Israel’s Growing Ties with the Gulf Arab States

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ABOUT THE SCOWCROFT MIDDLE EAST SECURITY INITIATIVE

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Cover photo: Israeli Prime Minister Benjamin Netanyahu walks together with Sultan Qaboos bin Said in this undated handout provided by the Israel Prime Minister Office, in Oman. Reuters.
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INTRODUCTION

For decades, US foreign policy in the Middle East has been driven by two principles: a commitment to protect Israel and the need to secure oil supplies from the Persian Gulf. Balancing those objectives has been tricky. Israel’s creation in 1948 was bitterly opposed by neighboring Arab states, setting off a series of wars that left the Palestinians displaced and established a cycle of conflict that has never been resolved. Since Harry Truman, US presidents have gone to extraordinary lengths to sustain separate relationships with Israel and the Gulf Arab states, trying to sidestep the vast pools of animosity between them. Notwithstanding formal peace treaties with Egypt and Jordan, and interim agreements with the Palestinians, mutual suspicion reigned between Israel and its neighbors. For the United States, engaging with one side usually meant keeping a distance from the other.

Recently, the enmity between Israel and the Gulf states has started to dissipate. A new interest in cultivating ties with Israel and Jewish figures in the United States is evident among all members of the Gulf Cooperation Council (GCC), including Saudi Arabia, the United Arab Emirates (UAE), Qatar, Bahrain, Oman, and Kuwait. Israeli-Gulf rapprochement reflects, above all, a shared perception of Iran as the enemy—a perception Israel and a number of GCC states hold in common with the United States. Another element leading the Gulf states to reconcile is the diplomatic fatigue that has set in from more than seventy years of fighting Israel in support of the Palestinians, with resolution of the conflict looking more distant than ever.

Beyond the political reasons for the Gulf states’ improvement of relations with Israel is their fear of missing out on Israeli technological innovation in fields ranging from cybersecurity to desert agriculture. The COVID-19 pandemic, in particular, has highlighted Gulf interest in Israel’s medical research. To avoid tripping over the volatile conflict, contacts in the security and business realms were secretly initiated between the Gulf Arab states and Israel years ago, and generally remain discreet. But the scope of Israeli-Gulf interactions today and their growing prospects for the future have become too large to hide. Deal-making that was once conducted strictly behind the scenes is coming to the forefront.

From Israeli Prime Minister Benjamin Netanyahu’s visit to the sultan’s palace in Oman in the fall of 2018 to the construction of an Israeli pavilion for the World Expo in Dubai that is scheduled to open in 2021, the Jewish state’s presence is becoming more overt in places where it was previously kept quiet or outright barred. Usually the stuff of whispers and hints, even military cooperation is now out in the open, with air force pilots from Israel and the UAE taking part in multinational exercises together. On Wall Street, the sovereign wealth funds of Saudi Arabia and Abu Dhabi pumped billions of dollars into Israeli-American entrepreneur Adam Neumann’s WeWork office-sharing business before it ran aground. On the high seas, Dubai’s government-owned DP World, led by Chairman Sultan Ahmed bin Sulayem, has engaged in multiple joint ventures with Israeli billionaire Idan Ofer, the controlling shareholder of Zim Integrated Shipping Services Ltd.

Diplomatic cooperation is likewise becoming increasingly commonplace. Following the killing of dissident Saudi journalist Jamal Khashoggi, which was linked to aides in Saudi Crown Prince Mohammed bin Salman’s inner circle, Netanyahu was among the first foreign leaders to argue publicly that because Saudi Arabia was so critical to stability in the Middle East even the
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gruesome murder should not lead to its isolation.\textsuperscript{7} In Washington, where Middle East tensions require delicate social protocols, Saudi Arabia’s Ambassador to the United States Princess Reema Bandar Al Saud surprised the diplomatic world in September by sending out Rosh Hashanah cards to celebrate the Jewish New Year.\textsuperscript{8}

