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Qatar: Governance, Security, and U.S. Policy

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Summary

The state of Qatar has employed its ample financial resources to try to “punch above its weight” on regional and international affairs and, in so doing, avoid domination by Saudi Arabia, the de-facto leader of the six Gulf monarchy alliance called the Gulf Cooperation Council (GCC: Saudi Arabia, Kuwait, Qatar, United Arab Emirates, Bahrain, and Oman). Qatar has intervened, directly and indirectly, in several regional conflicts, including in Syria and Libya, and has sought to mediate disputes in or involving Lebanon, Sudan, the Palestinian Islamist organization Hamas, the Taliban in Afghanistan, and some Syrian rebel groups. Qatar has supported efforts to limit Iran’s regional influence while maintaining dialogue with Iran’s senior officials.

Qatar’s independent policies, which include supporting regional Muslim Brotherhood organizations and establishing a global media network called Al Jazeera, have injured Qatar’s relations with Saudi Arabia and some other GCC members. Qatar’s critics in the GCC assert, in particular, that the Brotherhood is a threat to regional and domestic security. The differences erupted into a crisis on June 5, 2017, when Saudi Arabia, the UAE, and Bahrain, joined by Egypt and a few other governments, severed relations with Qatar and imposed limits on the entry and transit of Qatari nationals and vessels in their territories, waters, and airspace. The United States, with the help of Kuwait, is attempting to mediate the dispute, including through shuttle diplomacy by Secretary of State Rex Tillerson in July, in large part because the rift threatens to fracture U.S. efforts to counter Iran and regional terrorist groups. During Secretary Tillerson’s mission, the United States and Qatar signed a bilateral memorandum of understanding to combat the financing of terrorist groups.

As do the other GCC leaders, Qatar’s leaders apparently view the United States as the guarantor of Gulf security. Since 1992, the United States and Qatar have had a formal Defense Cooperation Agreement (DCA) that addresses a U.S. troop presence in Qatar, consideration of U.S. arms sales to Qatar, U.S. training, and other defense cooperation. Under the DCA, Qatar hosts about 10,000 U.S. forces at its military facilities, including at the large Al Udeid Air Base, as well as the regional headquarters for U.S. Central Command (CENTCOM). U.S. forces in Qatar participate in all U.S. operations in the region, including Operation Inherent Resolve (OIR) against the Islamic State organization in Iraq and Syria, and in Afghanistan.

The Qatari government is helping the United States combat regional Islamist terrorist organizations. However, radical Islamist organizations profess ideologies that are attractive to some Qatari citizens, and there have been repeated accusations by international observers that Qatar’s leaders condone contributions to these groups. Members of Congress generally have taken into account these and all the other aspects of Qatar’s policies in consideration of U.S. arms sales to Qatar, such as a recently signed sale of F-15s.

The voluntary relinquishing of power in 2013 by Qatar’s former Amir (ruler), Shaykh Hamad bin Khalifa Al Thani, departed dramatically from GCC patterns of governance in which leaders generally remain in power for life. However, Qatar is also the only one of the smaller GCC states that has not yet formed a legislative body that is at least partly elected, even though such elections have long been promised. Further, U.S. and international reports criticize Qatar for numerous human rights problems such as suppression of critics using social media and deprivation of labor rights.

Qatar is wrestling with the downturn in global hydrocarbons prices since 2014, as are the other GCC states. Qatar is positioned to weather the downturn because of its small population and substantial financial reserves. Qatar shares with virtually all the other GCC states a lack of economic diversification and reliance on revenues from sales of hydrocarbon products.

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Brief History

Prior to 1867, Qatar was ruled by the leaders of neighboring Bahrain, the Al Khalifa family. That year, following an uprising against the Al Khalifa, Britain, then the main Western power in the Persian Gulf region, installed the head of a leading Qatari family, Muhammad bin Thani Al Thani, as ruler of what is now Qatar. In 1916, in the aftermath of World War I and the demise of the Ottoman Empire, Qatar and Britain signed an agreement under which Qatar formally became a British protectorate.

In 1971, after Britain announced it would no longer exercise responsibility for Persian Gulf security, Qatar and Bahrain considered joining with the seven emirates (principalities) that were then called the “Trucial States” to form the United Arab Emirates. However, Qatar and Bahrain decided to become independent rather than join that union. The UAE was separately formed in late 1971. Qatar adopted its first written constitution in April 1970 and became fully independent on September 1, 1971. The United States opened an embassy in Doha in 1973. The U.S. Ambassador to Qatar, Dana Shell Smith, resigned from that post in June 2017, explaining that decision with postings on social media that appeared to criticize the Trump Administration.

The Al Thani family claims descent from the central Arabian tribe of Banu Tamim, the tribe to which Shaykh Muhammad ibn Abd Al Wahhab, the founder of Wahhabism, belonged.¹ Thus, Qatar officially subscribes to Wahhabism, a conservative Islamic tradition that it shares with Saudi Arabia.

Table I. Senior Leaders of Qatar

| Position | Leader |
|--|---|
| Amir (ruler) and Minister of Defense | Tamim bin Hamad Al Thani |
| Deputy Amir and Crown Prince (heir apparent) | Abdullah bin Hamad Al Thani |
| Prime Minister and Minister of Interior | Abdullah bin Nasir bin Khalifa Al Thani |
| Deputy Prime Minister | Ahmad bin Abdallah al-Mahmud |
| Minister of State for Defense Affairs | Khalid bin Muhammad Al-Attiyah |
| Minister of Foreign Affairs | Muhammad bin Abd al-Rahman Al Thani |
| Minister of Finance | Ali Sharif al-Imadi |
| Ambassador to the United States | Mishal bin Hamad bin Khalifa Al Thani |

Source: Central Intelligence Agency, “Chiefs of State and Cabinet Members of Foreign Governments.”

¹ Information in this section is taken from Bernard Haykel. “Qatar and Islamism.” Policy Brief: Norwegian Peacebuilding Resource Centre. February 2013.

Figure I. Qatar At-A-Glance



| | |
|--------------------|--|
| Area | 11,586 sq km (slightly smaller than Connecticut) |
| People | <p><i>Population:</i> 2.2 million (July 2015 estimate), of which about 80% are expatriates</p> <p><i>Religions:</i> Muslim 77.5%, of which about 90% are Sunni; Christian 8.5%; other (mainly Hindu and other Indian religions) 14%. Figures include expatriates</p> <p><i>Ethnic Groups:</i> Arab 40%; Pakistani 18%; Indian 18%; Iranian 10%; other 14%. Figures include expatriates. Virtually all citizens are Arab</p> |
| Economy | <p><i>Gross Domestic Product (GDP):</i> \$334 billion (2016) on purchasing power parity (ppp) basis</p> <p><i>GDP per capita:</i> \$130,000 (2016) on ppp basis</p> <p><i>Inflation:</i> 3.8% (2016)</p> <p><i>GDP Growth Rate:</i> 2.6% (2016)</p> <p><i>Export Partners:</i> (In descending order) Japan, South Korea, India, China, Singapore, UAE</p> <p><i>Import Partners:</i> (In descending order) United States, China, UAE, Germany, Japan, Britain, Italy, Saudi Arabia</p> |
| Oil and Gas | <p><i>Oil Exports:</i> Slightly more than 700,000 barrels per day. Negligible amounts to the United States</p> <p><i>Natural Gas Exports:</i> Almost 125 billion cubic meters in 2014</p> |

Sources: Graphic created by CRS. Map borders and cities generated by (name redacted) using data from Department of State, 2013; Esri, 2013; and Google Maps, 2013. At-a-glance information from CIA, *The World Factbook*, May 2016.

Governance and Human Rights

Governance

Qatar's governing structure approximates that of the other GCC states. The country is led by a hereditary Amir (literally "prince," but interpreted as "ruler"), Shaykh² Tamim bin Hamad Al Thani. Amir Tamim became Amir in June 2013 when his father, Amir Hamad bin Khalifa Al Thani, relinquished power voluntarily. The Amir governs through a prime minister, who is a member of the Al Thani family, and a cabinet, several of whom are members of the Al Thani family or of prominent allied families. Amir Tamim serves concurrently as Minister of Defense, although most of the defense policy functions are performed by the Minister of State for Defense, a position with slightly lower status than that of full minister. The Minister of State for Defense post is held by Khalid bin Muhammad al-Attiyah, and a young ruling family member, Shaykh Muhammad bin Abd al-Rahman Al Thani, holds the Foreign Minister post. Earlier, in November 2014, Amir Tamim appointed a younger brother, Shaykh Abdullah bin Hamad, as deputy Amir and the heir apparent. The Prime Minister, Shaykh Abdullah bin Nasir bin Khalifa Al Thani, serves concurrently as Interior Minister; he took those posts when Amir Tamim became ruler.

