

## **CHAPTER III**

### **THE FACTORS OF QATAR'S DIPLOMATIC CRISIS**

This chapter discusses the factors that trigger the diplomatic crisis between Qatar and other Gulf States (Saudi Arabia, Egypt, the United Arab Emirates, and Bahrain). The diplomatic crisis factors that discuss in this chapter including Qatar and Muslim Brotherhood, Qatar-Iran relations, Aljazeera, Trump State visit to Saudi Arabia, and also Riyadh Summit 2017. In addition, this chapter also discusses the impact of diplomatic crisis including thirteen demands from Anti-Qatari coalition, and also its impact towards Qatar's politics, and economic.

#### **A. Factors of Diplomatic Crisis**

Qatar's diplomatic crisis is one of the most serious crises that ever happened in the history of the Arab world. This crisis does not only involve one state but covers several states in the Arabic peninsula and also outside the region. This crisis was started on 5 June 2017, where Saudi Arabia, Bahrain, the United Arab Emirates, and Egypt decided to sever their diplomatic relations with Qatar. The severing of diplomatic relations among these states brought significant changes on geopolitics landscape within the region. The geopolitics landscape also followed by the different response of some Gulf Cooperation Council member states whereas three states within the member decided to take action against Qatar by severing their diplomatic relations with this country.

In response to the situation, Qatar tried to ask the clarification upon the justification that currently became the reason for the diplomatic crisis. Through Qatari Ministry Foreign Affairs, Qatar government tried to explain about some accusations that delivered by those countries to Qatar in accordance with its support to Muslim Brotherhood, Hamas, Hezbollah, as well as its relations with the Iranian government. Qatar stated that it never fund all activities of the extremist and

even terrorist group. Qatar also asked those countries to proof their accusation if Qatar involved in that kind of action.

The termination of diplomatic relations is one of the old policies that had been planned by Saudi Arabia along the third Gulf State to suppress the influence of Qatar in the Middle East. Even this diplomatic crisis was an attempt to isolate Qatar Saudi Arabia due to Qatar's foreign political policy that increasingly different from the Gulf countries since led by Sheikh Hamad bin Khalifa Al Thani in 1995.

The different and dynamic of Qatar foreign policy also increased after the abdication of power from Sheikh Hamad bin Khalifa Al Thani to his son, Sheikh Tamim bin Hamad Al Thani. Since the abdication happened on 23 March 2013, Sheikh Tamim faced many challenged of the implementation of new foreign policy. Sheikh Tamim bin Hamad Al Thani adopted an open-door policy in conducting its foreign policy. This foreign policy emphasizes the importance of dialogue with all parties but not exclude any groups from the political scene. His foreign policy was rejected by some of GCC member states because it has different from the common ground that already accepted in the GCC member states. The differences between Qatar and intra-GCC member led into the diplomatic tension between these countries. in 2014, Saudi Arabia, Bahrain, and the United Arab Emirates decided to sever their diplomatic ties with Qatar for eight months. This decision was followed by withdrawing of their ambassadors in Doha.

In responding to the situation, Qatar tried to seek the solution by voicing this problem into the international conference that held in Germany and bring this case to the United Nations General Assembly in New York. Another hand, Emir of Qatar also held and interview sessions with CNN about the diplomatic problem that happened among

intra-GCC member states. Finally in November 2014, through diplomacy and negotiation effort that handled by the Qatari government. Bahrain, Saudi Arabia, and the United Arab Emirates agreed to send their ambassadors to Doha, and this decision was followed by King Salman state's visit to Doha in order to strengthen both countries relations in December 2016.

The geopolitics suddenly changed when it came in 2017, where Qatar News Agency was hacked and it brought fabricated information regarding Emir's statement about Qatar's position in the United States New administration and his recognition to Iran as a new power in the Middle East. This statement was followed by some protests made by Saudi Arabia, Bahrain, UAE, and Egypt. Because these countries believe that Iran has funded and supported some terrorist action in some area in the Middle East. These also reflect Qatar's position that is really close to Iran since 1995. In the other hand, there are some factors that also contributed to this diplomatic crisis such as Trump state's visit to Saudi Arabia, Qatar's support upon Muslim Brotherhood (*Ikhwanul Muslimin*), Aljazeera, and Qatar-Iran relations. These factors are becoming compelling reasons for the occurrence of the termination of diplomatic relations as well as the prolonged crisis in the Arabian Peninsula.

