

The Middle East in 2022

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Introduction: The Middle East in 2022

BICOM's seventh annual forecast is a guide for policy makers and opinion formers to issues and events that will impact the Middle East in 2022 and their potential strategic consequences.

Over a decade on from the so-called Arab Spring, several Middle Eastern states continue to be fractured and weak and suffer from long-term legitimacy, socio-economic, security and resource challenges. Brutal civil wars continue in Yemen and Syria, which have killed hundreds of thousands of people and created humanitarian crises and flows of refugees into neighbouring countries and Europe. Lebanon is facing economic and state collapse. Instability continues in Libya which in late December delayed long awaited presidential elections. Despite October legislative elections in Iraq, ethnic tension continues and Prime Minister Mustafa al-Kadhimi survived an assassination attempt in November when three quadcopter drones attacked his home. The UN estimates 10,000 Islamic State fighters remain between Iraq and Syria. The global coronavirus pandemic has exacerbated many of these issues of legitimacy and state weakness.

Russia and China have sought to deepen their involvement in the region. Russia continues its close alliance with Syrian leader Bashar Assad and is heavily involved in Middle East energy markets and advancing arms deals to several countries. China is seeking to secure energy resources and build strategic partnerships, and thus is becoming increasingly significant player. In March, news was leaked of a 25-year, \$400-bn (£300 bn) cooperation agreement with Iran focused on energy, infrastructure, economic, trade and military cooperation with the deal complementing other "comprehensive strategic partnerships" China has forged with Algeria, Egypt, Saudi Arabia, and the United Arab Emirates (UAE). The UAE have staved off American pressure – including the potential suspension of the sale of F-35 fighter jets to the Kingdom – in order to hire Huawei to build their 5G telecom infrastructure (as have Saudi Arabia and Kuwait). In September Israel's new Haifa Port was inaugurated, having been built by a Chinese company – also despite American objections and warnings that it would deter the US Sixth Fleet from docking in the adjacent Israeli naval base.

In recent years the Middle East has been viewed through the prism of three main competing axes: One axis led by Turkey that includes the Qatari monarchy as well as Hamas and promotes a Sunni Islamic / Muslim Brotherhood ideology. Another, the so-called 'Pragmatic' Sunni states, include the UAE, Jordan, Egypt, Saudi Arabia, Morocco, the Palestinian Authority (PA) as well as Israel, which shares many of the axis' interests and concerns regarding Iran's malign regional influence. The third, the Iranian-dominated Shia axis, includes Iran and its proxies in Iraq, Syria, Lebanon, and Yemen through which the Islamic Republic extends its political, economic, and military influence.

The Iranian-dominated axis has expanded its missile capacity and increased the use of Unmanned Aerial Vehicles (UAVs), including against Western interests. With a 2019 US Defense Intelligence Agency report issuing a warning about the growing size and sophistication of Iran's missile force, the Islamic Republic announced in March 2021 the existence of several missile cities deep underground. In June, Chief Commander of the Islamic Revolution Guards Corps (IRGC) stated that Iran had built a new combat drone with a range of up to 7,000km. Several UAV attacks took place over the last year. In April, an armed drone blew up a large American airbase in Irbil, northern Iraq, and in October an American base in Al-Tanf, Syria, was attacked, in what the Hezbollah affiliated al-Ahed website described as "a new phase in the confrontation" to force America out of the Middle East. In August, a suicide drone was detonated close to the bridge of the Mercer Street ship killing a Romanian captain and British security officer. In November, Yemen's Houthis said they used 14 drones to attack Saudi Aramco refineries and King Abdullah airport in Jeddah, as well as targets at Abha airport. Israel has downed five drones from Hezbollah over the last year. Commander of US Central Command Kenneth McKenzie recently said he believes Iran can now strike with accuracy and volume across the breadth and depth of the Middle East.

