

Analysis

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Blood and treasure or fantasy: What is the UK-US 'special relationship'?

Britain's so-called 'special relationship' with the United States was one of the most enduring alliances of the 20th century, though Brexit and the election of US President Donald Trump have raised questions about its future. US Secretary of State Mike Pompeo is visiting Britain yesterday, where he will meet Prime Minister Theresa May and give a speech on the relationship. What is the special relationship, and how do the United States and Britain compare on key measures?

Economy

The United States is the world's biggest economy, worth about \$21.3 trillion or 24.4 percent of global GDP, while Britain is the fifth largest, worth about \$2.8 trillion or 3.2 percent of global GDP. While the European Union accounts for about half of Britain's external trade, the United States is by far the biggest single trading partner, followed by Germany, the Netherlands, France and China. Britain, for its part, is the United States' seventh largest trade partner, after China, Canada, Mexico, Japan, Germany and South Korea. Each reports a surplus in goods trade with the other, indicating they are not comparing like with like. For decades, both Washington and London shared a desire to open up world markets to free trade.

Military

The United States, which spends more on its military than the next seven highest-spending countries combined, is proposing to spend \$686 billion on defense this year. It has the second largest number of nuclear weapons after Russia. The US Navy operates a fleet of 14 Ohio-class nuclear submarines, each of which can carry 20 Trident II D5 missiles with multiple, independently-targeted warheads. Britain, which has the biggest defense budget in the EU, spends about 40 billion pounds (\$53 billion) a year. France and Russia are the only other nuclear powers in Europe.

Britain has a fleet of four Vanguard-class submarines, which can each carry 16 Trident II D5 missiles. These are leased from a pool of such missiles that it shares with the US Navy. The two militaries have fought side-by-side in Europe, Korea, Kuwait, Iraq, the former Yugoslavia, Afghanistan, Libya and Syria. Britain views the US-led NATO alliance as the foundation of its defense. Trump has demanded that Western allies put more into NATO. US forces operate out of several military bases in Britain including the Lakenheath, Croughton and Menwith Hill air bases.

Intelligence

Intelligence cooperation between the United States and Britain is extremely close and one of the main areas where the alliance works in practice. During World War Two, the two countries forged a close intelligence sharing deal that was later extended to include Canada, Australia and New Zealand and became known as the "Five Eyes".

It brings the United States' modern, computer-powered technological spying together with Britain's more traditional human intelligence operations, which are strong in the former Soviet Union, Europe and the Middle East. Cooperation between the main domestic and foreign spy agencies is close. Because their geographical strengths are complementary, data collected by Britain's GCHQ eavesdropping agency is of particular use to the US National Security Agency (NSA). The US intelligence budget excluding military intelligence is \$60 billion while the UK intelligence budget is 2.3 billion pounds (\$3.0 billion).

Finance

London and New York are the world's two biggest financial centers. While London is by far the biggest centre for foreign exchange trading and international lending, New York is king for bonds and stocks. New York overtook London as the globe's most attractive financial centre last year, according to the Z/Yen global financial centers index, which ranks 100 centers on factors such as infrastructure and access to quality staff. London dominates the \$5.1 trillion-a-day global foreign currency markets: Far more currency is exchanged in London than the United States and the rest of the EU put together.

Wall Street's S&P 500, an index grouping the stocks of about 500 of the largest US corporations, is worth about \$25.7 trillion, according to Refinitiv data. By comparison, the FTSE all-share index, which groups more than 600 shares traded on the London Stock Exchange, is worth about 2.5 trillion pounds (\$3.3 trillion). The US bond market, including government and corporate debt, is worth over \$40.7 trillion, according to the Bank for International Settlements, while Britain's bond market is worth \$5.8 trillion. — Reuters

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Photo shows satellite images the Natanz uranium enrichment site, 160 kilometers south of Tehran, Iran. — AFP

How UN scrutinizes Iran nuclear program

Iran's announcement yesterday that it would no longer respect limits on nuclear activities under a landmark 2015 deal have raised fresh fears over whether the painstakingly negotiated accord can survive. Tehran's move comes a year to the day since US President Donald Trump dramatically withdrew from the agreement and proceeded to re-introduce sanctions which have hit the Iranian economy hard. The UN's Vienna-based nuclear watchdog, the International Atomic Energy Agency (IAEA), has had the delicate task of verifying the deal, known as the Joint Comprehensive Plan of Action (JCPOA), through regular inspections of Iranian facilities.

