a new high, threatening to embroil the United States, and possibly the United Kingdom, in another regional conflict. Since May, six oil tankers operating in the waters between Arabia and Iran have been damaged in two separate events.

- In early May, the U.S. deployed additional naval assets to the Persian Gulf, citing “clear indications” that Iran or its proxies planned to attack U.S. forces in the region. Iran blames the increased military presence on the ‘B team’ – consisting of Trump’s National Security Advisor John Bolton, Saudi Crown Prince Muhammad Bin Salman (MBS), and United Arab Emirates de factor leader Muhammad Bin Zayed (MBZ) – pushing the U.S. toward war with Iran.
- On 12 May, four tankers (two of which were Saudi) were attacked off the coast of the Emirate state of Fujairah. UAE officials briefed the UN that it was a sophisticated attack involving the placement of mines on the vessels by a diving team, likely a “state actor;” it was Saudi Arabia that named Iran.
- On 19 May, the day after a rocket landed in Baghdad’s green zone near the U.S. Embassy, the U.S. announced the evacuation of non-essential staff from diplomatic facilities in Baghdad and Irbil due to further unspecified threats to U.S. personnel from Iran or its proxies.
- On 13 June, two tankers were attacked in the Gulf of Oman. Iran again denied culpability. It claims the tanker attacks were false-flag operations carried out by Iran’s foes to frame Iran.
- On 20 June, Iran shot down a U.S. spy drone Tehran claimed had violated Iranian airspace, though the U.S. maintains the drone was over international waters in the Strait of Hormuz. Within 24 hours, the U.S. prepared to launch a reprisal strike against Iranian missile capabilities, which U.S. President Donald Trump halted only hours before “go time,” demonstrating just how easily this tense situation can spiral into armed conflict.

Humming in the background of these specific acts is the increasing tension between Iran and the rest of the world following the Trump Administration's decision to abandon the Iran nuclear deal and re-impose heavy sanctions on Iran. As a result, Tehran has tried to bully Europe into breaking the sanctions by threatening to resume uranium enrichment program unless Europe sticks to the multilateral treaty Trump abandoned. Iran has also threatened to disrupt shipping through the Strait of Hormuz should U.S. sanctions prevent the export of Iranian oil.

The increased tension between the U.S. and Iran has sent Iraq scrambling to reign in popular mobilization forces, some of which have ties to Iran, but Iraqi President Barham Salih has also been clear that it will not allow the U.S. to use bases in Iraq to launch attacks against Iran. The militias have been given until 31 July to abandon their headquarters and their economic offices, and will be folded into Iraq's security forces under oversight of the Prime Minister's office. While some militias have indicated a willingness to comply, it is unclear what, if any, ability Iraq has to enforce this decree.

Tensions have reached such a high level that Washington was able to cajole Riyadh into accepting, and Doha into sending, a representative to Mecca for Gulf Cooperation Council and Arab League meetings in May. Doha even supported statements made by each body condemning Iranian activities in the Gulf of Oman, although Qatar has benefitted from trade with Iran since Saudi enacted an embargo against Qatar in 2017. Despite King Salman's official greeting of the Qatari Prime Minister, there is no sign Riyadh intends to lift the embargo.

Immediately following the tanker attacks, oil prices spiked to \$64 per barrel, but as the recent Organization of Petroleum Exporting Countries (OPEC) meeting has made clear, the oil market is soft, largely due to increased production in the non-OPEC nations of U.S., Canada, and Brazil. As a result, OPEC+ (which includes Russia) has agreed to continue to limit production in order to keep prices stable.

Despite subdued oil prices, the World Bank assesses growth in the Gulf Cooperation Council (GCC) region at 2.1 per cent in 2019, before rising to 3.2 per cent in 2020 and stabilizing at 2.7 per cent in 2021. GCC countries need to continue efforts toward fiscal consolidation, economic diversification, and private sector job creation.

Then there's Yemen. The UN High Commission on Refugees (UNHCR) estimates 15 million people in Yemen were suffering from extreme food insecurity as of 2019, and the country is on the brink of famine. A cholera epidemic of unprecedented proportions has spread to over one million, and over three million have been forced to flee their homes as a result of the violence. According to the UN Development Program (UNDP), if the war were to end in 2019, Yemen would suffer an \$89 billion loss in economic output, but if the war continues until 2022, that number would climb to \$181 billion. The UAE's decision to pull out of the Saudi-led coalition is a turning point in the war, though it is unlikely to bring a quick end to the hostilities; rather, Saudi Arabia will likely step up its air campaign, to the detriment of civilians.