While US President Donald J. Trump’s “Peace to Prosperity” plan for resolving the Middle East conflict was declared dead on arrival by Palestinian Authority President Mahmoud Abbas, the proposal unveiled on January 28, 2020 indicates that “normalizing” ties between Israel and the Gulf states is a secondary goal.\textsuperscript{9} Indeed, the ambassadors of the UAE, Bahrain, and Oman attended the White House presentation. Six months earlier, the kingdom of Bahrain played host to a multilateral conference in which the economic development details of the plan were rolled out by Trump’s son-in-law and senior adviser Jared Kushner.\textsuperscript{10} The following month, then-Bahraini foreign minister posed for a photo with his Israeli counterpart immediately after foreshadowing the meeting at an Atlantic Council event.\textsuperscript{11} Former US Special Envoy for Middle East Peace Jason Greenblatt has since left the White House for the private sector, joining an Israeli venture capital business to focus on brokering deals with investors in the Gulf.\textsuperscript{12}

\begin{thebibliography}{9}
\bibitem{8} Josh Lederman (@JoshNBCNews), “This is a first: The Saudi Embassy in Washington, under new Ambassador Reema bint Bandar, sent out Rosh Hashana greetings to American Jews,” Twitter, October 1, 2019, 7:15 p.m., https://twitter.com/JoshNBCNews/status/1179173102464507904.
\end{thebibliography}
The concept of “normal relations” between Israel and fifty-seven Islamic countries was a deliberately fuzzy term contained in then-Crown Prince Abdullah of Saudi Arabia’s 2002 “Arab Peace Initiative,” which never got any traction. Palestinians vehemently oppose the idea of normalization because it suggests allowing Israel to reap the benefits of peace without giving up occupied territory in the West Bank and East Jerusalem or making other compromises. Netanyahu, on the other hand, says normalization with the Gulf states is his objective, due to the absence of Palestinian leaders who are willing to negotiate on the basis of the Trump proposal.

The challenge for Gulf leaders is how to engage with Israel without being seen as throwing the Palestinians under the bus. The balancing act was described in detail by Yousef Al Otaiba, the UAE’s ambassador to the United States, in June when he took the unusual step of publishing a Hebrew-language column in Israel’s Yedioth Aharonoth newspaper. If Israel desires closer ties with the Arab world, he said, it must scrap plans to declare sovereignty over some 30 percent of the West Bank where Jewish settlements are concentrated. As this report goes to press, it remains unclear how much land Netanyahu will seek to annex.

“We have promoted engagement and conflict reduction, helped to create incentives—carrots rather than sticks,” Al Otaiba wrote. “Annexation will certainly and immediately upend Israeli aspirations for improved security, economic, and cultural ties with the Arab world and with UAE.”

Surrounded by a wall of hostility

The first Israeli Prime Minister David Ben-Gurion was met with clear intentions by surrounding Arab countries to destroy the newly born Jewish state from its inception. In response, he articulated a strategy called the Periphery Doctrine. This strategy was premised on the perception that Israel was surrounded by a wall of radical Arab states led by then-Egyptian President Gamal Abd al-Nasser, who had facilitated the Soviet penetration of the Middle East and sought the total destruction of Israel. Ben-Gurion developed a plan for a pact involving countries on the periphery of the Middle East. Friendlier nations were connected to Israel in a northern “triangle” with Turkey and Iran—both non-Arab but Muslim states—and with Ethiopia, a non-Arab Christian state, in the south. What united these states was a political aspiration to halt Soviet influence and resist radical Arab nationalism.

After the devastating wars of 1948, 1956, 1967, and 1973, along with assorted military skirmishes, Egypt and Jordan signed peace treaties with Israel. Meanwhile, the Jewish state emerged as the most formidable military power in the Middle East. This is partly due to massive US economic and military assistance, but more importantly to domestic innovation and modernization. A basic tenet of Israeli government policy is the country must develop indigenous military production capabilities and be able to defend itself by itself.

Since oil was discovered in the Persian Gulf, first in Iran in 1908 and in Arab countries shortly before the Second World War, acquiring a stable oil supply at a reasonable price has been a primary goal of US policy. For most of the second half of the twentieth century, Washington was heavily dependent on oil from the Persian Gulf. Realizing the uncertainties of

15 Yousef Al Otaiba, “Annexation will be a serious setback for better relations with the Arab world,” Ynet English edition, June 12, 2020, https://www.ynetnews.com/article/H1GuICeTL.
foreign supplies, US oil companies have invested in new technologies to reduce this vulnerability. Since the start of the twenty-first century, fracking technology has drastically altered the US energy outlook. In recent years, Washington has grown less dependent on imported oil supplies from the Persian Gulf and elsewhere, but the nation, along with the rest of the world, is still vulnerable to disruption of production and export from the region, which directly affects the price of oil around the globe, no matter where it is produced.