## 1. Qatar and Muslim Brotherhood (*Ikhwanul*



Picture 3.1: Then-Emir of Qatar, Sheikh Hamad Bin Khalifa Al-Thani, center, Palestinian President Mahmoud Abbas, left, and then-Hamas leader, Khaled Mashaal, in Doha, Qatar, February 6, 2012

Source: Akram, F. (2017, June 8). Qatar crisis could spell new trouble for embattled Hamas. Retrieved April 29, 2018, from The Times of Israel: <https://www.timesofisrael.com/qatar-crisis-could-spell-new-trouble-for-embattled-hamas/>

The first issue that addressed by Saudi Arabia, Bahrain, the United Arab Emirates and Egypt to Qatar was the issue of Qatar's support towards *Ikhwanul Muslimin* or Muslim Brotherhood. The Muslim Brotherhood is one of the Islamic groups that invite and demanding enforcement of Islamic jurisprudence, as well as run all the commands of God, including matters relating to the political, economic, Socio-culture, and security. This Group understands that the country should be governed according to the principles of Islam and Sharia law should be implemented based on Islamic jurisprudence (Jatmika, 2014).

The Muslim Brotherhood is considered by Saudi Arabia, Bahrain, United Arab Emirates, and Egypt as the hard-line Islamic

Group that often trigger the political upheaval in various Arab countries. Since the turmoil of the Arab Springs occurred in the Middle East, these groups often position themselves as opposition groups that often threaten political stability and security of countries in the Middle East including Algeria, Libya, Egypt, and Syria. Thus, the activity and the existence of the Group were deemed illegal by those countries.

The problem of Muslim Brotherhood has been concerned of both parties. This concern led to the strained relations between Qatar and Saudi-led coalition in accordance with Qatar's decision to accept and protect the Muslim Brotherhood's figure in Doha under the leadership of Hamad bin Khalifa Al Thani for several decades. The presence of those figures in Doha was affected by one incident that happened in the 1950s and 1960s, where Saudi Arabia and the other Sheikhdoms hosted thousands of Muslim Brotherhood member escaping persecution, mainly by the nationalist regime of Egyptian President Gamal Abdel Nasser but also by another secular regime in Iraq and Syria. These exiled Muslim Brotherhood member moved to other GCC member states including Qatar, Bahrain, Saudi Arabia, and the United Arab Emirates and influenced their social development as well as educational system (Harb, 2017).

The history of Muslim Brotherhood has been forgotten by those Arab countries. Today, Saudi Arabia and the United Arab Emirates have classified the Muslim Brotherhood a terrorist organization. But on the other hand, Kuwait and Bahrain still gave the opportunity for Muslim

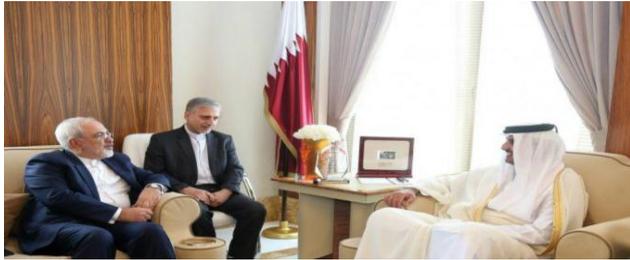
Brotherhood branches to run their organization legally, raise funds, and even participate in the political process. Almost half of 24 Kuwait's opposition members of parliament are either Islamists or Salafists (Harb, 2017). These parties also have three representatives in Bahrain's lower house. The context of supporting Muslim Brotherhood has become a critical and illogical issue that made Saudi Arabia, Bahrain, the United Arab Emirates, and Egypt sever their diplomatic relations with Qatar.

Saudi Arabia, the United Arab Emirates, Bahrain, and Egypt believed that the Muslim Brotherhood is an organization that organized the successfulness of Arab Springs in 2011. In Egypt, there was evidence that showed the involvement of Muslim Brotherhood that supported by Qatari government in order to overthrow President Hosni Mubarak. They believed that only Muslim Brotherhood who was able to organize this evidence. The political destabilization in Egypt did not only happen at the presidential level but also in the parliamentary levels. But in another side, Qatar viewed this reformation as a part of the democratic translation of the will of Egyptian people. At the same time, President Mursi came to power and become a new President. This condition creates contradiction among Gulf Countries that did not believe with the new administration in Egypt. Therefore, the existence of President Mursi could potentially affect the geopolitical landscape in Gulf region and cannot fulfill Gulf Countries' interest.