As is typical in the GCC states, political parties are banned. Unlike Kuwait and Bahrain, in Qatar there are no well-defined or publicly active "political societies" that act as the equivalent of parties. Unlike in Bahrain and Oman, there were no significant protests in Qatar during the "Arab Spring" uprising of 2011, and there have not been any public demonstrations critical of the government in recent years. Disputes and disagreements within the leadership, and between leaders and citizens, tend to be aired in private as part of a process of consensus building.³

Then-Amir Hamad put a revised constitution to a public referendum on April 29, 2003, and it achieved a 98% "yes" vote. Nevertheless, it left in place significant limitations: for example, it affirms that Qatar is a hereditary emirate. Some western experts also criticize Qatar's constitution for specifying Islamic law as the main source of legislation.⁴ Further, the constitution's stipulation that a national legislative authority will consist of a 45-person Advisory Council (*Majlis Ash-Shura*), of which two-thirds (30 seats) will be elected, has been repeatedly delayed. In 2008, the government and the existing advisory council reached agreement on the criteria for suffrage and candidacy: naturalized Qataris who have been citizens for at least 10 years will be eligible to vote, and those whose fathers were born in Qatar will be eligible to run. In 2013, then-Amir Hamad issued a decree extending the term of the current, all-appointed Council. If and when the Council is formed, the government says it will have the ability to remove ministers (two-thirds majority vote), to approve a national budget, and to draft and vote on proposed legislation that can become law (two-thirds majority vote and concurrence by the Amir). Qatar's failure to hold elections for a new Advisory Council makes it the only GCC state other than Saudi Arabia to have not held elections for any of the seats in a national legislative body.

Qatari officials note that the country already holds elections, for a 29-seat Central Municipal Council. Elections for the fourth Council (each serving a four-year term) were held on May 13, 2015. The Council advises the Minister of Municipality and Urban Affairs on local public

² Shaykh is an honorific term.

³ The Economist. "Qatar: Democracy? That's for Other Arabs." June 8, 2013. <http://www.economist.com/news/middle-east-and-africa/21579063-rumours-change-top-do-not-include-moves-democracy-democracy-thats>.

⁴ Amy Hawthorne. "Qatar's New Constitution: Limited Reform from the Top." August 26, 2008. <http://carnegeiendowment.org/sada/?fa=21605>.

services. Voter registration and turnout—21,735 voters registered out of an estimate 150,000 eligible voters, and 15,171 of those voted—were lower than observers expected.⁵ The relatively low participation rate in the latest election could suggest that Qatari citizens view the Council as lacking influence. The State Department human rights report for 2016 stated that “observers considered [the municipal council elections] free and fair.”⁶

⁵ Department of State. Human Rights Report for 2015: Qatar. p.13.

⁶ <https://www.state.gov/documents/organization/265728.pdf>.

Qatari Leadership



Shaykh Tamim bin Hamad Al Thani

Shaykh Tamim bin Hamad Al Thani was born on June 3, 1980. He is the fourth son of the former Amir, Hamad bin Khalifa Al Thani, and the ninth Al Thani ruler in Qatar. He was appointed heir apparent in August 2003 when his elder brother, Shaykh Jasim, renounced his claim reportedly based on his father's lack of confidence in Shaykh Jasim's ability to lead. Shaykh Tamim became Amir on June 25, 2014, when Amir Hamad stepped down voluntarily to pave the way for the accession of a new generation of leadership. Amir Tamim was educated at Great Britain's Sherbourne School and graduated from its Royal Military Academy at Sandhurst in 1998, from which his father graduated in 1971. Concurrently, Amir Tamim heads the Qatari Investment Authority, which has billions of dollars of investments in Europe, including in Harrod's department store in London, the United States, and elsewhere.



Shaykh Hamad bin Khalifa Al Thani

Amir Tamim's father, *Shaykh Hamad bin Khalifa Al Thani*, took power in June 1995, when his father, Amir Khalifa bin Hamad Al Thani, was in Europe. Amir Hamad took power in a fashion similar to his father. In 1972, after finishing his education in Britain and assuming command of some Qatari military units, Hamad had helped his father depose his grandfather in a bloodless seizure of power while then-Amir Ahmad bin Ali Al Thani was on a hunting trip in Iran.

While Shaykh Hamad is no longer Qatar's ruler, he, his wife, and several of their other children remain key figures in the ruling establishment. Qatari media refer to Shaykh Hamad as "The Father Amir" and acknowledge that he has some continuing role in many aspects of policy. His favored wife (of three), Shaykha Moza al-Misnad Al Thani, chairs the powerful Qatar Foundation for Education, Science, and Community Development (QF). The QF runs Doha's Education City, where several western universities have established branches, and which is a large investor in the United States and Europe. One daughter (and full sister of the current Amir), Shaykha Mayassa, chairs the Qatar Museums, a major buyer of global artwork. Another daughter, Shaykha Hind, is vice chairman of the QF. Both daughters graduated from Duke University. Another relative, Hamad bin Jasim Al Thani, remains active in Qatar's investment activities and international circles. During Amir Hamad's rule, Shaykh Hamad bin Jasim was Foreign Minister, Prime Minister, and architect of Qatar's relatively independent foreign policy. Shaykh Hamad's father—and the current Amir's grandfather—Khalifa bin Hamad died in October 2016.

Sources: <http://www.mofa.gov>, author conversations with Qatari and U.S. officials.

Human Rights Issues⁷

Recent State Department reports on human rights in Qatar identify several major human rights problems, most of them related to the closed Qatari political structure. Among them are restrictions on freedoms of speech, the press, assembly, and access to a fair trial for persons held under the “Protection of Society Law” and “Combating Terrorism Law.” Other human rights concerns expressed by the State Department include restrictions on freedom of religion and movement, legal and institutional discrimination against women, and the unresolved legal status of so-called “stateless persons,” or “*bidoons*.”⁸ There is a nominally independent National Human Rights Committee (NHRC) that investigates allegations of human rights abuses in the country, but it is administratively under the authority of the broader Qatar Foundation that was founded and is still run by the Amir’s mother, Shaykha Moza.

Freedom of Expression

Like virtually all the other GCC states, since the 2011 “Arab Spring” uprisings, Qatar has issued new laws that severely restrict freedom of expression and increase penalties for criticizing the ruling establishment. In 2014, the government approved a new cybercrimes law that provides for up to three years in prison for anyone convicted of threatening Qatar’s security, and compels Internet providers in Qatar to block “objectionable” content. A November 2015 law increased penalties for removing or expressing contempt at the national flag or the GCC flag. However, the country continues to host and partially fund the Al Jazeera satellite television network, which has evolved into a global media conglomerate. In December 2016, human rights groups accused the government of blocking domestic Internet users from viewing the website of *Doha News*, an independent English-language daily.⁹

Women’s Rights

According to recent State Department human rights reports on Qatar, institutional discrimination against women continues. There is no specific law criminalizing domestic violence, and a national housing law discriminates against women married to noncitizen men and divorced women. Testimony by women in court cases is either dismissed or carries far less weight than that of a man. On the other hand, women in Qatar drive and own property, and constitute about 15% of business owners and more than a third of the overall workforce (this includes such professional positions as managers and professors). There is one female minister, the Minister of Public Health, who is a member of the powerful Kuwari family; most of the other small GCC states now have more than one female minister. The law criminalizes rape, with the penalty being death if the perpetrator is a relative or guardian of the victim.

⁷ Much of the information in this section is based on: Department of State. Country Reports on Human Rights for 2016: Qatar 2016 Human Rights Report. <https://www.state.gov/documents/organization/265728.pdf>.

⁸ *Bidoon* is the Arabic word for “without,” and refers to persons without documentation for their residency in country.

⁹ <https://www.amnesty.org/en/latest/news/2016/12/qatar-blocking-of-doha-news-website-is-an-outright-attack-on-media-freedom/>.

Trafficking in Persons and Labor Issues¹⁰

The State Department's Trafficking in Persons report for 2017 upgraded Qatar's ranking to "Tier 2" from Tier 2: Watch List. The 2017 report assesses that the government is not fully complying with the minimum standards for the elimination of trafficking, but that has made increased efforts to do so over the past year, including by establishing a coordinating body to oversee and facilitate anti-trafficking initiatives and enacting a law that reforms the sponsorship system to significantly reduce vulnerability to forced labor. The government also gave Cabinet approval for new legislation—still awaiting final signature—to better protect domestic workers and strengthened enforcement against passport retention. It also increased the number of prosecutions and convictions for trafficking-related offenses. Qatar remains a destination country for men and women subjected to forced labor and, to a much lesser extent, forced prostitution. Female domestic workers are particularly vulnerable to trafficking due to their isolation in private residences and lack of protection under Qatari labor laws.