The GCC states’ role in antagonism and engagement with Israel was indirect for most of the second half of the twentieth century, largely limited to giving hefty financial support to Egypt, Jordan, Syria, and the Palestinians to operationalize their strategies in both fighting and making peace with the Jewish state. The Arab peace efforts were championed by then-Egyptian President Anwar Sadat, Jordan’s King Hussein bin Talal, and later by Palestinian leader Yasser Arafat.

Since the early 2000s, the strategic landscape in the Middle East has profoundly changed. Egypt has grown poorer and gradually lost its credibility and credentials as the leader of the Arab world. Equally important, since 1980, Iraq has experienced calamitous wars against Iran, the United States, and the Islamic State of Iraq and al-Sham (ISIS). Finally, since 2011 Syria has been enmeshed in civil war, which dealt a heavy blow to its economic prosperity and political stability. This decline of the three major Arab countries has opened the door to the GCC states to fill the vacuum. In contrast to the “cold peace” that Cairo and Amman have maintained with the Jewish state, there are growing signs of cooperation and “warm peace” between individual GCC states and Israel. This multi-dimensional cooperation raises an important question: What are the forces behind this slow but steady rapprochement between Israel and the Gulf states?

### COOPERATION BETWEEN ISRAEL AND THE GCC STATES: WHY NOW?

Several overlapping strategic developments have contributed to the GCC states’ changing perception of Israel from an enemy to a potential partner. This changing perception varies from one GCC state to another and is driven from the top. In other words, the royal families increasingly feel less threatened by Israel, though segments of their populations are not fully convinced. However, there is no guarantee that this rapprochement with Israel is irreversible. A change in leadership in any of the Gulf states could potentially accelerate or slow the exploration of normalized relations. As can often be the case, policies on Israel can hinge on the personal views of individual leaders. For instance, the Saudi Crown Prince Mohammad Bin Salman (MBS) appears more open to normalizing relations with Israel than his father, King Salman.17 In all, several factors have shaped the changing dynamics between Israel and the Gulf.

### A common enemy in Iran

The huge disparity in size, population, and national identity between each individual GCC state and Iran has made these states as a group suspicious of Tehran both under the regime of Shah Mohammad Reza Pahlavi and Islamic rule. GCC states and Iran shared similar pro-West foreign policy orientations in most of the 1950s, 1960s, and 1970s. Still, they could not agree on a regional security system. Both Iran and Saudi Arabia were part of what was called the Twin Pillar Policy which stipulated that the two regional powers were supposed to work together to protect Western interests in their region. However, this was not to last, if ever it was a coherent idea to begin with. The 1979 Revolution in Iran further fueled the mutual suspicion between Tehran and its Arab neighbors. During the Iran-Iraq War, most of the GCC states provided substantial financial aid to then-Iraqi President Saddam Hussein. The efforts to mend fences after Iraq invaded Kuwait were not able to overcome the historical and geographical

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barriers between the governments on the two sides of the Persian Gulf. Since the late twentieth century, Iran's growing influence in Lebanon, Syria, Iraq, and more recently in Yemen has further fueled GCC states' suspicion of the Islamic Republic's intentions and capabilities.

An Iranian-Arab strategic partnership is not likely in the foreseeable future. The ongoing mistrust provides an opening for Israel to present itself as a potential partner to the GCC states in countering Iran's nuclear, cyber, proxy, and missile programs.

The complicated perception of Turkey

Like Iran, Turkey has the potential to contribute to regional security or further destabilize the Middle East. Unlike Tehran, Ankara is a Sunni-majority country, but this has proven insufficient to ensure mutual trust between Turkey and some GCC states. The legacy of the Ottoman Empire has complicated modern Turkish-Arab relations. It is important to remember that the founders of modern-day Saudi Arabia rebelled against the Ottoman rule and supported the British during the First World War.

More recently, Turkey established warm relations with Qatar and has two military bases in the country. Turkey, like Saudi Arabia, opposed Syrian President Bashar al-Assad. However, this opposition to the Assad regime has not made Ankara and Riyadh allies. Turkish President Recep Tayyip Erdoğan strongly supports the Muslim Brotherhood in several Arab countries, including Egypt and Libya, while both Saudi Arabia and the UAE consider political Islam and the Muslim Brotherhood existential threats. In recent years, Turkey and the UAE have supported opposing militias in the civil war in Libya. Additionally, Turkey, allied with Qatar, competes for influence in the Horn of Africa with the UAE and Saudi Arabia.

