



## Antagonisms in the EU's neighbourhood

The EU, Russia, Turkey, Iran and Saudi Arabia struggle  
for influence in their common neighbourhood



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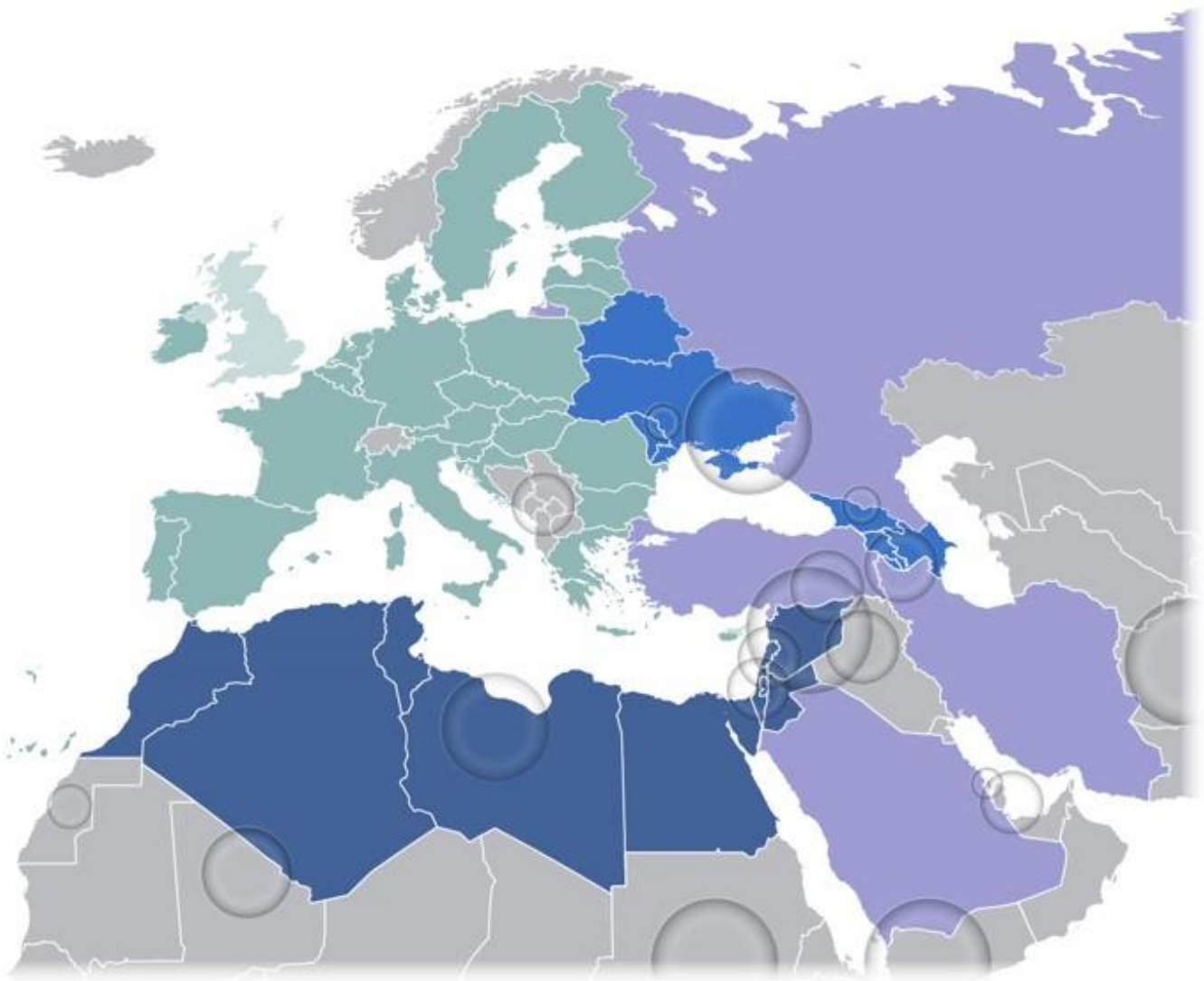
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## Neighbours of the neighbours

- **EU 28/27**
- **Influential neighbouring states** Iran, Russia, Saudi Arabia, Turkey
- Conflicts of values and interests**
- **Eastern Partnership** Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine
- **Southern Neighbourhood** Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia, Westbank including East-Jerusalem and Gaza

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## The project initiative „Key States“ – An introduction

In pursuing its objective of building a ring of stable states to the east and south of its borders from Belarus to Morocco, the European Union must recognise that the room for manoeuvre in its neighbourhood has become narrower. Four states in particular are playing an ever more active role: Russia, Turkey, Iran and Saudi Arabia. They are increasingly influencing the EU's immediate neighbours, many of whom are also their immediate geographical neighbours. From a European perspective, these four large countries can also be described as "neighbours of the EU's neighbours" and "key states" in relation to the European neighbourhood.