The State Department assesses Qatar's labor rights as not adequately protecting the rights of workers to form and join independent unions, conduct legal strikes, or bargain collectively. The labor code only allows for one trade union, the General Union of Workers of Qatar, which the State Department assesses as "not a functioning entity." Qatari law does not prohibit anti-union discrimination or provide for reinstatement of workers fired for union activity. In October 2015, the government enacted a reform to its labor policy—which went into effect December 13, 2016—to offer greater protections for the large population of foreign workers. The law changes the "*kafala*" system (sponsorship requirement for foreign workers) to enable employees to switch employers at the end of their labor contracts rather than having to leave Qatar when their contracts end. Nevertheless, some critics say that, in practice, the reform will likely only modestly increase freedoms for foreign workers.¹¹

International criticism of Qatar's labor practices has increased as Qatar makes preparations to host the 2022 FIFA World Cup soccer tournament; additional engineers, construction workers, and other laborers have been hired to work in Qatar. Some companies report not being paid for work and a lack of dispute resolution, causing salary delays or nonpayment. Some reports suggest the government is worried about being cheated by international corporations.¹²

Religious Freedom¹³

Qatar's constitution stipulates that Islam is the state religion, and national law incorporates secular legal traditions as well as Islamic law. Islamic law is "a main source of legislation." The law recognizes only Islam, Christianity, and Judaism. Adherents of unrecognized religions, such as Hindus, Buddhists, and Bahais, are generally allowed to worship privately, but do not have authorized facilities in which to practice their religions. The overwhelming majority (possibly as much as 95%) of Qatari citizens are Sunni Muslims, possibly explaining why there have been no outward signs of sectarian schisms within the citizenry. Since 2015, the government has permitted

¹⁰ This section is based on the State Department "Trafficking in Persons" report for 2017. <https://www.state.gov/documents/organization/271344.pdf>.

¹¹ James Dorsey. "New Qatari Labour Law: Too Little, Too Late." *Huffington Post*, October 28, 2015.

¹² Qatar ranks 68th on the World Bank's ease of doing business rankings. *Doing Business 2016, Measuring Regulatory Quality and Efficiency*, p. 228. Available at <http://www.doingbusiness.org>. "Qatar building boom proves a challenge for foreign construction firms." *Reuters*, June 23, 2016.

¹³ This section is based on the State Department report on International Religious Freedom for 2015. <http://www.state.gov/documents/organization/256497.pdf>.

eight registered Christian denominations to worship publicly at the Mesaymir Religious Complex, and it has allowed the Evangelical Churches Alliance Qatar to break ground on the first new church to be built in Qatar in several years.

Foreign Policy

Since the mid-1990s, Qatar has used its ample financial resources to implement a foreign policy characterized by engagement with a wide range of regional actors, many of which are at odds with each other. Qatar has engaged Israeli officials while at the same time hosting leaders of Hamas, and maintained consistent ties to Iranian leaders, while at the same time hosting U.S. forces that are containing Iran’s military power. Qatar has hosted an office of the Afghan Taliban movement, and facilitated talks between the United States and the Taliban. As have some of the other GCC states, Qatar has sought, in some cases using its own military forces, to shape the outcome of regional uprisings since 2011, for example to help oust Libyan leader Mu’ammr Al Qadhafi. These policies have enabled Qatar to emerge as a key mediator in regional conflicts and to sometimes obtain the freedom of captives held by regional armed groups. At the same time, these policies have been perceived by de-facto GCC leader Saudi Arabia and other GCC states an attempt by Qatar to exert its own independent regional influence at the risk of GCC unity and the stability of the other GCC countries.

Qatar and its Disputes with other GCC Countries

A particular source of friction has been Qatar’s embrace of Muslim Brotherhood movements—including featuring them on the Qatar-based Al Jazeera news network—as representing a moderate political Islamist movement that can foster regional stability. Qatar has hosted Islamic scholars who adhere to the Brotherhood’s traditions, including outspoken Egyptian cleric Yusuf al-Qaradawi. Qatari leaders insist that these activists are expressing their own views and do not pose threats to any GCC state. In 2013-2014, differences over this and other issues, discussed in greater detail below, widened to the point where Saudi Arabia, UAE, and Bahrain withdrew their ambassadors from Doha in March 2014, accusing Qatar of supporting “terrorism.”¹⁴ The Ambassadors returned in November 2014 in exchange for a reported pledge by Qatar to fully implement a handwritten November 2013 “Riyadh Agreement” that committed Qatar to noninterference in the affairs of other GCC states and to refrain from supporting any Muslim Brotherhood-linked organizations or any factions in Yemen “that could pose a threat to countries neighboring Yemen.”¹⁵

These same disputes erupted again—to a much more significant degree—two weeks after a U.S.-Gulf summit held during the May 20-22, 2017, visit of President Donald Trump to Saudi Arabia. During that trip, President Trump held what White House officials called a “very productive” meeting with Amir Tamim, but also appeared highly supportive of Saudi leaders and their approach to regional issues. On June 5, 2017, Saudi Arabia, UAE, and Bahrain, joined by Egypt, the recognized government of Yemen, and later Jordan and a few other Muslim countries, severed diplomatic relations with Qatar, expelled Qatar’s diplomats, recalled their ambassadors, and imposed limits on the entry and transit of Qatari nationals and vessels in their territories, waters,

¹⁴ Author conversations with GCC officials. 2013-2015.

¹⁵ Cable News Network released the text of the November 2013 agreement, which was signed between Saudi Arabia, Kuwait, and Qatar. The November 2014 agreement was among all the GCC states except Oman.

and airspace.¹⁶ They accused Qatar of supporting terrorist groups as well as Iran, Iran's reputed intervention against the government of Bahrain, and Iran's other regional allies. Qatar called the move "unjustified" and an attempt to violate Qatar's sovereignty. Some press reports indicate that, according to the U.S. intelligence community, the UAE orchestrated a hack of Qatari media that falsely quoted Qatar's Amir with making statements that directly challenge Saudi and UAE regional policies.¹⁷ The UAE has denied responsibility for the hacking.

President Trump, in statements, has appeared to side with the Saudi-led move by criticizing Qatar for supporting militant groups in the region, while at the same time remaining engaged with Amir Tamim by telephone to discuss the need for GCC unity, preventing the financing of terrorist groups or the promotion of extremist ideology.¹⁸ Within the Administration, Secretary of State Rex Tillerson has taken the lead on efforts to mediate the dispute, working closely with Kuwait. He and other State Department officials have called on the "blockading group" not to escalate the dispute, and indicated that the move has humanitarian consequences and hinders U.S.-led antiterrorism and other regional efforts.¹⁹ On June 22, 2017, the Saudi-led group presented Qatar with 13 demands,²⁰ including closing the Al Jazeera network, severing relations with terrorist groups including the Muslim Brotherhood, scaling back relations with Iran, closing a Turkish military base in Qatar, and paying reparations to the Saudi-led bloc. Secretary of State Tillerson described some of the demands as excessive—an apparent rebuke to Saudi Arabia and the UAE—and he indicated that Qatar should agree to implement those demands that were more measured, which many experts assess as perhaps expelling Muslim Brotherhood or Hamas figures.

In late June, Secretary Tillerson assumed an active mediating role by receiving for talks the foreign ministers of Qatar and Kuwait. Apparently in part to support the Secretary's mediation efforts, Senate Foreign Relations Committee Chairman Senator Bob Corker wrote to Secretary Tillerson that he would withhold informal clearances on sales of lethal military equipment to the GCC states until the committee is provided with "a better understanding of the path to resolve the current dispute and reunify the GCC." On July 3, 2017 (within a 48-hour extension of the original 10-day deadline to comply agreed to by the Saudi-led blockading countries), Qatar submitted, via Kuwait, a response to the demands that were characterized by the Saudi-led group as "overall negative." Qatari officials said they were amenable to negotiations on several of the demands, but said they would not "surrender" and that Qatar's wealth was helping it mitigate the economic effects of the Saudi-led sanctions. On July 5, following a meeting of their foreign ministers in Cairo, the Saudi-led group issued a joint statement continuing their economic and political measures against Qatar, but also reframing their demands as six broad principles for Qatar to "combat extremism and terrorism" and prevent their financing; suspending "all acts of provocation"; fully complying with the commitments Qatar made in 2013 and 2014 (see above); and "refraining from interfering in the internal affairs of states."²¹ Secretary Tillerson visited

¹⁶ For information on the diplomatic rupture, see CRS Insight IN10712, *Qatar and its Neighbors: Disputes and Possible Implications*, by (name redacted) and (name redacted).

¹⁷ Karen DeYoung and Ellen Nakashima. "UAE Orchestrated Hacking of Qatari Government Sites, Sparking Regional Uproar, According to U.S. Intelligence Officials." *Washington Post*, July 16, 2017.

¹⁸ White House Office of the Press Secretary. Readout of President Donald J. Trump's Call with Amir Sheikh Tameem Bin Hamad Al Thani of Qatar. June 7, 2017.