The convergence of interests within the ‘Pragmatic Camp’ has resulted in public alliances that until recently were solely under the radar. These include the normalisation accords between Israel, the UAE, Bahrain, and Morocco (with whom a defence pact was signed in November). Emirati troops took part in a joint naval drill with the US and Israel in the Red Sea and naval manoeuvres were held by Israel, UAE, and Bahrain. Another coalition comprising many of these states is the East Mediterranean Gas Forum (EMGF), which has transformed into an international intergovernmental organisation that includes Cyprus, Egypt, Greece, Israel, Italy, Jordan, and the PA.

Recent meetings in the region raise questions as to the accuracy of these neat divisions. The beginning of 2021 saw the end to the Saudi-UAE initiated diplomatic and economic blockade of Qatar, and Doha continues to coordinate humanitarian relief to Gaza with another member of the ‘Pragmatic Camp’, Israel. Saudi Arabia and Iran have held four rounds of ‘exploratory’ talks while the National Security Advisor of the UAE recently visited Tehran. Turkey has conducted talks with Egypt, Saudi Arabia and the UAE. Syria under Bashar Assad – so long in the Iranian orbit and isolated from the Arab world – seems to be coming in from the cold. Oman returned its ambassador to Syria in October 2020, while in April 2021 the Egyptian foreign minister announced that Cairo supported Arab normalisation with the country. In the last six months, Iraq has hosted Syria’s minister of petroleum, Saudi Arabia dispatched its intelligence chief to Damascus, and Assad and Jordan’s King Abdullah II spoke by phone. In the background to some of these shifts lies the perception that the US is less committed to the region.

While the priorities for the Biden administration remain the so-called ‘three C’s’ – China, Climate and Corona, it views the threat of a nuclear Iran as one that must be contained. President Biden has vowed that Iran would never get a nuclear weapon on his watch and negotiations continue in Vienna to forge a new deal following President Trump’s withdrawal from the Joint Comprehensive Plan of Action (JCPOA) and Iran’s subsequent increase in uranium enrichment and centrifuges. Iran has installed faster and more efficient centrifuges and has accumulated 25 kilograms of uranium enriched to 60 per cent and 210 kilograms enriched to 20 per cent. The Islamic Republic already possesses the knowledge and technology to enrich to 90 per cent, the level required to produce fissionable material for military purposes.

Israel is sceptical of the Vienna negotiations and their ability to prevent Iran from becoming a nuclear threshold state. The country continues to call for the international community to develop a Plan B in case negotiations fail and is raising the threat of its own military strike on Iranian nuclear facilities.

Israel also continues its ‘Campaign between the Wars’ policy, which aims to disrupt Iranian entrenchment in Syria, thwart shipments of advanced weaponry to Hezbollah, prevent terrorist infrastructure from being placed on the border with the Golan Heights, and upset the Iranian fleet’s efforts to entrench itself in the Red Sea and create additional weapons smuggling routes. The Syrian port of Latakia was attacked twice in December, reportedly to destroy caches of sophisticated weapons. Both Israel and Iran have carried out cyber-attacks against one another – operations on Iran’s train service, primary seaport and petrol pumps have been disrupted while Israel’s ‘government and business sector’ and several databases were attacked. The potential for escalation – either intended or due to miscalculation – remains ever-present.

Looking ahead of 2022, there are 5 key issues that policy makers should be watching for: These are:

- 1) The Nuclear negotiations in Vienna;
- 2) The formation of a Plan B to stop Iranian nuclear ambitions and escalation in the Israeli-Iranian shadow war;
- 3) The Crisis in Lebanon;

- 4) The potential recalibration of alliances;
- 5) The expansion of the Abraham Accords.

The Nuclear Negotiations in Vienna

The eighth round of negotiations between Iran and the P4+1 began in January with little sign of visible progress. The Islamic Republic under its new President, Ebrahim Raisi, is demanding the immediate removal of all Trump-initiated sanctions before reversing any of its nuclear progress. Wide gaps remain between the sides, such as how Iran's 'breakout time' can be brought back to a year as it was when the JCPOA was signed (rather than its current few weeks) considering the Islamic Republic's progress on advanced centrifuges and large quantities of enriched uranium. Iran for its part wants guarantees that the US will not pull out of the nuclear deal again in the future. Ensuring unimpeded access to all nuclear sites is also an issue not yet resolved. Some in Israel and the Gulf had initially hoped for an expanded agreement that would fill the gaps in the original JCPOA – such as the sunset clauses. But this option is dead in the water. So might be the option of a return to the JCPOA, if Iranian enrichment continues apace.