The governments of these four key states use their power to shape political and social developments in the common neighbourhood according to their own foreign policy principles and norms. Their objectives are not always in line with the European Union's stabilisation and transformation activities. Therefore, the success of EU policies in its neighbourhood regions increasingly depends on a better understanding of the interests and values of these four states, as well as on the conclusions that Brussels and the EU Member States derive from these findings for their own policy strategies. The interactions between the key countries themselves also provide leeway for European neighbourhood policy.

To this end, the Bertelsmann Stiftung's programme "Europe's Future" has set up a strategy group as part of the "Strategies for EU Neighbourhood" project. Its members are independent experts with in-depth knowledge of these four relevant countries, international relations and European foreign and neighbourhood policy. The members of the strategy group are:

- Michael Bauer, expert on the international relations of the Middle East, MEIA Research
- Christian-P. Hanelt, expert on the Middle East, Bertelsmann Stiftung
- Wilfried Jilge, expert on Central and Eastern Europe, Berlin
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The members of the Strategy Group participate as private individuals. The opinions expressed in this paper therefore do not necessarily reflect the opinion of the institutions to which the individual members belong.

The Strategy Group is deliberately confining itself initially to the four key states mentioned. They are neighbours of the EU neighbourhood covered by the ENP to date and have more direct influence than the US and China due to their geographical proximity and history. It is not to be overlooked in this context that China's role in this region, with its "Silk Road / Belt and Road Initiative" and its dialogue format 1 + 16 (China plus five Western Balkan countries and eleven EU member states in Central and Eastern Europe, without the EU), has grown significantly.

### **The analysis presented here answers three key questions:**

- (1) What are the strategic goals of the key states Russia, Turkey, Iran and Saudi Arabia, and what interests and values guide their actions at the international level and vis-à-vis the EU?
- (2) What links and interdependencies exist between the four key states?
- (3) What initial conclusions can be drawn for European policy from the constellations of interests, relationships and actors in the key states?

# 1 Strategic objectives, foreign policy interests and values of key states

Socio-economic, political and defence policy data are listed in three tables in the appendix.

## 1.1 Russia as a global power

The Russian leadership questions the security order in Europe negotiated after the end of the East-West conflict and wants to renegotiate its role as a great international power. The Russian elites look at the global order in terms of a neo-realist paradigm: large states are more sovereign than small states, only states without allies are truly sovereign, in international relations there can only be "win-lose" but not "win-win" situations, interdependence creates dependencies and weakens one's own agency. The United Nations Security Council (UNSC) is the only body that can decide on international issues. In the spirit of the Congress of Vienna of 1815, Moscow wants a concert of great powers that will decide on international issues and on crisis resolutions mechanisms. In this respect, the Russian model of order is diametrically opposed to that of Germany and the EU. The EU has an interest in strengthening multilateral institutions and legalising international relations – so that the "rule of law" rather than the "law of the most powerful" applies.

The linchpin of Russian foreign policy thinking is the so-called "West" and thus the USA and its allies. Their actions and non-actions influence the foreign policy scope of the Russian leadership. They close or open spaces that Moscow is using more and more skilfully to assert its own interests. In this context, the "colour revolutions" in the post-Soviet states and the "Arab Spring" are interpreted as developments largely staged and supported by the USA and its allies with the aim of overthrowing stable but authoritarian leaderships. The overthrow of Saddam Hussein in Iraq in 2003 and Muammar al-Gaddafi in Libya in 2011 were shocks for Russia's power elites. President Putin saw himself as a possible target of such a US-led "destabilisation policy" in the Middle East. This was one of the reasons Putin intervened in the Syrian war in 2015 in order to prevent Bashar al-Assad from falling from power. Further arguments the Kremlin brought forward for the intervention are the prevention of the further destabilization in the Middle East region and the countering of the spread of radical Islamism into post-Soviet space.

Russian foreign policy lacks the kind of "soft power" to effectively offer an attractive and alternative concept of political order internationally and in its own neighbourhood. The Russian economy in particular is too weak for this. After several years of recession, which even led to a contraction of the Russian economy in 2015 and 2016, the country recorded a real economic growth rate of 1.55 percent in 2017. However, this is too little for a country with an economy more like that of an emerging market country and a gross domestic product similar to that of Italy. Russia's central power resource is ultimately its "hard power", reflected in its military capacities, in particular its possession of nuclear weapons, its willingness to intervene militarily, its role as an important arms exporter, and its central position in international energy markets.