The political and ideological disagreements between Turkey and some GCC states have fueled suspicion of Ankara's intentions. Saudi Arabia and the UAE, along with Egypt and Bahrain, strongly oppose Turkey's growing role and influence in parts of the Arab and Muslim world.

In short, the leaders of Saudi Arabia, the UAE, and Bahrain are suspicious of the intentions of both Iran and Turkey. This has created a vacuum that Israel seeks to exploit. Animosity between Erdoğan and Netanyahu, and the fact that Erdoğan presents himself as the protector of Palestinians—including efforts to break the sea blockade of the Gaza Strip and bolster his influence over holy sites in East Jerusalem—add to the forces driving Israel and the GCC states closer.

Lack of trust in US commitment to Gulf security

Since 1980, US policy in the Persian Gulf has largely adhered to the Carter Doctrine, which states that the United States will defend GCC states against any foreign aggression. Within this context, former US President George H.W. Bush did not hesitate to send US troops to liberate Kuwait in 1990. However, statements and actions by more recent US administrations have raised concern in Gulf capitals. The US invasion of Iraq in 2003 shifted the United States away from its traditional role as the most powerful defender of the regional status quo to the primary challenger of the existing state of affairs. This fundamentally altered the balance of power in the Gulf in favor of Iran. Former Saudi Foreign Minister Saud al-Faisal strongly warned the administration of former US President George W. Bush against invading Iraq for exactly this reason. Several GCC states believe that the toppling of the Sunni regime in Baghdad has helped Iran to expand its regional influence and weakened that of the Arab-Sunni states. Former US President Barack Obama's administration attempted to negotiate a nuclear deal with Iran without Arab participation, but Obama's vision of an Iranian-Arab reconciliation set off alarm bells in the GCC states. Before leaving office, Obama famously urged Saudi Arabia to learn how to “share the Persian Gulf region with Iran.” Trump's close relations with Saudi Arabia and the UAE have not helped to alleviate the GCC’s nervousness about mercurial US foreign policy toward Iran. Trump has made clear his preference to draw down the US

footprint in the Middle East, and the United States, rightly or wrongly, is largely seen as an unreliable partner who may be in the beginning stages of a strategic withdrawal from the region.

Washington’s displeasure with Riyadh’s policy of flooding the global market with cheap oil in early April 2020 is another illustration of a growing disagreement between the two traditional allies. GCC leaders increasingly believe that they cannot depend on Washington to come to their rescue. Furthermore, despite purchasing state-of-the-art weapon systems from around the world, Gulf leaders are aware of their limited military capabilities. Within this context, Israel is now seen as a potential partner, boasting its battle-tested and professional army, technological prowess, and eagerness to engage with an Arab world that shut it out in the past.

Divisions among Palestinians

The Arab-Israeli conflict remains a major challenge to regional stability. At the same time, the role this conflict plays in the strategic competition between regional powers should not be overestimated. There is no doubt that the majority of Arab peoples and governments would like to see a Palestinian state with East Jerusalem as its capital and a fair solution to the Palestinian refugees. This is the official Arab position, documented in the 2002 Arab Peace Initiative21 and since re-affirmed by both the Arab League and Arab governments. However, solving the Arab-Israeli conflict is not the main strategic priority of most Arab states, particularly in the Persian Gulf. These states have grown weary of the conflict, frustrated by the decades-long and increasingly deep divisions among different Palestinian factions and the perceived limitations of Palestinian leaders. The Palestinians have cycled through several strategies since the start of the Arab-Israeli conflict, at various points deploying nationalist, Marxist, and Islamist rhetoric. For example, the Palestine Liberation Organization (PLO), the Popular Front for the Liberation of Palestine, and Hamas represented the nationalist, leftist, and Islamist orientations. As PLO leader, Arafat made a historic mistake when he supported Saddam Hussein’s invasion of Kuwait. In turn, some Palestinian groups rejected the Oslo Agreement with Israel. Despite a charismatic manner that inspired devotion in a broad following of his people, Arafat could not unite all Palestinians under his leadership.