If negotiations continue to stall, talks will likely reach breaking point by early 2022. In late-December, the Biden administration's Special Envoy for Iran, Rob Malley, warned that time to return to the JCPOA was running out. "If they [the Iranians] continue at their current pace, we have some weeks left". "At some point in the not-so-distant future" said Malley, "we will have to conclude that the JCPOA is no more, and we'd have to negotiate a wholly new different deal, and of course we'd go through a period of escalating crisis." Echoing Malley were European diplomats who in early January, noted that there remained "weeks, not months" to restore the accord.

Looking ahead three main possibilities exist. One scenario is an agreement for both sides to fully return to compliance with the JCPOA. Another possibility – currently rejected by Iran and opposed by Israel – is an interim "freeze for freeze" agreement in which Iran would halt enriching uranium to 60 per cent in exchange for the lifting of some the sanctions, that would bring an influx of tens of billions of dollars into the state coffers. If neither of these are achieved, US officials are suggesting that negotiations will end, and new sanctions placed on Iran. These might include harsher multilateral sanctions against the Iranian economy, including on oil imports and exports, and personal sanctions against top officials in the Iranian leadership. China and Russia have so far shown little indication they would be willing to go along with these sanctions.

If talks fail, Iran could enrich uranium to weapons grade level, but this is unlikely for the time being. A newspaper, affiliated with the regime, claimed Iran would enrich uranium to 90 per cent if sanctions remain, although the country's Atomic Energy Organisation director Mohammad Eslami has denied this. If it should so choose, Iran is within weeks of enriching enough uranium at a level of 90 per cent necessary to make a nuclear bomb. But obtaining the knowledge and technology for the so-called weaponisation stage – to develop capabilities related to the chain of explosion, assembling the bomb on a ballistic missile, and miniaturising the warhead – will take an additional 1-2 years. In this context, the Islamic Republic is more likely to stop at the nuclear threshold state point – which would enhance its bargaining power for the long term without risking a sharper confrontation with the international community. If Iran were to covertly seek weaponisation, the international community would struggle to monitor its progress towards the bomb.

Plan B to stop Iranian nuclear ambitions and escalation in the Israeli-Iranian shadow war

With no agreement yet in Vienna, Israel continues to push the US to detail a Plan B in case negotiations fail.

An American military strike on Iran is not on the agenda. Biden, Secretary of State Antony Blinken and Malley have warned that "all options" would be considered if diplomacy fails. Secretary

of State Blinken has said that the US “will look at every option to deal with the challenge posed by Iran,” while Malley has emphasised that the US will not “sit idly by” if Iran’s nuclear advances get “too close for comfort”. Yet an American strike on Iranian nuclear facilities is highly unlikely for the duration of 2022 (or afterwards).

A more likely scenario would be American displays of military strength with the intention of strengthening deterrence and potential leverage in potential future nuclear talks. These would include conducting joint exercises with Israel (and other allies) in the region, selling Israel military hardware necessary for an Israeli strike against Iran, the increase of American military presence, and/or strikes against Iranian militias to ratchet up the pressure against the Islamic Republic. Yet none of these scenarios are likely to convince Iran that a serious threat of American military strike exists.

Debate will increasingly focus on an Israeli military option against Iranian nuclear facilities. IDF Chief of Staff Aviv Kochavi recently said that the army was accelerating operational planning and preparedness to deal with Iran and the military nuclear threat. Yet any such operation would face a host of difficulties. Unlike in the cases of the French-built reactor in Iraq and the North Korean-built reactor in Syria (successfully destroyed by Israel in 1981 and 2007 respectively), Iranian enrichment facilities are decentralised, highly protected, and underground. Moreover, indigenous nuclear know-how would enable Iranian scientists to rebuild the nuclear programme quickly even were it to be partially or fully destroyed.