This condition led those countries to criticize Qatar on its way to protect the Muslim

Brotherhood in Doha. The Critics of Muslim Brotherhood also emerged until a new administration of Emir Tamim bin Hamad Al Thani. After severing the diplomatic ties, the issue of Muslim Brotherhood emerged as the campaign against Qatar. This issue finally became the accusation and reason of those Gulf States to terminate their relations with Qatar. Another hand, the confrontation among these states finally came into the tension while the United States President visits Riyadh for attending the America-Arab Summit. This summit was identified as the gate of crisis among the Gulf States because one of the discussions in this summit was about Counterterrorism and extremism. The action of against Muslim Brotherhood and terrorism has been delivered by Donald Trump before visiting Saudi Arabia. This statement and provocation made the condition of the Gulf States became worse because Qatar is one of the Gulf States that have very close relations with those extremist groups including Hamas, Hezbollah, Muslim Brotherhood, and even Muslim Brotherhood. This termination was indicated by a different perception and understanding in viewing those groups.

## 2. Qatar-Iran Relations



**Picture 3.2:** Iranian Foreign Minister held talks on Wednesday with Qatar's Emir in Doha about improving bilateral relations, and regional development, in a new attempt to ease the tension between the Gulf countries and Iran

Source: <https://www.middleeastobserver.org/2017/03/09/32738/>

Since Saudi Arabia, Bahrain, Egypt, and the United Arab Emirates sever all diplomatic relations with Qatar. These countries forced Qatar to sever its diplomatic ties with the Iranian government and also expel the resident members of the Islamic Revolutionary Guard Corps (IRGC) from Doha (Harb, 2017). But the problem was, Qatar and the Iranian government have a very tight relationship since they were involved in the exploration of North Dome. This cooperation gave much more benefit and as a source of income to Qatar's economy.

The relations between Qatar and the Iranian government have become the history of geopolitical landscape in the Middle East. Both countries are involved in several activities including the cooperation in natural gas exploration, and also military. The problem of its relationship with Iran has been recorded onto thirteen demands that are delivered by the anti-

Qatar coalition. Qatar is asked to sever its diplomatic ties with Iran in all aspects including economic, political, and even security. Iran is seen as an opponent that can threaten the geopolitical landscape of the Gulf States due to its expansionist and interventionist policies. Nevertheless, Qatar ignored the demand and continues to strengthen relations with Iran, re-accrediting its ambassador to Tehran with the objective to strengthen bilateral relations with the Islamic Republic of Iran in all fields (Rafizadeh, 2017).

In addition, the biggest factor that made anti-Qatar coalition sever the diplomatic relations was the different understanding on the definition of terrorism that conducted by the anti-Qatar coalition, particularly Saudi Arabia. There are two main concepts of terrorist that conducted by the anti-Qatar coalition, they are terrorist that affiliated with ISIS, and Iran as a part of the terrorist. Therefore, if there is a GCC member that conducts diplomatic relations with Iran, it means that it is supposed to have cooperation in supporting the terrorist group. This misconception as an effect of Arab Springs in 2011, where Qatar was the biggest support towards Muslim Brotherhood in Tunisia, Egypt, and Libya as well as Iran supported Bashar Al Assad and sent the military to Syria in order to back up the government of Syria to face Saudi-US coalition.

The refusal of the Gulf countries against Qatar-Iran diplomatic relations is an attempt to weaken the influence of Qatar in the Gulf region as well as narrowing the movement of Qatar in international political contestation, where Qatar is

one of the countries who has been involved in various international groups mediating the dispute, as well as having a foreign policy that tends to interventionist and expansionist. In addition, Iran is seen by the Qatar-anti coalition as big rival in the Middle East which can threaten the stability and peaceful coexistence among GCC member states because some nuclear weapons that owned by Iran. Iran has been intervened many conflicts that existed in the Middle East including its intervention during Arab Springs in Syria until now. Iran also has supported and funded many extremist groups which have organized many rebellions in some countries in the Middle East.

Over the last decades, Qatar has taken their policy in order to support Iran by doing several actions that attract international and regional attention. Qatar played utilized its position in the *United Nations Security Council* (UNSC) to take steps to vote against the UNSC resolution calling on Iran to halt its nuclear enrichment program and signing a bilateral counterterrorism agreement with Iran (Gordon, Yadlin, & Heistein, 2017). More recently, Qatar through its leader Sheikh Hamad bin Khalifa Al Thani congratulated Iranian President Hassan Rouhani on his reelection. This greeting became a highlight issue for all of GCC member states because Qatar was the only one member in the GCC that Iranian President.