Will move affect inspections?

Iran did not announce any measures yesterday which would appear to impede the IAEA's inspection regime. "If it's just a matter of now they are starting to accumulate a quantity (of heavy water or uranium) larger than agreed upon, the IAEA will know that within a week," said Robert Kelley, a former director of nuclear inspections at the IAEA.

"As long as everything is under IAEA safeguards and inspected daily, everyone will know exactly what is going on," Kelley added. The IAEA insists the inspection regime put in place by the JCPOA is the world's toughest, and in

each of its quarterly reports on Iran it has confirmed that Tehran is abiding by the deal. Under the "Additional Protocol" agreed with Iran, inspectors may "conduct complementary access to any location in Iran".

The agency says that its inspection work has doubled since 2013. IAEA Secretary General Yukiya Amano says the agency's inspectors spend a total of 3,000 calendar days per year on the ground in Iran. He has also highlighted some 2,000 tamper-proof seals attached to nuclear material and equipment and the "hundreds of thousands of images captured daily by our sophisticated surveillance cameras", the number of which has almost doubled since 2013.

Why the IAEA?

Set up in 1957, the IAEA promotes peaceful uses of atomic energy while at the same time overseeing efforts to detect and prevent possible nuclear weapons proliferation. Because of previous international concern over its nuclear program, Iran agreed in 2003 to allow snap IAEA inspections of its nuclear facilities.

However, cooperation broke down in 2006. The IAEA referred Iran to the UN Security Council, which went on to impose sanctions, and Iran halted enhanced IAEA inspections. A renewed diplomatic push eventually led to the JCPOA in 2015, under which the agency is charged with

regular inspections of declared facilities in Iran such as uranium mines and centrifuge workshops for up to 25 years. The aim is to ensure that Iran is not holding undeclared stocks of nuclear material and is not enriching uranium past a certain level.

Political pressures

In addition to the US withdrawing from the deal, Israel - Iran's regional arch-foe - has also been highly critical of the JCPOA. In August 2017, Washington's envoy to the UN Nikki Haley urged the IAEA to widen its inspections, including to military sites. A year later in an address to the UN General Assembly, Israeli Prime Minister Benjamin Netanyahu claimed Iran had a "secret atomic warehouse" as part of a clandestine nuclear program and called on the IAEA to inspect the site immediately.

In January, Amano rejected pressure on the agency, saying: "If our credibility is thrown into question, and, in particular, if attempts are made to micro-manage or put pressure on the Agency in nuclear verification, that is counter-productive and extremely harmful." In its most recent reports on the JCPOA, the agency has also taken to reminding Iran that "timely and proactive co-operation" in providing access to locations it wishes to inspect would "enhance confidence". — AFP



Technicians wash the reactor of the Bushehr nuclear power plant at the Iranian port town of Bushehr, 1200 Kms south of Tehran. — AFP

The nuke deal: From US exit to Iran ultimatum

Washington unilaterally withdrew one year ago from a deal between major powers and Tehran under which Iran agreed to curb its nuclear activities in exchange for relief from international sanctions. The administration of President Donald Trump accused Tehran of "destabilizing activities" across the region and vowed to exert "maximum pressure" through renewed sanctions to bring them to an end. Here are key developments in the bitter standoff.

US quits

On May 8, 2018, President Donald Trump announces the US withdrawal from the 2015 pact, saying "we cannot prevent an Iranian nuclear bomb under the decaying and rotten structure of the current agreement." The move heralds the reinstatement of US sanctions, in two phases. The US warns other countries to end trade and investment in Iran and to stop buying its oil or face punitive measures. But US allies Britain, France, Germany—who were also parties to the deal alongside Russia and China—insist Iran has abided by its commitments and say they are determined to save the agreement. President Hassan Rouhani says Iran would be within its rights to scrap the curbs it agreed in the deal. But he calls on the remaining parties to save it.

Support for Iran

Washington warns on May 21 that Tehran will be hit with the "strongest sanctions in history" unless it concedes to further demands over its missile program and ends its "destabilizing activities". A top US official says on July 2 that Washington is determined to force Iran to change its policies by slashing its oil export revenues. On July 6, Tehran's five remaining partners in the accord vow to back "the continuation of Iran's exports of oil and gas".

War of words

On July 22, Rouhani warns the US that any conflict

with Iran would be the "mother of all wars". Trump tweets that he should stop making threats "OR YOU WILL SUFFER CONSEQUENCES".

