

France obtains energy deals, establishes first military base in Persian Gulf

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On January 13-15, French President Nicolas Sarkozy, accompanied by ministers and top business leaders, made a three-day visit to Saudi Arabia, Qatar and then the United Arab Emirates aimed at securing billions of dollars worth of contracts for French firms and signing military basing deals in the Gulf region.

Sarkozy visited Saudi Arabia on the first day of his trip. In an interview with the pan-Arab *Al-Hayat* daily published on January 13, Sarkozy said his visit was aimed at giving “a new dimension to our strategic partnership with Saudi Arabia,” adding that French firms “can meet the aspirations of Saudi Arabia in all sectors, namely energy, transport ... or water distribution.” He also expressed support for tough international action on the UN Security Council and within the EU to force Iran to suspend its nuclear activities.

Sarkozy is seeking to increase French trade with Saudi Arabia, which—at 3.9 percent of Saudi Arabia’s foreign trade—lags behind the US, China, Germany, Japan, Britain and Italy.

Sarkozy and Saudi King Abdullah signed four agreements on oil and gas cooperation, political dialogue between two foreign ministries, hosting Saudi students and researchers in France and the development of vocational training and technical education. Meanwhile, a package of contracts related to defence, air and rail transport, power and water plants worth some €40 billion (\$59 billion) was also reviewed, though none of the contracts have been finalized.

At the end of the meeting with Saudi and French businessmen on January 14, Sarkozy assured that in the coming weeks French firms would review these contracts. He also proposed to send a team in the coming weeks from the Atomic Energy Commission “to look into building a civilian nuclear energy program

there,” including a possible transfer of technology.

On January 14, Sarkozy visited Qatar, which has the third-largest natural gas reserves in the world after Russia and Iran, where he signed electricity and nuclear power deals. A series of other accords potentially worth €6.3 billion were also discussed.

Gaz de France (GDF) and Qatar Petroleum International (QPI) signed a partnership agreement which provides the development of cooperation between the two groups at an international level in exploration, production, liquefied natural gas (LNG), gas storage and downstream activities. The agreement shows that GDF is keen to strengthen its presence in Qatar and develop its cooperation with the world’s top exporter of liquefied natural gas (LNG). The forthcoming merger between GDF and Suez will create the largest importer and buyer of LNG in Europe.

Jean-François Cirelli, chairman and CEO of GDF, commented, “I am delighted we have signed this agreement which represents a major step forward in the development of our relations with Qatar and the establishment of a long-term partnership with Qatar Petroleum.” He added, “As a major player in the energy sector in Europe, active throughout the liquefied natural gas chain, GDF would like to become a significant partner of QPI and work on the development of joint long-term projects.”

The transmission and distribution division of Areva, the French nuclear firm, signed a contract worth €500 million with Kahramaa, the Qatar General Electricity and Water Corporation, according to an Areva press release on January 14. At the same time, Electricite de France (EDF), the French power firm, also signed a memorandum with Qatar to discuss cooperation in the production of nuclear power and renewable energies (solar and wind).

At the end of his three-day trip to the Gulf, Sarkozy visited Abu Dhabi, the capital of the United Arab Emirates, where he signed a cooperation agreement to develop nuclear power in the UAE.

During his visit, corporations Total, GDF and Areva signed a partnership agreement to submit a nuclear power plant project, worth as much as €4 billion, to the UAE. They intend to submit a proposal for an integrated nuclear power generation solution comprising two 1600 MW nuclear reactors (third generation) and fuel cycle products and services. This would be France's third deal to provide nuclear technology for Arab nations, after deals with Algeria and Libya.

In an interview with *Al Jazeera* on January 14 in Qatar, Sarkozy said, "Arab countries have the right to develop nuclear energy." However, he said that right should not be extended to Iran until the government in Tehran has proved definitively that it does not intend to acquire nuclear weapons.

Despite a recent US National Intelligence Estimate (NIE) released in November last year, which stated that Iran had ended any nuclear weapons programs in 2003, Sarkozy lined up behind the Bush administration's claim that Iran represented a nuclear menace that had to be countered by tougher sanctions and the possible use of military force.

The last major announcement was the agreement reached between France and UAE for France to establish its first-ever permanent military base in the Gulf, in Abu Dhabi. According to *Al Jazeera*, the military accord makes France one of the first Western states other than the US to have a permanent base in the Gulf region.

The base, a mere 150 miles from the coast of Iran, will host approximately 400 to 500 troops from all branches of the French armed forces. These forces are expected to come from an existing base in Djibouti, in East Africa. The Abu Dhabi base is set to become operational in 2009. The new French military outpost will be near the vital Strait of Hormuz, through which 40 percent of the world's oil supply passes.

This deployment is a marked departure from the typical profile of French intervention abroad. Of the over 12,000 French troops deployed around the world, over half are deployed in Africa—2,800 in Djibouti, 2,600 in the Ivory Coast and 1,200 in Chad, with

smaller forces in Senegal, Gabon and the Central African Republic. It has 1,900 troops in Afghanistan, 2,000 troops in Kosovo, and 1,700 troops in Lebanon.

The establishment of the Persian Gulf base is thus an important strategic shift in the foreign policy of the French bourgeoisie. It also allows French imperialism to bid for greater influence within Europe and in reducing the influence of Russia—Europe's main source of natural gas—and Germany, which has played a key role in negotiating pipeline deals with Russia.

The increased power of the French bourgeoisie in international energy markets will be used not to benefit French consumers, who face a 4 percent rate hike at the beginning of 2008. Indeed, Sarkozy was at pains to underline to the assembled businessmen and royalty that his government would move further to reduce the living standards of the French working masses.

In Abu Dhabi, on January 15, he congratulated himself on building support for a recent labour law reform gutting job security and increasing the use of temporary workers. Sarkozy applauded the announcement of "an agreement between employers' organizations and trade unions on new labour laws."

"Finally, France is getting down to dialog. Finally, we can understand each other," he said.



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