In April 2017, the government of Qatar allocating the payment of \$700 million to Iran and Kata'ib al-Hezbollah, the Iranian-backed Shia militia in Iraq, this transaction was made in order to exchange the freedom of members of Qatar's

royal family taken captive in Iraq. Qatar's policy is getting a very hard response from various members of the GCC. Some members of the GCC as Saudi Arabia, Bahrain, and the United Arab Emirates denounced the actions of Qatar and relegating their diplomatic representatives in Doha.

In late May 2017, the Qatar State News Agency reported its Emir's speech that Qatar supported the existence of Iran in the Middle East, and said that Iran is a new Islamic power that can help to stabilize politics, peace and security in the region. These statements irritated many of GCC member states. Then, as a response to the Emir's statement, Saudi Arabia, Bahrain, the United Arab Emirates, and Egypt sever their diplomatic relations and blockade all access to Qatar including sea, air, and land. This termination became a new chapter of black noted relations that happened between Qatar and its neighboring countries.

### **3. Aljazeera**

Aljazeera is one of Qatar's biggest media that founded by Sheikh Hamad bin Khalifa Al Thani in 1996. This media has a huge role in supporting Qatar's soft diplomacy during the leadership of Sheikh Hamad bin Khalifah Al Thani until the current Emir, Sheikh Tamim bin Hamad Al Thani. Launched in January 2001, Aljazeera became the first Arabic news site free from government censorship and control, Aljazeera brings a different and new view on global events (Wenden, 2005). The development of Aljazeera as a new influential media has the biggest goal towards Qatar's position in the

Middle East. Sheikh Hamad and Sheikh Tamim are two leaders who have bright vision and mission to create Qatar's brand internationally.

Aljazeera developed into the most credible and independent media that ever existed in the Middle East. Aljazeera developed a new version of Aljazeera English which aimed to open a new window opportunity to see the world closely. Its homepage covered articles on the Arab World, culture, the economy, science and technology, international relations, as well as public opinion and special reports.

Since 1996 until now, Aljazeera has taken many roles to report many pieces evidence and phenomenon that happened in the Middle East including conflicts among GCC member states, Arab Springs, and even other issues that related to some royal family of Saudi Arabia, Bahrain, United Arab Emirates, Kuwait, and Oman. Other hands, Aljazeera also highlighted some taboo issues such as human rights, political destabilization, and even support the International conference hosted by the Qatari government. During its establishment, Aljazeera has contributed to changes public opinion and also promoting democratization in the rest of the region through its publications and report.

The role of Aljazeera to conduct a report regarding many issues in the Middle East became the main concern of Qatar's Arab neighbours. The most critical issues that ever published and supported by Aljazeera was the Egyptian coup against Mohammed Morsi. Aljazeera hosted exiled Muslim Brotherhood leaders at five stars

Hotel and provide them airtime to advocate their struggle. Aljazeera also heavily aired the Muslim Brotherhood's protest against the new Egyptian government on their TV station (Schanzer, 2017).

Furthermore, Egypt and its powerful Gulf state sponsor irritated towards Qatar's support for Islamist group, including Muslim Brotherhood, Hamas, a militant Palestinian Brotherhood affiliate whose enjoy political protection in Doha. Saudi Arabia and the United Arab Emirates responded this case by taking subsequent moves to limit Al Jazeera (Marans, 2017).

In 2002, Saudi Arabia recalled their ambassador from Doha after Aljazeera network aired a panel discussion featuring dissidents from the kingdom. Aljazeera Arabic Channel also contributes to creating a report regarding anti-government protest that happened in Bahrain, this anti-government protest was organized by Shia majority. This protest happened as a respond of discrimination that done by the government of Bahrain (Carlstrom, 2017). This protest was recorded by Aljazeera journalist and became the headline of the issue in the rest of region. This action got many protests from Bahraini government and Saudi Arabia regarding its publication that could attract the wave of demonstration in that country.

The Aljazeera's action has been noticed by several Arab countries as a threat that can destabilize politics, economic, and even security at home. While several Arab countries have chosen to register protests with the Qatari government, others have closed Aljazeera's office in their home

country and sent all of its personnel and correspondents back to Qatar. In some issues, Arab countries recalled its ambassador to asked the response regarding the inappropriate news and content that published by this media. This condition ever happened to Kuwait, Morocco, and Jordan.