¹⁹ Rex Tillerson Urges Gulf States to Ease Qatar Blockade. CNBC, June 9, 2017. <http://www.cnbc.com/2017/06/09/watch-secretary-of-state-tillerson-to-deliver-statement-to-the-media.html>.

²⁰ The list of demands can be found at https://www.washingtonpost.com/national/list-of-demands-on-qatar-by-saudi-arabia-other-arab-nations/2017/06/23/054913a6-57d0-11e7-840b-512026319da7_story.html?utm_term=.5bde2f68b6b1.

²¹ The text of the joint statement can be found at <http://www.bna.bh/portal/en/news/792679>.

Kuwait during July 10-13, from which he conducted “shuttle diplomacy” between it and Qatar and the Saudi-led anti-Qatar group. Despite achieving a bilateral U.S.-Qatar accord to combat terrorism financing during his stay in the region, he failed to resolve the intra-GCC rift. However, suggesting that the Tillerson mission might have had some effect, senior officials from the Saudi-led bloc met on July 18 and formally dropped the “13 demands” while insisting on a diplomatic solution centered on the six broad principles they outlined on July 5 (see above).

Qatar’s disputes with other GCC countries have come despite the resolution in 2011 of a long-standing territorial dispute between Qatar and Bahrain, dating back to the 18th century, when the ruling families of both countries controlled parts of the Arabian peninsula. Qatar and Bahrain agreed to refer the dispute to the International Court of Justice (ICJ) in 1991 after clashes in 1986 in which Qatar landed military personnel on a man-made reef (Fasht al-Dibal) that was in dispute. In March 2001, the ICJ sided with Bahrain on the central dispute over the Hawar Islands, but with Qatar on ownership of the Fasht al-Dibal reef and the town of Zubara on the Qatari mainland, where some members of the ruling Al Khalifa family of Bahrain are buried. Two smaller islands, Janan and Hadd Janan, were ruled not part of the Hawar Islands and awarded to Qatar. Qatar expressed disappointment over the ruling but accepted it as binding.

Egypt

In Egypt, after the fall of Egyptian President Hosni Mubarak in 2011, the Muslim Brotherhood-linked party there won a parliamentary majority and one of its leaders, Muhammad Morsi, won presidential elections in 2012. Qatar supported Morsi’s government with about \$5 billion in aid,²² contributing to the 2014 and 2107 rifts between Qatar and the other GCC states. Saudi Arabia and the UAE strongly backed Morsi’s ouster by Egypt’s military in 2013. Because of its support for Morsi, Qatar’s relations with former military leader and now President Abdel Fattah el-Sisi have been strained and Egypt joined the Saudi-led move against Qatar in June 2017.

Libya

In Libya, Qatar joined the United States and several GCC and other partner countries in air operations to help oust Qadhafi in 2011. Subsequently, however, Qatar has supported Muslim Brotherhood-linked factions in Libya opposed by the UAE, Egypt, and Saudi Arabia.²³ This difference in approaches in Libya among the GCC states contributed to the Saudi-led move to isolate Qatar in June 2017.

Yemen

In 2015, Qatar joined the Saudi-led military coalition that is battling Iran-backed Zaidi Shiite Houthi rebels in Yemen. Qatari aircraft have conducted strikes against Houthi and allied positions. In September 2015, Qatar deployed about 1,000 military personnel, along with armor, to Yemen in support of the effort. Four Qatar soldiers have been killed in Yemen, to date. Qatar’s involvement in the Yemen war represents a policy shift from Qatar’s 2006-2007 mediation efforts between the Houthis and the government of President Ali Abdullah Saleh, who left office in 2012 following an “Arab Spring” related uprising in Yemen. The Qatari mediation reportedly was

²² <https://www.brookings.edu/wp-content/uploads/2016/06/Final-PDF-English.pdf>.

²³ U.N. Security Council. Final Report of the Panel of Experts on Libya Established Pursuant to Resolution 1973 (2011). March 9, 2016. http://www.un.org/ga/search/view_doc.asp?symbol=S/2016/209.

hindered by Saudi Arabia, which viewed Qatar as an interloper in Yemeni issues. As a result of the intra-GCC rift in June 2017, Qatar is ending its participation in the Saudi-led effort in Yemen.

Iran

Qatari leaders have joined the other GCC states and the United States in countering Iran strategically, while at the same time seeking to maintain dialogue with their Iranian counterparts. Qatar enforced international sanctions against Iran during 2010-2016, and no Qatar-based entities have been designated by the United States as Iran sanctions violators. Qatar and Iran have shared a large natural gas field in the Persian Gulf without incident, although some Iranian officials have occasionally accused Qatar of cheating with regard to the arrangement.²⁴ Amir Tamim has, at times, had direct conversations with Iran's elected President Hassan Rouhani.²⁵ In February 2010, Shaykh Tamim, who was at that time the Crown Prince/heir apparent, visited Iran for high-level talks with Iranian leaders. On March 8, 2017, in connection with an initiative by Kuwait and Oman to try to reduce tensions with Iran, Iranian Foreign Minister Mohammad Javad Zarif visited Doha and met with Amir Tamim. The previous month, Rouhani visited Kuwait and Oman but was not invited to visit Qatar.

Amir Tamim attended both U.S.-GCC summits (May 2015 at Camp David and April 2016 in Saudi Arabia), meetings held to address GCC concerns about the July 2015 U.S.-led multilateral agreement on Iran's nuclear program (Joint Comprehensive Plan of Action, JCPOA). After initially expressing substantial concerns, the GCC states have publicly expressed support for the JCPOA while insisting that the United States help them counter Iran's regional influence.²⁶ Qatar withdrew its Ambassador from Tehran in January 2016 in solidarity with Saudi Arabia, which was in a dispute with Iran over the Saudi execution of a dissident Shiite cleric. However, Qatar did not break relations with Tehran outright. Qatar joined the February 2016 GCC declaration that it considers Lebanese Hezbollah to be a terrorist organization and that GCC citizens should not stay in or travel to Lebanon. Iran has sided with Qatar in the June 2017 intra-GCC rift through statements and by exporting additional foodstuffs to Qatar to help compensate for the cutoff of Saudi food exports to Qatar.

Saudi official statements cited Qatar's engagement with Iran and alleged Qatari support for pro-Iranian dissidents in Bahrain as part of the justification for isolating Qatar in June 2017. Saudi, UAE, and Bahrain officials had not previously asserted significant differences with Qatar on Iran.

Syria and Anti-Islamic State Operations

Qatar supported anti-Asad rebels in Syria, including by providing weaponry.²⁷ However, the factions Qatar has supported, such as Ahrar Al Sham, compete with and sometimes fight anti-

²⁴ "Iran, Qatar, Face Off Over North Field, South Pars. Oil and Gas News," June 6-12, 2016. http://www.oilandgasnewsworldwide.com/Article/35647/Iran,_Qatar_face_off_over_North_Field,_South_Pars.

²⁵ "Iran, Qatar Seek Improved Relations Despite Differences." Al Arabiya, June 2015. <http://english.alarabiya.net/en/News/middle-east/2015/06/19/Iran-Qatar-seek-improved-relations-despite-differences-.html>.

²⁶ The U.S.-GCC summits have resulted in new U.S. commitments to assist the GCC states against Iran and other regional threats, including through new arms sales, counter-terrorism cooperation, countering cyberattacks, joint military exercises, and other measures. See White House Office of the Press Secretary. "Annex to U.S.-Gulf Cooperation Council Joint Statement." May 14, 2015. <https://www.whitehouse.gov/the-press-office/2015/05/14/annex-us-gulf-cooperation-council-camp-david-joint-statement>.

²⁷ Mark Mazzetti and Matt Apuzzo. "U.S. Relies Heavily on Saudi Money to Support Syrian Rebels." New York Times, January 23, 2016. http://www.nytimes.com/2016/01/24/world/middleeast/us-relies-heavily-on-saudi-money-to-support-syrian-rebels.html?_r=0.

Asad factions supported by Saudi Arabia and UAE. Qatar also has built ties to Jabhat al Nusra (JAN), an Al Qaeda affiliate that was designated by the United States as a Foreign Terrorist Organization (FTO).²⁸ Qatari officials assert that their intent was to induce the group to sever its ties to Al Qaeda, which it formally did in July 2016, although observers perceive the group is still aligned with Al Qaeda's leadership. Qatari mediation also succeeded on a few occasions in obtaining the release of Lebanese and Western prisoners captured by the group.

In the wake of Russia's intervention in the Syria conflict in September 2015, Amir Tamim visited Russia in January 2016 and reiterated Qatar's support for a negotiated solution to the conflict. In late November 2016, Qatar's Foreign Minister stated that Doha would continue to arm Syrian rebels even if the Trump Administration ceased support for rebel factions, adding that Qatar would not supply the rebels with shoulder-held anti-aircraft weaponry absent a multilateral decision to do so.²⁹ At the same time, recognizing Russia's influence in Syria and perhaps in the region more broadly, Qatar's sovereign wealth fund has increased its investments in Russia, particularly in its large Rosneft energy firm.