These divisions have become deeper since his death in 2004, with the hostility between Hamas and the Palestinian Authority becoming a defining characteristic of the Palestinians. The socio-economic conditions and political orientations of the Palestinians in Gaza and those in the West Bank are increasingly different. All efforts to repair the 2007 schism in the Palestinian Authority that left Gaza under Hamas rule have failed. Given the deep and growing Palestinian divisions and the country’s lack of strategic clarity, some GCC leaders are becoming less willing to commit political and financial capital to find a settlement to the Arab-Israeli conflict. This fading support has further legitimized Israel as a potential ally. More Arabs seem to accept the Israeli argument that there is no Palestinian partner to negotiate with.22 This growing rift between the Palestinians and the GCC states was publicly played out in May 2020 when the Palestinians refused to accept medical supplies provided on a plane flown from Abu Dhabi to Israel’s Ben Gurion International Airport outside Tel Aviv.23

Israel’s military power and technological capabilities

Beyond regional developments, Israel’s huge advances in its military and technological capabilities have also contributed to the shift in the Arab perception of the Jewish state. The country enjoys the strongest conventional and non-conventional military capabilities in the Middle East. Although numerically dwarfed by neighbors such as Egypt, Israel’s conventional forces more than make up for this imbalance with superior technology and training. Furthermore, the country is widely considered to be the only nuclear power in the Middle East.24

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24 Gawdat Bahgat, Proliferation of Nuclear Weapons in the Middle East, op. cit.
In addition to its conventional military capabilities, Israel is one of the most advanced countries in the world in the cyber domain, bolstered by strong private sector investment in technology. These capabilities are comparable to those of China, Russia, the United Kingdom, and the United States. Drones, or unmanned aerial vehicles, are another market where Israel has established itself as a major manufacturer and exporter. 25

Beyond its military capabilities, Israel is also a leader in several commercial technologies, especially irrigation and water-management. Water scarcity is a major challenge in most Arab countries, particularly in the Persian Gulf. Indeed, this is one of a few areas where Arab countries and Israel have been quietly working together since the early 1990s.26

In short, the advances Israel has made in both military and civilian technologies have made Israel a more attractive partner for GCC states seeking to advance their national security and economic interests.

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Officially, the Arab League has maintained a boycott against Israel since 1951, at one point compiling a blacklist of more than 8,500 companies that were banned from selling their products in the Arab world because they did business with the Jewish state. However, the sanctions lost much of their bite after Egypt and Jordan signed peace treaties with Israel. Palestinian efforts to battle Israel economically through the Boycott, Divestment, and Sanctions (BDS) movement, principally aimed at companies that operate in West Bank settlements, have generated headlines but caused little material impact.28 Among the factors that have blunted the sanctions movement is the demand generated by Israeli technology products, including the Waze navigation app and the WhatsApp messaging platform, which are especially popular in Arab countries.

Israel has also become a major source of tools that the UAE, Saudi Arabia, and other Gulf states use to spy on dissidents both at home and abroad. Companies such as NSO Group and Verint Systems, both headquartered in Israel’s beachside tech hub of Herzliya, have provided GCC intelligence services with products allowing them to hack mobile phones, intercept computer messages, and analyze data.29

Increasingly, though, political connections are starting to come out into the open. The most notable example was Netanyahu’s visit to Oman in October 2018. While the event had not been previously announced, it was publicized once Netanyahu left the country. Then, Netanyahu and his wife Sara were shown on Oman’s state-controlled television news with the late Omani Sultan Qaboos bin Said on a personal tour of his palace in Muscat.

Netanyahu was not the first Israeli leader to visit Oman, though his trip was the first by a prime minister in twenty-two years. His predecessor, Yitzhak Rabin, met the sultan at his palace in 1994 at the height of the Arab-Israeli engagement kindled by the Oslo Agreement. After Rabin was assassinated a year later, former Israeli Prime Minister Shimon Peres hosted Omani Foreign Minister Yousef bin Alawi in Jerusalem and then visited Oman himself in 1996.

At about the same time that Netanyahu went to Muscat, a number of his cabinet ministers turned up in the UAE.30 Then-Israeli Minister of Communications Ayoob Kara addressed an international telecommunications conference and then-Israeli Minister of Transportation Israel Katz outlined a plan for a regional train network from Israel’s Haifa port to the Saudi port of Dammam, connected through Jordan. Katz, while serving as foreign minister, met with his Bahraini counterpart Khalid bin Ahmed al-Khalifa in Washington, and circulated a photo they took together at a US Department of State reception in July 2019. At the US-organized Warsaw summit to discuss Iran and other Middle East issues in 2019, Netanyahu met again with senior Arab officials, posing for photo ops and sitting with foreign ministers from Oman and Yemen.31

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“These remarks by leaders in Israel and the Gulf reflect a softening of rhetoric as each recognizes the value of working together to address economic and security matters.”