## 1.2 Turkey: Central power and candidate for EU membership

Turkey is the key country that is most closely linked economically and politically with the EU. Turkey is the only one of the four countries to be a member of NATO and has the status of an EU candidate country, although at present there no longer seems to be any prospect of accession. Political relations between Ankara and the European capitals have cooled off considerably, with both parties blaming each other for this development.

As relations between the EU and Turkey have deteriorated since 2009, the foreign policy priorities between Brussels and Ankara have begun to diverge. Turkey's membership in the customs union with the EU (since 1996) is increasingly being criticised, as Ankara sees Turkish foreign trade interests as being insufficiently taken into account in the European Commission's negotiations on trade agreements with third countries. The Turkish government wants to see the customs union extended to agricultural goods, services and public tenders. However, at the end of June 2018, the EU decided not to negotiate a deepening of the customs union with Turkey at this point in time. This is due to the (1) the violation of the rule of law and democratic principles and (2) the transformation of the parliamentary system of government by President Recep Tayyip Erdogan and his ruling AK party into a strong presidential system in recent years. In the run-up to the referendum to introduce the presidential system, President Erdogan used escalating rhetoric to bind Turkish or Turkish-born exile communities in Europe to the Turkish state. This has further contributed to the cooling off Turkey's bilateral relations with some EU Member States such as Germany, the Netherlands and France.

Nevertheless, the Turkish economy is mainly import- and export-oriented and relies on access to international and regional markets. That is why the Turkish leadership is increasingly focusing its foreign policy on countries from which energy can be imported at reasonable costs, from where investments can be attracted and to where Turkish products can be exported. Turkey's geographical location also makes it a strategic transit country for oil and gas supplies between the EU and the countries of the Caucasus, the Middle East and Russia. Turkey's economic growth under the AKP government has contributed significantly to President Erdogan's political success. This makes the massive rise in the inflation rate from around 9 % in 2016 to over 15 percent in 2018 and the resulting problems for the Turkish economy and consumers all the more difficult. The sharp fall of the Turkish lira on the international financial markets in August 2018 further exacerbated the situation.

In terms of security policy, Turkey faces an unstable situation in its southern neighbourhood. In the wake of the Syrian civil war, some 3.5 million Syrians sought refuge in Turkey, which poses considerable political and socio-economic challenges for the country. After the collapse of the Turkish-Kurdish peace process in Turkey in 2014, the strengthening of Kurdish autonomy in Northern Syria since 2015, and the referendum in Kurdish Northern Iraq in 2017, Ankara is determined to counter Kurdish aspirations for state autonomy in the Middle East including the use of military force. Ankara is particularly concerned about the rising international recognition of Syrian and Iraqi Kurdish militias, which successfully contributed to stopping the rapid expansion of the so-called "Islamic State (IS)" by military means and subsequently were able to bring territory under their own control. The Turkish military invasion and occupation of parts of Northern Syrian and Turkish military operations in Northern Iraq have followed this "containment" strategy.

Furthermore, Turkey considers itself more and more a "central power" in the Middle East. The construction of military bases in Qatar and on a Sudanese island in the Red Sea is in line with this ambition. As a major military power – also within NATO – Turkey has repeatedly demonstrated its ability to act and is currently modernising its military arsenal. Ankara is thus becoming an increasingly important player in the numerous regional conflicts.



### 1.3 Iran: Modernisation pressure and regional influence

For the compromise-oriented forces in the Iranian leadership around President Hassan Rouhani, the international nuclear agreement that the country concluded in 2015 with the veto powers of the UN Security Council, Germany and the EU (E3/EU+3 or P5+1)<sup>1</sup> was essential to break out of international isolation and initiate a normalization of political and economic relations with Europe and other international actors. After years of sanctions, there is a strong need for modernisation in almost all sectors of the Iranian economy. The majority of the population is young and highly educated and demands an opening-up towards the West, not only in terms of Western lifestyle, but also with regard to more opportunities for one's own professional and personal development. Many Iranians see these hopes buried by the socio-economic consequences of the new sanctions resulting from President Donald Trump's withdrawal from the nuclear agreement. The hardliners in Iran, on the other hand, have received a boost; they have always been very critical of international agreements with the West and Trump's decision confirms their belief that the US in particular cannot be trusted. They are also convinced that a policy of strength is the only sensible security policy strategy for Iran. President Trump's surprising announcement offering talks with Iran at the end of July, however, has been met with mistrust from both the Revolutionary Guards and the moderate forces.