Qatar is a member of the U.S.-led coalition combating the Islamic State. In 2014, Qatar flew some airstrikes in Syria against Islamic State positions. However, after several weeks, the coalition ceased identifying Qatar as a participant in coalition strikes inside Syria. Neither Qatar nor any other GCC state has participated in coalition air operations against the Islamic State inside Iraq. In April 2017, Qatar reportedly paid ransom to obtain the release of 26 Qatari ruling family members abducted while on a hunting trip in southern Iraq in 2015, reportedly by Iraqi Shiite militias. The Iraqi government stated in June that it, not the Shiite militias, have possession of the Qatari ransom monies.

Israeli-Palestinian Issues/Hamas

Qatar's attempt to play a role in Israeli-Palestinian peace negotiations has contributed to the rift with other GCC states. In 1996, then-Amir Hamad welcomed then-Prime Minister of Israel Shimon Peres and allowed Israel to open a formal trade office in Doha. That step went beyond Qatar's dropping of the secondary Arab League boycott of Israel, a step it took in 1993 in concert with all the GCC states. In April 2008, then-Foreign Minister Tzipi Livni attended the Qatar government-sponsored Doha Forum conference and met with then-Amir Hamad.³⁰ Qatar ordered the Israeli offices in Doha closed in January 2009 at the height of an Israel-Hamas conflict that broke out that month and the offices have not formally reopened because of the stagnation in the Israeli-Palestinian peace process in recent years. Amir Tamim has regularly criticized Israel, accusing it of severe abuses against the Palestinians and insincerity in seeking a political solution to the dispute.³¹ Still, small levels of direct Israel-Qatar trade reportedly continue; Israeli exports to Qatar consist mostly of machinery and technology, and imports from Qatar are primarily plastics.³²

²⁸ Al Jazeera, December 2, 2015. <http://www.aljazeera.com/news/2015/12/lebanese-hostages-released-prisoner-swap-151201072408599.html>.

²⁹ "Qatar will Help Syrian Rebels even if Trump Ends U.S. Role." *Reuters*, November 26, 2016.

³⁰ "Qatar and Israel: A Strategic but Complicated Alliance." *Fanack Chronicle of the Middle East and North Africa*. April 27, 2013.

³¹ "Israel Doesn't Want Peace: Emir." *Qatar The Peninsula*, September 29, 2015. <http://www.thepeninsulaqatar.com/news/qatar/353598/israel-doesn-t-want-peace-emir>.

³² *Ibid.*

More controversially, Qatar allows senior leaders of the Islamist group Hamas, which has exercised de facto control of the Gaza Strip since 2007, to operate in Doha. Qatari officials assert that doing so is part of an effort to broker reconciliation between Hamas and the Fatah-led Palestinian Authority (PA) on the West Bank. Qatar has hosted reconciliation talks between Hamas and Fatah, including in late October 2016 when PA President Mahmoud Abbas (visiting Doha for the funeral of former Amir Khalifa) met with Hamas political bureau leader Khalid Meshal, who is based in Qatar. Qatar's Foreign Minister attended the meeting. The Hamas-PA talks were facilitated by Amir Tamim's meeting with Meshal and his deputy Ismail Haniyah, earlier in October.³³ However, Qatar's hosting of Hamas leaders and its financial aid to the Gaza Strip have drawn U.S. and other Gulf state criticism as support for a terrorist organization, although Qatari officials say that doing so has had the tacit blessing of U.S. officials who see benefit in being able to engage Hamas. Qatari officials assert that the country funds only humanitarian and civilian projects that benefit the residents of the Gaza Strip and have no military applications. Qatar's leaders express consistent support for Palestinian efforts for full United Nations membership and recognition, while at the same time backing negotiations between the Palestinians and Israel. Some observers suggest that resolving the June 2017 intra-GCC rift might require Qatar's expulsion of Meshal and possibly Egyptian cleric Qaradawi, mentioned above.

Afghanistan

Qatar did not deploy forces to support U.S.-led military operations in Afghanistan, but it has facilitated talks between the United States and Taliban representatives. Unlike Saudi Arabia and UAE, Qatar did not recognize the Taliban as the legitimate government of Kabul when the movement ruled during 1996-2001. In June 2013, the Taliban opened a representative office in Qatar, but it violated U.S.-Qatar-Taliban understandings by raising a flag of the former Taliban regime on the building and Qatar, at U.S. request, immediately closed the office. Taliban officials remained in Qatar, and revived U.S.-Taliban talks led to the May 31, 2014, exchange of captured U.S. soldier Bowe Bergdahl for five Taliban figures held by the United States at the prison facility in Guantanamo Bay, Cuba. The five were banned from traveling outside Qatar until there is an agreed solution that would ensure the five do not rejoin the Taliban insurgency.

Since May 2015 various nongovernment organizations and unofficial mediators have assembled talks in Qatar between Taliban representatives and Afghan officials. As a result of these sessions, the Taliban reopened its office in Qatar in 2015.³⁴ It is headed by Sher Mohammad Stanekzai.

Other Qatari Mediation Efforts³⁵

Qatar's efforts to mediate regional disputes have taken several other forms and, as is the case with the issues above, have sometimes caused friction with other GCC states. In 2008, Qatar brokered the "Doha Agreement" to resolve a political crisis in Lebanon that had resulted in fighting between Lebanon government forces and Iran's main regional ally, Hezbollah. Qatar's acceptance by the various Lebanese factions as a mediator stemmed, at least in part, from Qatar's role in helping reconstruct Lebanon after the 2006 Israel-Hezbollah war, and from then-Amir Hamad's

³³ Peter Baker. "Palestinian Rivals Try, Again, to Bridge Divide." *New York Times*, October 28, 2016.

³⁴ Author meeting with Pugwash representatives. June 2015.

³⁵ For more information on Qatar's mediation efforts, see Sultan Barakat, Brookings Doha Center publication "Qatari Mediation: Between Ambition and Achievement." <https://www.brookings.edu/wp-content/uploads/2016/06/Final-PDF-English.pdf>.

postwar visit to Hezbollah strongholds in Lebanon. However, such mediation fuels Saudi and UAE accusations that Qatar is too willing to indulge Iran and Iran's allies.

Somewhat outside the traditional Middle East, Qatar has played an active role in mediating conflict over Sudan's Darfur region. In 2010, Qatar helped broker a series of agreements, collectively known as the Doha Agreements, between the government and various rebel factions. Qatar's grants and promises of investment reportedly were pivotal to achieving these outcomes.

U.S.-Qatar Defense and Security Cooperation

U.S.-Qatar defense and security relations are long-standing and extensive, likely contributing to statements by Secretary of State Rex Tillerson and Secretary of Defense James Mattis urging a rapid resolution of the June 2017 Saudi-led move to isolate Qatar. U.S. military officials initially said that the Saudi-led moves against Qatar were not affecting U.S. operations in Qatar or the region. However, Secretary of State Tillerson indicated on June 9 that the rift had begun to adversely affect U.S. regional operations,³⁶ which depend on a web of interrelationships with other defense facilities in the Gulf. In part to demonstrate a continuing commitment to the defense relationship with Qatar in spite of the intra-GCC rift, the Administration and Qatar signed a firm agreement to sell Qatar F-15 aircraft on June 14, discussed below, and the U.S. Navy held a drill with Qatar on June 17, 2017.

The U.S.-Qatar defense relationship developed during the 1980-1988 Iran-Iraq war. The six Gulf monarchies formed the GCC in late 1981 and collectively backed Iraq against the threat posed by Iran in that war, despite their political and ideological differences with Iraq's Saddam Hussein. In the latter stages of that war, Iran attacked international shipping in the Gulf and some Gulf state oil loading facilities, but none of the facilities it attacked were in Qatar.

After Iraq invaded GCC member Kuwait in August 1990, the GCC participated in the U.S.-led military coalition that expelled Iraq from Kuwait in February 1991. In January 1991, Qatari armored forces helped coalition troops defeat an Iraqi attack on the Saudi town of Khafji. The Qatari participation in the U.S.-led coalition largely ended U.S.-Qatar strains over Qatar's illicit procurement in the late 1980s of U.S.-made "Stinger" shoulder-held anti-aircraft missiles.³⁷ After the expulsion of Iraq from Kuwait, U.S.-Qatari defense relations deepened and the two countries signed a formal defense cooperation agreement (DCA), discussed below. Since then, defense cooperation has expanded and deepened, including through U.S. sales of increasingly sophisticated arms and missile defense systems.

Qatar, one of the wealthiest states in the world on a per capita gross domestic product (GDP) basis, receives virtually no U.S. security or economic assistance of any kind. At times, small amounts of U.S. aid through various programs have been provided to help Qatar develop capabilities to prevent smuggling and the movement of terrorists or proliferation-related gear into Qatar or around its waterways.