Disagreement exists over whether Israel has the capacity to successfully destroy Iranian capabilities. Some former Israeli officials have expressed scepticism regarding the country’s capacities, arguing that it is 3-5 years away from being able to launch an independent attack on Iran that would have an effective outcome. Current officials are more sanguine. When asked whether Israel could attack Iran tomorrow, the incoming commander of the IAF, Maj. Gen. Tomer Bar succinctly responded “yes”.

In any event, covert activities will continue and may be ratcheted up. While such high-scale operations seen in 2021 such as the sabotage of nuclear facilities or the assassination of Iran’s top nuclear scientist may not be repeated, Israel will continue its covert operations in a bid to further delay and undermine Iranian nuclear capacities.

Iran too may seek to respond against Israeli interests or those from the pragmatic camp, most likely via proxies from Yemen, Iraq, Syria and Lebanon who are known to be receiving training on operating drones in the Kashan base in Iran. Explosive drones may also continue to be deployed from Iran to attack a long list of targets, including naval targets, after being dispatched from military airbases such as Chabahar and Queshm Island in southern Iran.

The Crisis in Lebanon

Lebanon’s economic crisis remains deeply worrying. The Lebanese lira has lost more than 90 per cent of its pre-crisis value, which in turn has led to a huge surge in inflation. Approximately 80 per cent of Lebanon’s population now live in poverty. Over the last two years, the country’s GDP has dropped by 40 per cent. There is little to no gasoline in petrol stations, huge shortages of medicine and basic food, and critical infrastructure is shutting down, including in the armed forces, and increasing numbers of Lebanese are seeking to emigrate. The International Monetary Fund has suggested a stabilisation programme, but this requires reform, which in turn requires a functioning government able to make difficult decisions.

The country also faces a diplomatic row with Arab neighbours caused by comments made by Information Minister George Kordahi (before he was in government) criticising Saudi Arabia’s role in the conflict Yemen. In response Saudi Arabia expelled Lebanon’s ambassador and said it was ending all imports from the country. The UAE, Kuwait and Bahrain followed suit and recalled their ambassadors.

Even if the political paralysis improves, a fully functioning government will struggle to resolve key issues. In September a government was finally formed, ending a 13-month long power vacuum and parliamentary, municipal and presidential votes are due to take place in 2022. Yet with grassroots forces that seek significant reforms not yet producing credible leaders or articulating a programme that resonates with the greater public, the elections may lead to ‘more of the same’. The economic situation may be slightly alleviated – the revival of the Arab Gas Pipeline to deliver Egyptian gas to Lebanon may bear fruit and the Lebanese lira may be stabilised – but decisive transformations in the country’s political situation or deep reforms seem unlikely.

Hezbollah may seek to strengthen its domestic influence. With the Lebanese security services strained to breaking point due to the economic crisis, Hezbollah may expand the autonomous areas under its control. However, anti-Hezbollah sentiment is growing as the organisation faces financial trouble and most of its troops remain in Syria.

Hezbollah’s continued development of precision guided missiles that can target strategic sites raises the possibility of escalation with Israel. Hezbollah appears to be on the threshold of significant production of precision kits for its rockets, of which it is already thought to possess hundreds. This threat has traditionally been considered a red line for Jerusalem. In this context, such a development raises the chances of escalation between the IDF and Hezbollah in 2022, an event that would be extremely costly for both sides.

Sectarian violence remains a possibility, although the outbreak of a new civil seems unlikely. In October, seven people were shot dead during a demonstration staged by Hezbollah and Amal, which raised fears of renewed sectarian violence. While tension continues, most Lebanese fear the outbreak of another civil war.

A Reconfiguration of Regional Alliances?

Middle Eastern states considered in different ‘camps’ will continue to meet and talk. One motivation underlying this trend is the perception that the US is less committed to the region, a feeling strengthened by the way in which America withdrew hastily from Afghanistan. The overarching direction of US policy towards pivoting away from the Middle East – which began after the Iraq War under George W. Bush and was continued under Barack Obama and Donald Trump – is continuing.

For the UAE – and to a certain extent Saudi Arabia – this will mean hedging bets between Iran and the West to reduce the level of potential danger. In practice, this could mean a tightening of relations with Israel (certainly for the Emiratis) while at the same time continuing discussions with Tehran, a particularly delicate balance.