When he went to the United States in 2018, Saudi Crown Prince Mohammad bin Salman set aside time to meet with US Jewish leaders.32 The prince also gave an interview to The Atlantic magazine in which he said both Israelis and Palestinians have “the right to their own land.” This statement would have been heresy in previous Saudi regimes.33

Netanyahu showed his appreciation later after the Khashoggi killing, when MBS needed friends. Most recently, several Gulf states reached out to Israel in the midst of the COVID-19 pandemic to provide assistance in fighting the virus. The UAE Ambassador to the United Nations Lana Nusseibeh said the common threat has shown there is “a lot of scope for cooperation” with Israel on medical research.34

These remarks by leaders in Israel and the Gulf reflect a softening of rhetoric as each recognizes the value of working together to address economic and security matters. More broadly, increasing Israeli-Gulf ties across business, culture, science, sports, tourism, and even religion appear to be further weakening Arab political resolve against Israel and facilitating increased cooperation.

Medical cooperation

Response to the COVID-19 pandemic has put a spotlight on medicine as one of the most promising areas for Gulf-Israel alliances. For years, Israeli hospitals have secretly treated prominent Gulf patients who appreciated a high level of care without having to travel to Europe or the United States. Hospitals such as Assuta and Sheba now seek to market themselves as regional hubs of medical tourism. Sheba’s director, Dr. Yitzhak Kreiss, was one of the few Israelis invited to Bahrain for the Trump administration’s “Peace to Prosperity” workshop in June 2019,35 where he mixed with Gulf counterparts. Israeli medical start-ups similarly see the Gulf as a key market.36 In late June, the two countries said there is ongoing cooperation between companies in Israel and the UAE on research to battle the coronavirus.

Israeli pavilion at the Dubai Expo

Israel’s most visible presence in the Gulf is currently under construction in Dubai, where it will be one of 192 countries operating a pavilion at the World Expo, which was originally scheduled for 2020, but because of the COVID-19 pandemic has been postponed to October 2021.37 The exhibition will be used to showcase Israel’s technological prowess, as well as its eagerness to be accepted as a peaceful neighbor. Senior officials from Jerusalem have been visiting the UAE to iron out diplomatic details, including a change in policy that for the first time could allow Israeli citizens to use their national passports to visit a Gulf country. While in the past only Israelis with dual nationality could enter the country, the UAE is considering a new policy that would allow entry on Israeli passports after the Expo, a tourism official told Israeli newspaper Yedioth Aharonoth.38 A similar arrangement is being discussed for the FIFA 2022 World Cup in Qatar.

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32 Ben Hubbard, MBS: The Rise to Power of Mohammad bin Salman (Tim Duggan Books, 2019), 224
35 “Sheba Medical Center at Tel Hashomer Page Publications,” Facebook, July 27, 2019, https://www.facebook.com/shebaMEng/posts/2218894628146134?comment_tracking=%7B%22tn%22%3A%22%22%3A%22%22%7D.
36 “Can Israel Expand its Startup Culture to Nearby Regions?,” Knowledge @ Wharton, October 24, 2016, https://knowledge.wharton.upenn.edu/article/can-israel-recast-startup-nation-into-startup-region/.
37 Israel Foreign Ministry (@IsraelMFA), “Next year, Israel will be taking part in #Expo2020 in #Dubai. The Israeli pavilion will showcase our vision of #innovation and #cooperation for a better future...” Twitter, September 13, 2019, 7:33 a.m., https://twitter.com/IsraelMFA/status/1172473335663513604.
which made a commitment to admit Israeli fans when it bid to host the event.\(^{39}\)

**Israeli tourists**

Many Israelis are captivated by the prospect of traveling to Gulf countries that have always been closed to them, drawn especially by the glamor of Dubai. On Hebrew Facebook pages posted by newly launched tourism agencies, Israelis seek advice on visiting the 162-story Burj Khalifa skyscraper, buying lift tickets for the indoor ski slope at the Mall of the Emirates, and booking hotels on the tree-shaped Palm Islands.\(^{40}\)

**Sports participation**

Former Israeli Minister of Culture and Sports Miri Regev accompanied Israel’s judo team to Abu Dhabi in October 2018, where one of the athletes took home a gold medal.\(^{41}\) For the first time, the Emiratis allowed the playing of Israel’s national anthem and the display of its blue and white flag. At a similar event a year earlier, the anthem and flag were banned, causing a diplomatic ruckus. Israel’s February 2020 inclusion in a UAE cycling competition and upcoming participation in the 2022 FIFA World Cup, hosted by Qatar, are two more illustrations of warming relations in this domain.\(^{42}\)