Qatar has also developed relations with NATO under the "Istanbul Cooperation Initiative" (ICI). Qatar's Ambassador to Belgium serves as the interlocutor with NATO, the headquarters of which

³⁶ "Rex Tillerson Calls for 'Calm' in Middle East Standoff with Qatar." *New York Times*, June 9, 2017. https://www.nytimes.com/2017/06/09/world/middleeast/rex-tillerson-calls-for-calm-in-middle-east-standoff-with-qatar.html?_r=0.

³⁷ Elaine Sciolino. "Qatar Rejects U.S. Demand for Return of Illicit Stingers." *New York Times*, June 28, 1988. Congress responded to the Qatari Stinger acquisition by enacting a ban on arms sales to Qatar (Section 566(d) of P.L. 100-461). The ban was repealed by Section 568 of the foreign aid appropriations act for FY1991 (P.L. 101-513).

is based near Brussels. Furthermore, Qatar has allowed Turkey to open a military base in Qatar³⁸—an initiative that might have contributed to Turkey’s support for Qatar in the June 2017 intra-GCC rift. Turkey has demonstrated its support by sending additional troops to Qatar as well as food exports to replace some of those previously provided by Saudi Arabia. One of the demands of the Saudi-led coalition that is isolating Qatar is that Qatar close the Turkish base in Qatar, a demand Qatari officials say will not be met.

Defense Cooperation Agreement (DCA)

The United States and Qatar signed a formal defense cooperation agreement (DCA) on June 23, 1992. The DCA was renewed for 10 years, reportedly with some modifications, in December 2013. The text of the pact is classified, but it reportedly addresses U.S. military access to Qatari military facilities, repositioning of U.S. armor and other military equipment, and U.S. training of Qatar’s military forces.³⁹

Approximately 10,000 U.S. troops are currently deployed at the various facilities in Qatar. Most are U.S. Air Force personnel based at the large Al Udeid air base southwest of Doha, working as part of the Coalition Forward Air Component Command (CFACC).⁴⁰ The air field, which also hosts the forward headquarters for U.S. Central Command (CENTCOM), has been steadily expanded and enhanced with Qatari funding as well as about \$450 million in U.S. military construction funding since 2003.⁴¹ Qatar invested about \$1 billion to construct the base in the 1990s. The U.S. Army component of U.S. Central Command prepositions armor (enough to outfit one brigade) at Camp As Sayliyah,⁴² and that armor was deployed in Operation Iraqi Freedom that removed Saddam Hussein from power in Iraq in 2003. The U.S. personnel deployed to Qatar participate in U.S. operations such as Operation Inherent Resolve (OIR) to combat the Islamic State organization in Iraq and Syria. Qatar’s own air force participated in some of the first OIR air strikes against Islamic State forces in Syria in late 2014, but, after a few weeks of such operations, Qatar curtailed its participation in the air operations, according to U.S. military press releases.

The DCA also reportedly addresses U.S. training of Qatar’s military. Qatar’s force of about 11,800 is the smallest in the region except for Bahrain. Of that force, about 8,500 are ground forces, 1,800 are naval forces, and 1,500 are air forces. Qatar’s armed forces continue to field mostly French-made equipment, such as the AMX-30 main battle tank. A 2014 law mandates four months (three months for students) of military training for males every male who is between the ages of 18-35, with a reserve commitment of 10 years (up to age 40).

³⁸ “Turkey Opens First Mideast Military Base in Qatar.” *Voice of America News*, May 10, 2016. <http://www.voanews.com/content/turkey-opens-first-middle-east-military-base-in-qatar/3323653.html>.

³⁹ U.S. Library of Congress. Country Studies: Persian Gulf States. Some provisions of DCA’s with other GCC states are discussed in Sami Hajjar, *U.S. Military Presence in the Gulf: Challenges and Prospects* (U.S. Army War College: Strategic Studies Institute), March 2002, p. 27.

⁴⁰ See <http://www.afcent.af.mil/>.

⁴¹ Figures compiled by CRS.

⁴² See Global Security.org at <http://www.globalsecurity.org/military/facility/camp-as-sayliyah.htm>.

U.S. Arms Sales to Qatar

Most of Qatar's arsenal of major combat systems still consists of French-made equipment. However, a growing percentage of its new arms purchases are of U.S. equipment.⁴³

- **Tanks.** Qatar's 30 main battle tanks are French-made AMX-30s. In 2015, Germany exported several "Leopard 2" tanks to Qatar. Qatar has not purchased U.S.-made tanks, to date.
- **Combat Aircraft.** Qatar currently has 18 combat aircraft, of which 12 are French-made Mirage 2000s. In July 2013, Qatar submitted a letter of request to purchase 72 U.S.-made F-15s. After a long delay reportedly linked to the U.S. defense relationship with Israel and the U.S. commitment to Israel's "Qualitative Military Edge" (QME), on November 17, 2016, the Defense Security Cooperation Agency (DSCA) notified Congress of the potential sale which, along with support, training, and related equipment, has an estimated value of \$21 billion (Transmittal Number 16-58). The FY2016 National Defense Authorization Act (Section 1278 of P.L. 114-92) required a Department of Defense briefing for Congress on the risks and benefits of the F-15 sale, including the effect of such a sale on the U.S. commitment to maintain Israel's QME. On June 14, 2017, Secretary of Defense Mattis and Qatar's Minister of State for Defense Khalid al-Attiyah signed an agreement for a reported 36 of the F-15 fighters, likely an initial purchase that might later expand to the 72 that were originally planned.⁴⁴ The sale likely will be held up by Senate Foreign Relations Committee Chairman Senator Bob Corker's subsequent stated intent not to provide informal concurrence to the sale until a path to resolution of the intra-GCC rift becomes clear. Perhaps to hedge against an adverse U.S. decision on the F-15, Qatar signed a \$7 billion agreement in May 2015 to purchase 24 French-made Rafale aircraft.⁴⁵
- **Helicopters.** In 2012, the United States sold Qatar AH-64 Apache attack helicopters and related equipment; UH-60 M Blackhawk helicopters; and MH-60 Seahawk helicopters. The total potential value of the sales was estimated at about \$6.6 billion, of which about half consisted of the Apache sale.
- **Missile and Rocket Systems.** During 2012-2013, the United States sold Qatar Hellfire air-to-ground missiles, Javelin guided missiles, the M142 High Mobility Artillery Rocket System (HIMARS), the Army Tactical Missile System (ATACMS), and the M31A1 Guided Multiple Launch Rocket System (GMLRS). The total potential value of the sales was estimated at about \$665 million. On April 22, 2016, the Defense Security Cooperation Agency notified to Congress a potential sale to Qatar of 252 RIM-116C Rolling Airframe Tactical Missiles and 2 RIM 116C-2 Rolling Airframe Telemetry Missiles, plus associated equipment and support, with an estimated sale value of \$260 million.⁴⁶ On May 26, 2016, DSCA notified to Congress an additional sale of 10 Javelin launch units and 50

⁴³ Information on Qatar's existing military forces and equipment is derived from The International Institute for Strategic Studies (IISS). "The Military Balance: 2016." Chapter 7: The Middle East and North Africa.

⁴⁴ "Qatar Says Fighter Jets Deal Shows Deep U.S. Support." *Reuters*, June 15, 2017.

⁴⁵ Tom Hussain. "Is France Positioning Itself for Lead Role in Persian Gulf?" McClatchy, May 1, 2015; "Senators Begin Push for Jet Sales to Kuwait, Qatar." *Defense News*, January 22, 2016.

⁴⁶ Defense Security Cooperation Agency. Transmittal Number 16-07.

- Javelin missiles plus associated equipment and support. The potential sale has an estimated value of \$20 million.⁴⁷
- **Ballistic Missile Defense (BMD) Systems.** Qatar has purchased various U.S.-made BMD systems, consistent with U.S. efforts to promote a coordinated Gulf missile defense capability against Iran's missile arsenal. In 2012, the United States sold Qatar Patriot Configuration 3 (PAC-3, made by Raytheon) fire units and missiles at an estimated value of nearly \$10 billion. Also that year, the United States agreed to sell Qatar the Terminal High Altitude Area Air Defense (THAAD), the most sophisticated ground-based missile defense system the United States has made available for sale.⁴⁸ The UAE ordered that system in 2011, and the delivery and training process for the UAE's THAADs began in late 2015.⁴⁹ However, because of Qatar's budget difficulties discussed below, the THAAD sale has not been finalized to date.⁵⁰ In February 2017, Raytheon reportedly concluded an agreement to sell Qatar an early warning radar system to improve the capabilities of its existing missile defense systems. The estimated value of the sale is \$1.1 billion.
 - **Naval Vessels.** In August 2016, DSCA transmitted a proposed sale to Qatar of an unspecified number of U.S.-made Mk-V fast patrol boats, along with other equipment, with a total estimated value of about \$124 million. In June 2016, Qatar agreed to purchase from Italy four multirole corvette ships, two fast patrol missile ships, and an amphibious logistics ship, with a total value of about \$5.6 billion.⁵¹

Counterterrorism Cooperation

U.S.-Qatar's cooperation against groups that both countries agree are terrorist groups, such as the Islamic State organization, is extensive. However, as noted above, some groups that the United States considers as terrorist organizations—such as Hamas—are considered by Qatar to be legitimate Arab movements pursuing goals with which Qatari officials and citizens often agree. In statements addressing the intra-GCC rift, President Donald Trump has criticized Qatar for the funding of terrorist groups to a significant extent, and in so doing he has appeared to side with the Saudi-led countries isolating Qatar. Perhaps in part as a means to strengthen the U.S. ability to resolve the intra-GCC rift, on July 10, 2017, Qatar's foreign minister and Secretary Tillerson signed in Doha a Memorandum of Understanding outlining steps Qatar will take to interrupt and disable flows of funds to terrorist groups.⁵²

In assessments containing information prior to the 2017 GCC crisis, U.S. State Department reports on international terrorism have stated that “the United States and Qatar maintained a

⁴⁷ Defense Security Cooperation Agency. Transmittal Number 16-20.