In May 2000, the same report to Qatari government was delivered by Iraq, Libya, and Tunisia. Iraq protested Aljazeera content about its publication regarding Saddam Hussein's extravagant birthday celebration while Iraq claimed that all problems that happened within the countries as the impact of UN sanction. While Libya and Tunisia protested Aljazeera's TV station that hosted opponents of their regimes. Both countries decided to recall Qatar's ambassador (Bahry, 2001).

In 2011 during the Arab Springs uprisings, Aljazeera played some important role which created massive publications on each issue that occurred in each countries including in Libya, Tunisia, Egypt, and Syria. The Aljazeera suddenly became the tool of Qatari government to intervene other countries by aired all activities and violence that happened in those countries. Aljazeera also supported Muslim Brotherhood's group in those countries by giving them the opportunity to deliver their aspirations through Aljazeera channel. This action was done by Aljazeera in order to attract other Arab society attention against an authoritarian regime that existed in those countries.

The action of Aljazeera was no longer happen when some Arab Countries close its office and revoking permission of Aljazeera operations in their home country. Saudi Arabia, Bahrain, United Arab Emirates, and Egypt had taken the steps to close those Aljazeera offices in their home. The decision of Emir to uphold the freedom of expression and independent media also contribute to uncontrolled action done by Aljazeera. Therefore, as sanction and protest of Aljazeera's steps, Saudi led coalition severs the diplomatic ties and demand Qatar to close Aljazeera and all media under Aljazeera. In addition, the government of Qatar rejected to close Aljazeera and offered negotiation process to end the crisis. Current Qatar's diplomatic crisis has become one of the worse crises that ever happened in the Arab Peninsula because this crisis directly changes the magnitude of the political landscape in the region.

#### **4. Trump's State Visit**

After winning the presidential election and hold the title as the US President in 2017. President Trump announced his first international trip to the centres of three great religions in the world, this trip aimed to create a powerful coalition between the US and other Arab countries against the forces of intolerance (Baker, 2017).

President Donald Trump's state visit to the Middle East region has had an enormous impact on the relations of the Middle East countries, especially in the Gulf region. This states' visit has shifted the geopolitical landscape in the Persian Gulf. The Trump administration intended to follow and support a set of regional

policies that are aligned far closer to those Abu Dhabi and Riyadh than Doha; this is due to the high-profile visitor of Saudi Arabia's Deputy Crown Prince Mohammed bin Salman and Mohammed bin Zayed Al-Nahyan to Washington in the run-up to Riyadh Summit with Arab and Islamic leaders (Ulrichsen, 2017).

Further, Trump's administration has presented the opportunity for both United Arab Emirates and Saudi Arabia to shape the perspective on critical regional issues such as Islamism and Iran's power, these two points become the most critical evidence during the Riyadh visit. On the contrary, the policy of Trump is judged to be quite inversely related to the United States policy in the era of President Obama, which is more focused on peace and stability of the region in the Persian Gulf. Trump's administration sees the UAE and Saudi Arabia as two strong pillars which can help the US government in order to do the regional approach both in the Middle East and Gulf region.

In the other side, another shocking statement is also made by President Donald Trump. On his Twitter account, he expressed his accusation to Qatar regarding the issue of the involvement of Qatar in supporting Muslim brotherhood and Qatar-Iran diplomatic relations. This unilateral statement was followed by the speech delivered by President Trump in Arab Islamic and America Summit 2017 which stated Qatar involved in several terrorist movements and contributes to funding that kind of action. In another hand, Trump also blamed Iran for the instability in the Middle East and asked Muslim

countries to combat radicalisation. This statement is considered to urge Gulf countries to act against Qatar (BBC, 2017).

Then, this accusation was followed by the serious response from the Gulf Countries such as Saudi Arabia, Bahrain, United Arab Emirates, and Egypt in order to lead a coalition against Qatar.

## **5. Riyadh Summit 2017**

Riyadh Summit 2017 is one of the series of three summits held on 20-21 May 2017 in order to welcome the President Trump's official visit to Saudi Arabia and the Middle East. This Summit covered a bilateral meeting between the United States and Saudi Arabia, and two multilateral meetings, one multilateral meeting between the United States and the members of Gulf Cooperation Council and the other with Arab and Muslim countries. This summit was attended by 55 Arab and Muslim countries all around the world.

