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## Graphic

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# Canada and the Gulf

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# CANADA AND THE GULF

For much of its nearly 50-year history with the Gulf states, Canada has viewed the region as a potential economic market and little else.



## 1970

Canada's **ENTRY INTO THE ARAB GULF** emerged out of the foreign policy review conducted by the newly elected Liberal government of Pierre Trudeau.



## 1972

This new emphasis on trade in Canadian foreign policy was reinforced two years later with the announcement of the **THIRD OPTION**, which highlighted the need for trade diversification to lessen Canada's economic dependence on the U.S.

## 1973

The cost to Canada of the **OIL EMBARGO** by the Organization of Petroleum Exporting Countries (OPEC) was significant. But at the same time, the Gulf region's ambitious development plans presented a range of potentially lucrative commercial opportunities. Ottawa leveraged its diplomatic missions to consolidate its economic influence. In the wake of the embargo, diplomatic ties were established with Saudi Arabia (1974), Oman (1974), Bahrain (1974), Qatar (1974), UAE (1974), and Kuwait (1978).



## 1979

The **IRANIAN REVOLUTION** shattered the stability of the Gulf region. Canada became increasingly sensitive to regional issues, such as human rights violations, repression of the Shia, Islamic fundamentalism in Saudi Arabia, women's rights, terrorism, and regional security tensions.

## 1978

A major breakthrough came in 1978 when **BELL CANADA** won a lucrative contract with Saudi Arabia, which facilitated the entry of other Canadian companies, including SNC Lavalin, Bombardier, CAE, and General Dynamics Land Systems, and helped establish deep expat roots in the country.



## 1988

At the end of the decade-long **IRAN-IRAQ WAR**, Canada re-established diplomatic relations with Iran, but the Mission in Tehran never regained the pre-eminent position it had prior to the Revolution. The Arab Gulf countries, particularly Saudi Arabia, remained the centre of gravity for Canada's diplomatic engagement in the Gulf.



## 1990

When **IRAQ INVADED AND OCCUPIED KUWAIT**, Canada—which had a seat on the UN Security Council—was quick to condemn the move. Ottawa's subsequent decision to send Canadian Forces into combat had less to do with the depth of its relations with the Gulf countries than it did with support for the UN. Nevertheless, the decision raised Canada's profile across the region and broadened Canada's outreach across the Gulf.

## 1993

**GENERAL MOTORS DIESEL DIVISION** of London, Ont. (the precursor to General Dynamics Land Systems), sold more than 1,000 Light-Armoured Vehicles (LAVs) to the Saudi National Guard.



## 2001

After the events of **SEPTEMBER 11**, Canada became more militarily engaged in the Gulf. Canada started to shift its focus in the region, with growing engagement in the UAE in particular.



## 2006

Despite its heavily pro-Israel position and its efforts to isolate Iran, Stephen Harper's Conservative government fostered a deeper, more diversified and comprehensive engagement with the Gulf.

## 2014

With the support and engagement of the Canadian government—through the Canadian Commercial Corporation—General Dynamics Land Systems won a **\$15-BILLION LAV CONTRACT** with Saudi Arabia, the largest export contract in Canadian history.



## 2015

Saudi Arabia became **POLITICALLY TOXIC** for the Canadian government. The imprisonment of Saudi blogger Raif Badawi (whose wife and family lived in Quebec) and the LAV deal put a political spotlight on Saudi Arabia's poor human rights record. This along with the Trudeau government's commitment to a values-based foreign policy led to a shift in Canada's position in the Gulf.

## 2018

A **TWEET** by Canada's Foreign Minister Chrystia Freeland, critical of Saudi Arabia's human rights, led to an effective freezing of bilateral relations between the two countries.

## 2020 and beyond

Canada's limited regional objectives will not be achieved without increased **POLITICAL ENGAGEMENT WITH SAUDI ARABIA**. The region is transforming in important and desirable ways and if it wishes to, Canada can play a part.

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