⁴⁸ Defense Security Cooperation Agency announcement. November 5, 2012. <http://www.dsca.mil/major-arms-sales/qatar-terminal-high-altitude-area-defense-thaad>.

⁴⁹ Adriane Elliot. “Antiballistic Missile System Shared with U.S. Partner.” Homepage of the U.S. Army. January 13, 2016. https://www.army.mil/article/160912/Antiballistic_system_shared_with_international_partner/.

⁵⁰ “Lockheed Says Qatar Budget Woes Could Delay Defense Deal.” *Wall Street Journal*, April 26, 2016. <http://www.wsj.com/articles/lockheed-says-qatar-budget-woes-could-delay-defense-deal-1461692108>.

⁵¹ “Qatar's EUR5 Billion Naval Deal with Italy Sees Three Ship Types to Be Delivered.” *IHS Jane's Navy International*, June 17, 2016.

⁵² Carol Morello. “Qatar Agrees to Curb Terrorism Financing Under Deal with U.S.” *Washington Post*, July 11, 2017.

strong partnership in the fight against terrorism.”⁵³ Qatar has participated in the department’s Antiterrorism Assistance (ATA) program to boost domestic security capabilities, and it has continued to participate in and host Global Counterterrorism Forum (CGTF) events. Under the ATA program, participating countries are provided with U.S. training and advice on equipment and techniques to prevent terrorists from entering or moving across their borders. However, Qatari agencies such as the State Security Bureau and the Ministry of Interior have limited manpower and are reliant on nationals from third countries to fill law enforcement positions—a limitation Qatar has tried to address by employing U.S. and other Western-supplied high technology.⁵⁴

In the past, perhaps before the global threat from the Al Qaeda organization was acute, at least one high-ranking Qatari official provided support to Al Qaeda figures residing in or transiting Qatar, including suspected September 11, 2001, attacks mastermind Khalid Shaykh Mohammad.⁵⁵ However, Qatari officials note that none of the September 11 hijackers was a Qatari national.

Terrorism Financing Issues

U.S. officials have stated that Qatar has taken steps in recent years to prevent terrorism financing and the movement of suspected terrorists into or through Qatar, although terrorist financiers in Qatar are able to exploit Qatar’s informal financial system. The country is a member of the Middle East North Africa Financial Action Task Force (MENAFATF), a regional financial action task force that coordinates efforts combatting money laundering and terrorism financing. In 2014, the Amir approved Law Number 14, the “Cybercrime Prevention Law,” which criminalized terrorism-linked cyber offenses, and clarified that it is illegal to use an information network to contact a terrorist organization or raise funds for terrorist groups, or to promote the ideology of terrorist organizations.

Nevertheless, according to U.S. officials, “entities and individuals within Qatar continue to serve as a source of financial support for terrorist and violent extremist groups, particularly regional Al Qaeda affiliates such as the Nusrah Front.”⁵⁶ In October 2016, Daniel Glaser, then Assistant Secretary for Terrorist Financing in the Office of Terrorism and Financial Intelligence, told a Washington, DC, research institute that, over the past decade, Qatar had made less progress in countering terrorism financing than had Saudi Arabia.⁵⁷ The United States has imposed sanctions on several persons living in Qatar, including Qatari nationals, for allegedly raising funds or making donations to both Al Qaeda and the Islamic State.⁵⁸ In late February 2017, perhaps in an effort to demonstrate increased cooperation, Qatar hosted a meeting of the “Egmont Group” global working group consisting of 152 country Financial Intelligence Units. The State Department’s 2016 report on international terrorism says that, in 2015 and 2016, Qatar prosecuted and convicted Qatari terrorist financiers for the first time.

⁵³ Department of State. Country Reports on Terrorism: 2016. <https://www.state.gov/j/ct/rls/crt/2016/272232.htm>

⁵⁴ Department of State. Office of the Coordinator for Counterterrorism. “Country Reports on Terrorism: 2014.”

⁵⁵ Final Report of the National Commission on Terrorist Attacks Upon the United States.

⁵⁶ State Department report on international terrorism for 2015.

⁵⁷ Barbara Slavin. “U.S. Treasury Official Praises Saudi Cooperation Against Terror Funding.” *Al Monitor*, October 14, 2016.

⁵⁸ U.S. Treasury Department: “Treasury Designated Twelve Foreign Terrorist Fighter Facilitators,” September 24, 2014; “Treasury Designated Al-Qaeda Supporters in Qatar and Yemen,” December 18, 2013; “Treasury Targets Key Al-Qaeda Funding and Support Network Using Iran as a Critical Transit Point,” July 28, 2011.

Countering Violent Extremism

Qatar has hosted workshops on developing plans to counter violent extremism and has participated in similar sessions hosted by the UAE's Hedayat Center that focuses on that issue. Also in 2015, Qatar pledged funding to the U.N. Office on Drugs and Crime (UNODC) to help address violent extremism and radicalization among youth and vulnerable populations. However, some experts have noted that the government has violated a pledge to the United States not to allow Qatari preachers to conduct what some consider religious incitement in mosques in Education City, where several U.S. universities have branches.⁵⁹

Economic Issues

Even before the June 2017 intra-GCC rift, Qatar has been wrestling with the economic effects of the fall in world energy prices since mid-2014—a development that has caused GCC economies to slow, their budgets to fall into deficit, and the balance of their ample sovereign wealth funds to stagnate or decline. Oil and gas reserves have made Qatar the country with the world's highest per capita income and perhaps the lowest unemployment (less than half of 1%). Qatar is a member of the Organization of Petroleum Exporting Countries (OPEC), along with fellow GCC states Saudi Arabia, Kuwait, and UAE.

The economic impact on Qatar of the June 2017 intra-GCC rift might depend on how long the rift lasts. About 40% of Qatar's food is imported from Saudi Arabia, and there were reports of runs on store stocks of food when the crisis erupted. However, the government's ample financial resources enabled it to quickly arrange substitute sources of goods from Turkey, Iran, India, and elsewhere, and to thereby mitigate the effects of the Saudi-led isolation efforts. The effect on Qatar's growing international air carrier, Qatar Airways, have been significant but might likely abate if the rift is resolved.

Qatar's main sovereign wealth fund, run by the Qatar Investment Authority (QIA), has an estimated value of about \$300 billion, according to Qatar's Central Bank governor in July 2017. The fund, as well as an estimated \$40 billion held by the Central Bank, gives the country a substantial cushion to weather not only the Saudi-led efforts to isolate Qatar but also the relatively low energy prices that have prevailed since 2014.⁶⁰ QIA's investments consist of real estate and other relatively illiquid holdings, such as interest in London's Canary Wharf project. In May 2016, Qatar offered \$9 billion in bonds as a means of raising funds without drawing down its investment holdings.⁶¹ Qatar also has cut some subsidies to address its budgetary shortfalls.

Qatar also remains able to earn ample funds from energy exports, despite the Saudi-led move. Proven oil reserves of about 25 billion barrels are far less than those of Saudi Arabia and Kuwait, but enough to enable Qatar to continue its current levels of oil production (about 700,000 barrels per day) for over 50 years. Its proven reserves of natural gas exceed 25 trillion cubic meters, about 13% of the world's total and third largest in the world. Along with Kuwait and UAE, in November 2016 Qatar agreed to a modest oil production cut (about 30,000 barrels per day) as part of an OPEC-wide production cut intended to raise world crude oil prices.

⁵⁹ David Weinberg. "Hate Preachers on Qatar Campus: Obama Gives Qatar Undeserved A+ on Fighting Incitement." *The Huffington Post*, May 2, 2016.

⁶⁰ Qatar Has \$340 Billion in Reserves, Can Withstand 'Any Kind of Shock,' Central Bank Says. *Istanbul Sabah Online*, July 10, 2017.