Riyadh Summit 2017 emerged since Donald Trump announced his first official overseas visit to the Middle East region. This summit aimed to welcome and congratulate US new President as well as steps to increase Saudi power in the Middle East, particularly in the Arabia Peninsula.

At this moment, King Salman of Saudi Arabia addressed the Summit by telling all member states to maintain peaceful coexistence throughout the region. Both Trump and King Salman also addressed their awareness about the importance of a coalition of nations in the Middle East with aim of stamping out extremism. Another

hand, Trump also highlighted a new message, calling for peace, hope, unity, and urged all Arab countries to fight against terrorism including the country that supports the terrorist actions (Aljazeera, 2017).

Furthermore, Trump redelivered his message to all of the Arab and Muslim States to fight against terrorist actions and drive out from their countries. He also reminded all of the Arab and Muslim states to condemn Hamas and the Iranian government for their support to the government of Bashar al-Assad in the Syrian war. The Riyadh Summit 2017 is a political manifestation of Saudi Arabia to establish hegemony and expand its power in the Middle East.

The existence of United States in this Summit opened the opportunity for Saudi to increase the pressure against Qatar in its involvement to host several oppositions and Muslim Brotherhood's leader. In the other hand, the United Arab Emirates also felt the same line with the new administration of the United States. Donald Trump was viewed as a figure that could help these countries to force Qataris back into their box (Ulrichsen, 2017).

Furthermore, one of series of Arab-Islamic-American Summit is combat terrorism and establishes Middle East Strategic Alliance, Establishment of Global Centre for Countering Extremist Thought, promote coexistence and constructive tolerance as well as enhance sustainable development program (SDP), confronting sectarian agenda and interference in

other countries affairs, and countering piracy and protecting navigation (Agha, 2017). These results became the reason for Saudi Arabia, United Arab Emirates, Bahrain, and Egypt to take further actions against Qatar. Therefore, these countries decided to sever diplomatic ties with Qatar.

Those shreds evidence has become the main factors and triggers towards the current crisis that happened between Qatar and Saudi Arabia, Bahrain, the United Arab Emirates, and Egypt. These factors also gave much different perspective to both Qatar and Anti-Qatar coalition. Qatar through its Ministry of Foreign Affairs has given a clarification regarding those accusations by Aljazeera and its official source. But, the clarification has been rejected by these states and imposed Qatar with diplomatic sanction as well as offered thirteen demands. Qatar has tried to offer negotiation and diplomacy process to end the crisis, but Saudi and other coalition disagreed with this step and prefer to maintain the sanctions. As a result of this crisis, there are many impacts that affected Qatar including politics and also economic.

### **B. The Impact of Diplomatic Crisis**

The escalation of conflict between Qatar and four Arab states came into high tension when Saudi Arabia, the United Arab Emirates, Bahrain, along with Egypt severed their diplomatic relations with Qatar on 4 June 2017. These countries dramatically escalated an ongoing conflict with Qatar. They closed off air, sea, and land routes; restricted the entrance of Qatari citizens and residents to their countries; and gave the announcement to their own citizens to leave Qatar in 14 days. In addition, Egypt also cut off its diplomatic relations with Qatar and access to its airspace, but it did not close the Suez Channel. On the other hand, the Egyptian government also followed Saudi and other Gulf States' step to ask 300,000 Egyptian citizens who work in Qatar to leave (Kabbani, 2017).

In addition, Qatar diplomatic crisis has disrupted two important aspects including politics and economy. Generally, the outcome of the blockade has hampered Qatar's politics and economic development. The crisis has disrupted trade, affected workers and families, and delayed projects in Qatar and its neighbours. In short term, the conflict caused much more cost to stabilize the condition domestically. On the other hand, it also affected the country's position because geographically Qatar is surrounded by those states. Automatically, the geographic position of Qatar is really influenced by the development of both economics and politics in Qatar.

### **1. Economic Impact**

According to the report confirmed by the World Trade Organization on 4<sup>th</sup> August 2017, Qatar has reported their complaints against the fourth Arab countries due to the blockade on Qatar. The government of Qatar stated that the economic boycott was a coercive action at the economic isolation (Mahanta, 2017). The coercive actions taken by the Saudi and other Arab states brought so many implications towards Qatar's economic domestically. Some of them will be explained as follows:

#### **a. A Scarcity of Food Supplies**

With the amount of population about 2,7 million people, Qatar has to fight against the economic sanctions that are given by Saudi Arabia, the United Arab Emirates, Bahrain, and also Egypt. After severing diplomatic ties with Qatar, Saudi Arabia took the further action to force Qatar by cut off its trade relations and close the border with Qatar.