**Jerusalem’s Muslim shrines**

Despite the Arab boycott, Saudi Arabia has worked with Israel to allow its Arab citizens to travel to Mecca for the hajj and umrah pilgrimages. One of the key elements of a future Israeli-Palestinian peace agreement would be the attraction that Jerusalem holds for Muslims, including from the perspective of tourism. Trump’s economic plan for the region that was unveiled last year in Bahrain


sets aside a section of East Jerusalem for new hotels that would accommodate pilgrims from the Gulf and across the Muslim world, pumping money into the Israeli and Palestinian economies.43

Jews in GCC states

Until recent years, not only were Israelis barred from entering GCC states, but travelers were asked to declare their religion and Jews were refused entry as well. Bahrain is the only country in the GCC with an indigenous Jewish population, albeit a tiny one. During the conference launching Trump’s economic plan, the island nation’s single synagogue was opened for a rare morning service.44 In the UAE, meanwhile, a growing new Jewish community comprised of expatriates supports a synagogue in Dubai that holds weekly Sabbath services.45 One of its key backers was Mohamed Alabbar, the Emirati property billionaire who built the Burj Khalifa tower. Before coming out publicly, the congregation was discreetly nurtured by the New York-based American Jewish Committee and the Simon Wiesenthal Center in Los Angeles. Now Rabbi Yehuda Sarna, a chaplain at New York University and its satellite campus in Abu Dhabi, has been recognized as Chief Rabbi of the Jewish Community of the Emirates.46 While no official numbers exist, leaders estimate more than one thousand Jews live in the country, two hundred of them affiliated with the community, with many having come to work in finance, trade, law, and education. A second synagogue started by the hasidic Chabad Lubavitch organization opened its doors in 2020, stoking some rivalry.47 One woman started a catering business to provide kosher food for travelers,48 and the Chabad group formed a venture with a poultry farm in the UAE to sell products that will follow the requirements of both kosher and halal ritual slaughter.49 That will make the chicken suitable for sale to both observant Jews and Muslims. Interest in Israel and the history of Jews in the Gulf have also been kindled by the television drama Umm Haroun, Arabic for “mother of Aaron,” which was broadcast by Saudi-owned MBC this year during Ramadan.50

Interfaith prayer compound

As a centerpiece of its 2019 campaign to make the Emirates a model of tolerance for religious and ethnic minorities, the UAE announced plans to build a monumental prayer compound in Abu Dhabi with a mosque, a church, and a synagogue. The Abrahamic Family House, as it will be called, will be built by British architect David Adjaye, who designed the National Museum of African American History and Culture in Washington.51

Weapons trade

The presence of Israeli companies in GCC countries has been a fact for years but generally hidden. The Israeli government publishes limited statistics for trade with the Gulf, recording $1 billion in exports in 2016, the last year in which figures were available.52 While Saudi Arabia and the UAE have long been customers of Israel's arms industry, the contracts are secret. One contract spilled into the open in 2015 when a US employee of Israel’s Elbit Systems Ltd. was found dead after going to Saudi Arabia to inspect electronic equipment for Elbit-made tube-

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49 Kosher Dubai, Facebook group, https://www.facebook.com/KosherUAE/. The local Chabad Lubavitch chapter is working with the Farooj Al Ain Poultry Farm.
launched, optically tracked, wired-guided (TOW) missile launchers.53

**Diamonds**

Clear for anyone to see when they walk into the Dubai Mall is the Levant boutique jewelry shop owned by Israeli diamond trader Lev Leviev. An immigrant from Uzbekistan, Leviev teamed up with Palestinian partner agent Arif Bin Khadra to open three jewelry shops and two clothing boutiques in UAE malls.54

**Finance**

Israeli-Gulf financial partnerships are proliferating. Among the most profitable is that of Dubai’s DP World and Haifa-based Zim Integrated Shipping Services, which has made joint investments across Asia, Europe, and South America.55 The fact that WeWork was founded by Israeli-born entrepreneur Adam Neumann did not stop the sovereign wealth funds of Saudi Arabia and Abu Dhabi from investing billions in the company through Japan’s SoftBank before its crash in 2019.56 Credit Suisse opened a $1 billion emerging markets fund in 2010, in which the largest stakes were held by the Qatar Investment Authority, the Olayan Group of Saudi Arabia, and Israel’s IDB Group.57