Sanctions, again

On August 7, Washington reimposes a first set of sanctions that target Iran's access to US banknotes and key industries, including cars and carpets. Within hours, German carmaker Daimler says it is halting its activities in Iran. French energy giant Total and other major firms follow suit. On November 5, the United States reimposes a second package of sanctions aimed at significantly reducing Iran's oil exports and cutting it off from international finance. At the end of January 2019, Britain, France and Germany launch a trade mechanism known as INSTEX in a bid to allow Tehran to keep trading with EU companies bypassing US sanctions.

'Terrorism'

On March 7, Washington calls for international measures against Iran over three launches it says are related to its missile program. On April 2, London, Paris and Berlin call for a UN report on Iran's missile activity. On April 8, the United States designates Iran's parallel military, the Revolutionary Guard, a "foreign terrorist organization". Tehran immediately declares Washington a "state sponsor of terrorism" and blacklists its forces in the region as "terrorist groups".

US military deployment

On May 5, US national security adviser John Bolton says Washington is sending an aircraft carrier strike group and a bomber task force to the Middle East in a "clear and unmistakable" message to Iran. Two days later, the Pentagon deploys B-52 bombers to the Gulf.

Iran ripostes

On May 8, Iran says it has decided to suspend commitments it made under the deal, some immediately and some after 60 days if no progress is made on sanctions relief. They include restrictions on the level to which Iran can enrich uranium and modifications to Iran's Arak heavy water reactor that were designed to prevent the production of plutonium as a byproduct. — AFP

Parties in South Africa elections

A potpourri of 48 political parties contested South Africa's general election yesterday—a record number. Here are snapshots of some of the front-runners:

African National Congress

The African National Congress rose from a liberation movement to govern Africa's most industrialized country, but its once-glorious image has been tainted by its record in office. It was founded in Bloemfontein in 1912 to fight against the white minority government's restrictions on free movement and land ownership by blacks. During the anti-apartheid struggle, the ANC espoused socialist values and had many communist members, but in power, it has adopted a more liberal economic program. It has easily won all post-apartheid elections and has a stranglehold on parliament, where it has held over 60 percent of the 400 seats since the dawn of democracy. It goes into the elections under Cyril Ramaphosa who took over less than 18 months ago from Jacob Zuma, whose rule was defined by corruption among party and government officials, and weak economic growth.

Democratic Alliance

The Democratic Alliance was established in 2000 as a merger of three "white" parties. One among these was the former Democratic Party, which had opposed the then-ruling National Party in parliament, and another the New National Party—which had tried, unsuccessfully, to distance itself from its predecessor's racist past. The DA has been the largest opposition party for nearly two decades, with 89 seats in the outgoing parliament. Long viewed as the party for middle-class whites, the DA heads into elections under its first black leader Mmusi Maimane, who took the reins in 2015.

Economic Freedom Fighters

The EFF was created in 2013 by the firebrand ex-ANC youth leader Julius Malema, shortly after he was expelled from the ruling party. His new party took 25 seats in parliament in 2014 and polls suggest it could nearly double that yesterday by tapping into the anger of millions of poor, unemployed black South Africans. The EFF describes itself as a "radical and militant economic emancipation movement" and its flagship policy is to seize land from white owners without compensation to give to poor blacks. The anti-capitalist party also advocates for the nationalization of mines and banks.

Inkatha Freedom Party

Founded in 1975 as a political and cultural movement, it transformed into a political party 15 years later and has had only one leader: Mangosuthu Buthelezi, 90. It is motivated by Black Consciousness political ideology and derives most of its support from the Zulu ethnic group in the southeastern KwaZulu-Natal province. In the first non-racial elections in 1994, the IFP won 43 seats—but its showing dwindled to just 10 seats in the last vote in 2014.

United Democratic Movement

Formed in 1998, its leader is Bantu Holomisa, former leader of the apartheid-era Transkei "independent" homeland-areas where blacks were moved to separate them from whites. Holomisa is another former ANC member. The UDM's biggest support base is in the Eastern Cape province. Contesting its first election in 1999, the party garnered 3.5 percent of the vote and secured 14 seats in the national assembly. Its support has slipped to just four lawmakers in the outgoing parliament.

Good

The Good party was formed just six months ago by Patricia De Lille, a former DA mayor in the city of Cape Town who had split from the DA in an acrimonious row. It could take some of the DA support base in the Western Cape, but its political potential is as yet untested. — AFP