Saudi Arabia and Qatar has become trade partner since long time ago. About 40%

of Qatar's food is imported from Saudi Arabia. Therefore, this condition made Qatar always depend on Saudi's product (Atkinson, 2017). Thus, when the conflict between these two countries emerged, the scarcity of food supplies also happened domestically. This condition became a problem because the condition of food security happened in the fasting month (Ramadhan) where the country need much more supplied in order to fulfill the demand from the people.

A limitation of food supplies made the Government of Qatar was overwhelmed in coping with the urgent domestic needs. Economic sanctions and border closings, as well as the anti-Qatar campaign which were voiced by Saudi Arabia, Bahrain, the United Arab Emirates, and Egypt, became a very big constraint for the Government of Qatar to normalize trading relations with those countries.

In response to the ongoing domestic problem, Qatar is willing to open the trade an economic cooperation with Iran in order to fulfill the domestic need and to decrease food scarcity problem (Alkhalisi, 2017).

#### **b. Flights banned**

Following its neighbors and allies, United Arab Emirates also suspend Etihad and Emirates airlines to fly from and to Qatar. This action was taken by the government of the United Arab Emirates as a part of protest towards Qatar's foreign policy which tends to support Iran and various terrorist groups. The

government of the United Arab Emirates also issued an official statement about the banning of Qatar Airways flight past the airspace. This statement was delivered after the Government of the United Arab Emirates is taking decisive steps to stop the operation of the airline Qatar.

In addition, Saudi Arabia also took a step to shut down all Qatar Airways offices in Riyadh and revoked the licenses of this airline. The policies of the Saudi and the United Arab Emirates gave a very large loss impacts to Qatar Airways. The result of this policy is delays and cancellations at the airports across the region. More than 30 flights leaving Doha were cancelled. Furthermore, a total of 27 flights from Dubai to Doha were cancelled. Qatar Airways also suspended all flights to the three Gulf countries and Egypt. Other hands, Qatar Airways got many complaints from its passenger sue to inappropriate and overwhelming schedule. Finally, this condition was succeeded to degrade the brand of Qatar Airways as the first Airways in the world (McKernan, 2017).

### **c. Oil Price**

Oil markets give significant changes to geopolitical risk in t both Middle East and Arabian Peninsula region. After four Arab States decide to impose the diplomatic sanctions and embargo to Qatar, oil prices briefly jumped into 1,6 % before falling back (Mills, 2017).

The impact of the diplomatic sanction and embargo led the situation of oil trade in the Middle East became worst from time to time. This implication also affected to Qatar's oil and gas production. Even though Qatar is the 10<sup>th</sup> biggest producer in OPEC, but it has a huge production on LNG which always involve in the trade of oil and natural gas trade in the Middle East and Gulf region. Qatar has huge shipments of LNG that brought their export to all of the Gulf countries and also around the world. The conflict between Qatar and other Gulf states are potentially isolated Qatar from the trade circle in the Gulf region. This is caused by most of the LNG export route always across the United Arab Emirates, Bahrain, Egypt, and also Saudi Arabia including land, sea, and air routes.

Furthermore, as a member of OPEC, Qatar also joined the agreement of cartel's production cut and committed to cut its crude output to 30,000 barrels of oil per day. OPEC aims to get rid of the global market oversupply of crude, which has held press the price down since 2014. But the current crisis the willingness of Qatar to obey the supply cut will be limited. Even though Kuwait has tried to attempt the mediation between Qatar and its neighbour, but the Gulf countries such as Saudi Arabia, United Arab Emirates, and Bahrain remains they are committed to the OPEC and non-OPEC deal (Rashed, 2017).

In addition, through the embargo and boycott, Qatar faced any problem in exporting its LNG to other countries. This disruption

could damage Qatar's position because during the boycott the United Arab Emirates would close its seaport and cut the gas trade with Qatar in the Dolphin pipeline. Therefore, this condition would make Qatar should pay the extra cost in order to keep its export run well to the rest of the region (Augustine, 2017).

#### **d. Finance and Banking**

Qatar's diplomatic crisis changed many aspects in the geopolitical landscape in the Middle East. The geopolitical landscape also changes the face of investment and flow of money that existed in Qatar. According to IMF, the termination of diplomatic ties between Qatar and four Arab countries will decrease the growth of the economy in the region and also medium-term growth prospects.