**Pipeline to the Mediterranean**

Israel’s geographical position as a land bridge between Asia and Africa also presents opportunities. Reports suggest Saudi Arabia is eyeing Israel’s state-owned Eilat-Ashkelon Pipeline Co., which operates the 160-mile oil pipeline from Eilat on the Red Sea to Ashkelon on the Mediterranean. The pipeline bypasses the Suez Canal, cutting shipping costs to Europe and North America.58

### CONCLUSIONS AND RECOMMENDATIONS FOR THE FUTURE

The growing cooperation between Israel and GCC states indicates that significant change in the political architecture of the Middle East is not impossible. In the last few decades, Israel has become a regional power and managed to develop a variety of relationships in the Arab world despite only securing formal peace treaties with Egypt and Jordan. However, familiar obstacles remain. Chief among them is the enduring conflict with the Palestinians, which has proved impervious to countless peace proposals and can ultimately be resolved only in a spirit of fair compromise.

Addressing such issues as Palestinian statehood, the plight of refugees, and sharing Jerusalem as a capital would make direct contact between Israel and the GCC states easier.

One substantial challenge that looms ahead is Netanyahu’s declared intention to extend Israeli sovereignty over the Jordan Valley and as many as 132 Jewish settlements in the West Bank—a de facto annexation that Palestinians say would destroy all hope for a two-state peace agreement. Such a step may not stop Gulf Arabs and Israelis from doing business together, but it will likely slow the pace and inhibit public expressions of support for increased cooperation. It would be a mistake to believe that nearly three-quarters of a century, over which Israel was demonized by the Arab world, can be erased because Gulf rulers have decided it is better to work together.

This report provides concrete examples of how commercial, scientific, cultural, and religious connections have enabled a limited degree of contact between Israel and the Gulf states.
while official ties remained politically awkward. To build on these relationships, the following recommendations should be considered.

- Gulf states should identify new opportunities for Israel’s open participation in business projects, scientific activities, and sporting events that abide by international norms of inclusion and facilitate interaction in the absence of diplomatic relations. The COVID-19 medical research, Dubai Expo, Qatar World Cup, and Oman desalination center provide good examples.

- Israel should focus on promoting its expertise in scientific research, desert agriculture, alternative energy, and other areas that provide unique value to partners in the region and have proven resistant to calls for boycott. Joint Israeli-Arab efforts to battle the coronavirus pandemic have demonstrated how picking the right causes can cut through political barriers that usually keep the sides apart.

- The United States should redouble its efforts to broker a comprehensive Middle East peace agreement and work with Palestinian leaders who rejected the current White House plan because they said it favored Israel. Gulf states can contribute to the peace process through commitments to invest in Palestinian statebuilding projects, including infrastructure and business initiatives.

- Large-scale commercial projects that can build regional ties should be given strong consideration, particularly the regional rail network that could ferry goods between Israel’s Mediterranean ports and the Persian Gulf. Additionally, the Neom “city of the future” development in western Saudi Arabia is a promising hub for Israeli-Gulf partnerships if it survives the economic fallout of COVID-19 and low oil prices that have already slowed down its construction schedule.

- Track II diplomacy, involving academics and other non-governmental actors facilitating dialogue outside the public eye, should be initiated to generate new ideas for cooperation between the Gulf states and Israel. Among the most potentially fruitful areas for discussion are health care, cybersecurity, water conservation, alternative energy, and Muslim-Jewish interfaith activities. These should be amplified with additional scholarship that includes polling of local populations and interviews with political, business, and religious leaders.
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Jonathan H. Ferziger is an award-winning American journalist whose reporting career has taken him to postings in Israel, Saudi Arabia, and Hong Kong. Based in Jerusalem, Ferziger was most recently chief political reporter for Bloomberg News on Israeli and Palestinian affairs. Earlier he worked for United Press International, covering the 1991 Gulf War in Saudi Arabia, moving to Israel as Jerusalem Bureau Chief and serving as Asia regional editor in Hong Kong. Ferziger earned a BA in English at Binghamton University and an MA from the Columbia University Graduate School of Journalism. He was awarded a Nieman Fellowship at Harvard University in 1995 and won the 2017 Robert St. John Prize in Objective Middle East Reporting from Israel’s Ben Gurion University. He is currently working on a book about Israel and the Gulf.

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