⁶¹ <https://finance.yahoo.com/news/saudi-arabia-might-pull-qatar-174900348.html>.

Oil and gas still account for 92% of Qatar’s export earnings, and 56% of government revenues.⁶² Qatar is the world’s largest supplier of liquefied natural gas (LNG), which is exported from the large Ras Laffan processing site north of Doha. That facility has been built up with U.S.-made equipment, much of which was exported with the help of about \$1 billion in Export-Import Bank loan guarantees. Qatar is a member and hosts the headquarters of the Gas Exporting Countries Forum (GECF), which is a nascent natural gas cartel and includes Iran and Russia, among other countries. State-run Qatar Petroleum is a major investor in the emerging U.S. LNG export market, with a 70% stake (Exxon-Mobil and Conoco-Phillips are minority stakeholders) in an LNG terminal in Texas that is seeking U.S. government approval to expand the facility to the point where it can export over 15 million tons of LNG per year.⁶³ In addition, other LNG suppliers, such as Australia, are challenging Qatar’s market leadership; Australia has the advantage of being geographically close to Qatar’s main gas customers, Japan and South Korea. Qatar is the source of the gas supplies for the Dolphin Gas Project established by the UAE in 1999 and which became operational in 2007. The project involves production and processing of natural gas from Qatar’s offshore North Field, which is connected to Iran’s South Pars Field (see **Figure 2**), and transportation of the processed gas by subsea pipeline to the UAE and Oman.⁶⁴

Because prices of hydrocarbon exports have fallen dramatically since mid-2014, the Economist Intelligence Unit (EIU) estimates that for all of 2016 Qatar ran its first budget deficit (about \$13 billion). It was the only GCC state to avoid running a deficit for 2015. Qatar’s GDP growth rate also slowed to below 3% in 2016, down from over 4% during each of 2013-2015.⁶⁵ As have other GCC rulers, Qatari leaders assert publicly that the country needs to diversify its economy, that generous benefits and subsidies need to be reduced, and that government must operate more efficiently. At the same time, the leadership apparently seeks to minimize the effect of any cutbacks on Qatari citizens.⁶⁶ Still, if oil prices remain far below their 2014 levels, it is likely that many Qatari citizens will be required to seek employment in the private sector, which they generally have shunned in favor of less demanding jobs in the government.

The national development strategy from 2011 to 2016 focused on Qatar’s housing, water, roads, airports, and shipping infrastructure in part to promote economic diversification, as well as to prepare to host the 2022 FIFA World Cup soccer tournament, investing as much as \$200 billion. In Doha, the result has been a construction boom, which by some reports has outpaced the capacity of the government to manage, and perhaps fund. A metro transportation system is under construction in Doha.

U.S.-Qatar Economic Relations

In contrast to the two least wealthy GCC states (Bahrain and Oman), which have free trade agreements with the United States, Qatar and the United States have not negotiated an FTA. However, in April 2004, the United States and Qatar signed a Trade and Investment Framework Agreement (TIFA). Qatar has used the benefits of the more limited agreement to undertake large investments in the United States, including the City Center project in Washington, DC. Also,

⁶² CIA, *The World Factbook*. June 2016. https://www.cia.gov/library/publications/the-world-factbook/geos/print_qa.html.

⁶³ Adam Schreck. “AP Interview: Qatar Energy Minister Wants ‘Fair’ Oil Price.” *Associated Press*, May 24, 2016.

⁶⁴ Dolphin Energy website. <http://www.dolphinenergy.com/en/6/about-dolphin-energy/about-us>.

⁶⁵ Economist Intelligence Unit, May 2, 2016; CIA, *The World Factbook*, accessed in late May 2016.

⁶⁶ Giorgio Cafiero. “Qatar Cuts Spending to Cope with Low Oil Prices.” Middle East Institute, March 1, 2016. <http://www.mei.edu/content/article/qatar-cuts-spending-cope-low-oil-prices>.

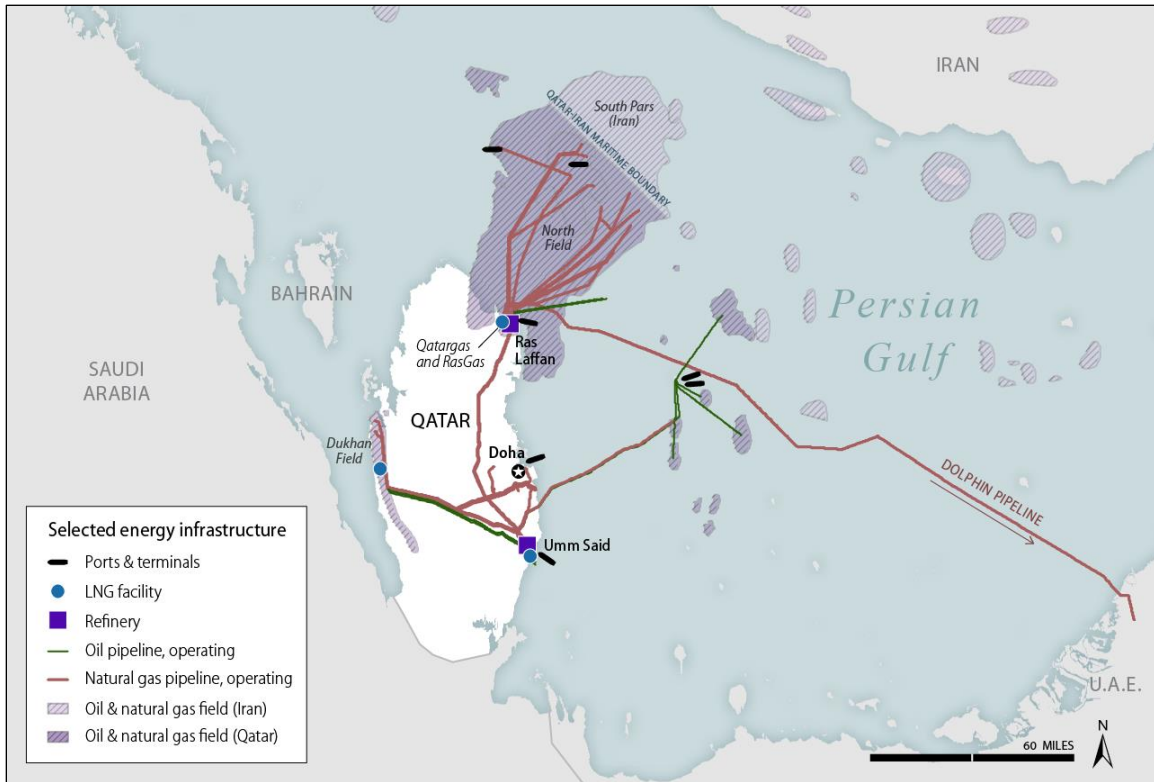
several U.S. universities and other institutions, such as Cornell University, Carnegie Mellon University, Georgetown University, Brookings Institution, and Rand Corporation, have established branches and offices at the Qatar Foundation's Education City outside Doha. In 2005, Qatar donated \$100 million to the victims of Hurricane Katrina.

According to the U.S. Census Bureau's "Foreign Trade Statistics" compilation, the United States exported \$4.9 billion in goods to Qatar in 2016 (about \$600 million higher than 2015), and imported \$1.16 billion worth of Qatari goods in 2016, slightly less than in 2015. U.S. exports to Qatar consist mainly of aircraft, machinery, and information technology. U.S. imports from Qatar consist mainly of petroleum products, but U.S. imports of Qatar's crude oil or natural gas have declined to negligible levels in recent years, reflecting the significant increase in U.S. domestic production of those commodities.

Qatar's growing airline, Qatar Airways, is a major buyer of U.S. commercial aircraft. In October 2016, the airline agreed to purchase from Boeing up to another 100 passenger jets with an estimated value of \$18 billion—likely about \$10 billion if standard industry discounts are applied. However, some U.S. airlines are challenging Qatar Airways' benefits under a U.S.-Qatar "open skies" agreement. The U.S. carriers assert that the airline's privileges under that agreement should be revoked because the airline's aircraft purchases are subsidized by Qatar's government, giving it an unfair competitive advantage.⁶⁷ The Obama Administration did not reopen that agreement in response to the complaints, and the Trump Administration, including during President Trump's February 2017 meeting with airline executives, has not indicated it would do so either. Perhaps to try to shore up U.S. support for Qatar in the intra-GCC rift, on June 23, 2017, Qatar Airways announced an intent to acquire a 10% stake in American Airlines. Approvals from the Department of the Treasury and Department of Justice might be required for that investment.

⁶⁷ "Open Skies Dispute Between US and Gulf Airlines Escalates." *UAE the National*, January 30, 2016.

Figure 2. Map of Qatari Energy Resources and Select Infrastructure



Source: U.S. Energy Information Agency, as adapted by CRS.

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