The disruption of trade has affected the implementation of the key infrastructure project of Qatar. Since Qatar has the various development project that has been started before the diplomatic sanction. Other hands, the most critical impact on economics is some financial pressure that emerges after the sanction happened. The IMF said that diplomatic crisis has downgrade Qatar's sovereign credit rating and outlook, the rise of interbank interest rates, and private sectors deposits (both resident and non-resident) have declined (John, 2017).

The impact of diplomatic crisis also hampered the development of Qatar's banking sectors. Qatar is one of the countries that really depend on the foreign investment as

well as foreign banking. The problem with four Arab states has caused the downgrade of the banking system in Qatar. The report of Qatari financial official estimated the institutions from Saudi Arabia, the United Arab Emirates, and Bahrain had \$18 billion of deposits in Qatari bank that would not be continuing anymore (Torchia & Finn, 2017). Bank of America predicted \$35 billion of outflow from Qatar's banking system in one year if there is no a continuation of cooperation and GGC severs financial ties completely.

On the other hand, Qatar's benchmark stock market also fall 11,5% since early June when the four Arab countries sever their diplomatic ties with Qatar (Finn & Arnold, 2017).

## **2. Political Impact**

Aside from the economic impact, there are several political impacts that also hampered Qatar's development in both Middle East and the Arabian Peninsula. The development of crisis which following the further decision made by Saudi Arabia, Bahrain, United Arab Emirates, and Egypt have contributed to all of the impacts in Qatar domestically and even internationally. In addition, this crisis also has a huge political impact that force and isolate Qatar politically. Since the declaration of diplomatic sanction of the four Arab states, Qatar faced many political problems in both regional and international. This politics impacts can affect the development of its future politics.

The political impact that arises after the severing diplomatic ties with Qatar is represented on the list of demands by Saudi Arabia, Bahrain, the United Arab Emirates, and Egypt. These lists of demands are stated as follows:

1. Scale down the diplomatic relations with the Iranian government and close Iranian diplomatic mission's office in Doha. In the other hand, Qatar has to expel the member of Iranian Revolutionary Guard and shut down the military and intelligence cooperation with Iran. Furthermore, Qatar's trade and commerce with Iranian government has to comply with the US and international sanctions in a manner that did not threaten the security of the Gulf Cooperation Council.
2. Saudi Arabia, Bahrain, The United Arab Emirates, and Egypt demand Qatar to shut down Turkish military base which currently in the process of establishment. In addition, Qatar has to halt its military cooperation with the Turkish government.
3. Sever ties to all of the terrorist group and ideological organizations including Muslim Brotherhood, ISIL, Al Qaeda, Fateh al-Sham and Lebanon's Hezbollah. Specifically, Qatar has to classify those groups as terrorist and condemns their actions.
4. Stop all support and funding for individuals, groups or organizations that have been designated as a terrorist movement by Saudi Arabia, United Arab Emirates, Egypt, Bahrain, US and other countries.
5. Send back the entire terrorist figure, fugitives and wanted individuals from the United Arab Emirates, Egypt, Saudi Arabia, and Bahrain to their countries of origin. Qatar has to freeze their assets and provide all information about their movement and their finances.
6. Aljazeera and all of its affiliate stations should be closed.
7. Qatar has to end its intervention in sovereign countries' internal affairs, stop granting national citizenship to wanted individuals from Saudi Arabia, United Arab Emirates, Bahrain and Egypt.
8. The Qatari government has to respond to all loss of life that happened in the recent years. On the other hand, Qatar has to pay the compensation in

accordance with its policy in several conflicts that happened in both Arabian Peninsula and the Middle East.

9. Align its military, social, political and economic policies with other Gulf and Arab countries, specifically the economic matters.
10. Shut down its contact with the opposition leader in Saudi Arabia, the United Arab Emirates, Bahrain, and Egypt. Qatar has to give all of the transactions or even personal information with all of the opposition leaders to those states.
11. All news outlet that funded by Qatar has to be shut down, including Arabi21, Rassd, Al Araby Al Jadeed, Mekameleen and Middle East Eye, etc.
12. Qatar has to agree to all the demands in 10 days remaining time and should fulfill all the list of demand.
13. Consent to all demands for the first year after agreeing to the demands, followed by the fourth quarter audit in the second year, and there will be annual audits that monitored by these countries in the following 10 years (Aljazeera, 2017).