The competing ‘camps’ find themselves facing each other in Libya, where elections were recently rescheduled to 2022, and Turkish interests facing off against Russian, Emirati and Egyptian ones.

Turkey may be motivated to mend fences with the ‘pragmatic camp’. President Erdogan’s policies, termed by some Neo-Ottomanism, have engaged the country in military entanglements – either directly or via mercenaries – in Syria, Iraq, and North Africa. A maritime agreement with Libya generated tension with Greece and Cyprus while support for the Muslim Brotherhood has caused significant tension with Egypt. Turkey was also the only member of NATO not to have been invited to Biden’s ‘Summit of Democracies’ and its relationship with the Democratic Party is poor. With Erdogan facing domestic challenges and with Turkey suffering economic uncertainty, the country will likely continue to seek to mend ties with important states in the region and engagement with Egypt, Saudi Arabia, and the UAE will likely continue in 2022.

The ideological and geopolitical affinities within each axis camp will ultimately take precedence over other affiliations. While most states in the region are keeping channels open with rivals, and seeking to lower potential flames, it is too soon to bury the ‘Competing Camps’

paradigm in the Middle East.

Expanding the Abraham Accords

The Biden administration has (belatedly) internalised the opportunities in expanding the Abraham Accords in which the UAE, Bahrain, Morocco and Sudan (yet to be ratified) normalised relations with Israel. Indeed, on the anniversary of the Accords, Blinken pledged that the administration “will continue to build on the successful efforts of the last administration to keep normalisation marching forward” and to “widen the circle of peaceful diplomacy”.

Israel’s ties with the UAE could further deepen, with increased cooperation in the sectors of business, tourism, and technology as well as more high-profile visits. During his December visit to Abu Dhabi, Prime Minister Naftali Bennett extended an invitation to Mohammed bin Zayed to visit Jerusalem, a trip that could take place in 2022. Despite the UAE’s attempts at maintaining cordial relations with Iran, military ties with Israel may also deepen, especially if nuclear talks in Vienna collapse and fears increase of an Iranian nuclear breakout. Following the Emirati decision for its troops to take part in a joint naval drill with the US and Israel in the Red Sea, the possibility exists that the Israel Air Force may land in the UAE in order to train over the Persian Gulf.

The jewel in the normalisation crown for Israel would be a deal with Saudi Arabia but this remains unlikely in 2022. While Crown Prince Mohammed bin Salman is thought to be more favourably disposed towards an agreement with Israel, his father King Salman still holds strong reservations about moving the Kingdom’s covert ties with the Jewish state into the open. In weighing this decision, the Saudis may be influenced by several factors: the extent to which the Abraham Accords are further expanded to include additional countries; the state of American-Saudi ties on Capitol Hill as well as the Biden administration’s willingness to sell the Kingdom sophisticated weaponry; and the level of progress towards an Israeli-Palestinian two-state solution. These latter two factors are both unlikely in the coming year.

One potential option for expanding the Accords is the world’s most populous Muslim-majority state, Indonesia. Negotiations began during the final days of the Trump administration and Blinken also raised the possibility during a recent trip to Jakarta. In November, Israel’s national security adviser met with Indonesian Minister of Defence at a conference in Bahrain and exchanged business cards. There are few significant obstacles to such an agreement, with major progress potentially depending on the Biden administration offering an upgraded trade deal.

Depending on election results (on the assumption elections take place), another option for normalisation is Libya. Senior Libyan officials with close ties to General Khalifa Haftar have suggested his government would be considering normalising relations with Israel. Haftar is thought to believe that such an agreement would help bring mass internationally sponsored rebuilding projects and Western political support and aid to the war-torn country.

The Biden administration’s support raises the chances of expanding the circle of normalisation between Israel and Muslim and Arab countries. In October, Regional Cooperation Minister Issawi Frej (perhaps overly-optimistically) suggested that Qatar, Tunisia, Oman and Malaysia may join the Abraham Accords. Rumours also abound that normalisation agreements with the Maldives and Comoros islands are possibilities.

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