Iran's foreign and security policy is characterised by a profound ambivalence: On the one hand, it feels threatened in its territorial and political sovereignty because of past military attacks by Russia, Great Britain and Iraq against Iran and because the American intelligence agency CIA, together with the British MI-6, overthrew the democratically elected Prime Minister Mohammed Mossadegh in 1953 to install the Shah regime. On the other hand, some countries perceive Iran as a revisionist force that is trying to massively expand its own influence and strive for regional domination. The ambiguity is particularly evident in Iranian policies in the Middle East, which Tehran itself perceives as aimed at keeping rivals and enemies at bay. In this sense, the Iranian leadership considers both its military engagement in the fight against the so-called "Islamic State" in Iraq and Syria and Iran's military intervention on the side of its ally, the Syrian regime, to be defensive.

However, a number of neighbouring countries perceive Iran's regional policy design as aggressive and – above all by Israel and Saudi Arabia – as threatening. In this regard, Iran's cooperation with non-state and paramilitary actors – first and foremost with the Lebanese Hezbollah and the Hashd al-Shaabi, the "People's Mobilization Units (PMU)" in Iraq – is considered particularly troubling. Iran supports these two fractions financially, politically and with military equipment. Critics argue that the strengthening of these units weakens state structures in the countries of the Middle East. Teheran on the other hand argues that these forces could support weak statehood. These examples show how often perspectives differ or even contradict each other.

Iran is among the world's richest countries in terms of oil and natural gas and has therefore great economic potential. However, the Iranian economy is under great pressure to modernize: the high inflation and unemployment rates of 12.1 and 13.1 percent respectively, the low GDP/per capita of USD 5,305 compared to the other key countries, and the comparably modest and massively declining real economic growth of 3.46 percent highlight this challenge. The weakness of the economy increases the socioeconomic discontent of large sections of the population. There are strikes and demonstrations in some of the provinces. As a result, parts of the public have repeatedly criticised Iran's regional policy as too costly.

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<sup>1</sup> The abbreviation "E3/EU+3" refers to the United Kingdom, France, Germany plus the United States, Russia and China and the EU High Representative. It was coined in the context of diplomatic activities towards Iran. "P5+1" refers to the same group of states, naming the permanent members of the UN Security Council plus Germany.

## 1.4 Saudi Arabia: Fundamental transformation in domestic and foreign policy

Saudi Arabia's political power architecture is currently in a transitional phase in which a new generation of princes is about to replace the old generation that has ruled since the foundation of the modern kingdom. King Salman Bin Abdulaziz Al-Saud is the last of the founder's sons to possess the throne. With the Crown Prince, King Salman's son Mohammed Bin Salman, a generation follows that has an ambitious and less consensual political approach. Domestically, a socio-economic reform programme is underway ("Saudi Vision 2030") that will not only fundamentally change the economic base of the kingdom, but also terminate the country's social contract, which based internal stability on subsidies and tax exemption for all citizens. Externally, the new generation of leaders no longer feels bound to the traditional, consensus-oriented and cautious foreign policy style of their predecessors. The reorientation of Saudi security policy has had particularly dramatic consequences in Yemen. Since 2015, the kingdom has been leading a military intervention there to support Yemeni President Hadi in the civil war with the Houthi rebels, who are said to be supported by Iran.

The new leadership in Riyadh sees no alternative to this strategic realignment given that the geostrategic situation in the Middle East has changed catastrophically for Saudi Arabia since the US invasion of Iraq in 2003 and with the upheavals following the "Arab Spring" in 2011. The Saudi monarchy has stood by while Iran has steadily expanded its influence in the region, largely at the expense of Riyadh. Long-standing allies such as the Egyptian President Mubarak fell within a few weeks. In addition, Riyadh saw Iran strengthened as a result of the nuclear agreement – cancelled by US President Trump in May 2018 – given that it initiated Iran's international rehabilitation and thereby enhanced Tehran's strategic and political ambitions and influence. Riyadh accuses Tehran of exploiting conflicts such as the Syrian civil war and the war in Yemen, as well as the unstable situation in countries such as Iraq and Lebanon, to increase Iran's political influence through direct military engagement and/or by strengthening local allies or militias (so-called "proxies").

The kingdom felt abandoned by its key ally, the United States, under the Obama administration, especially as far as Iran was concerned. Moreover, the fracking boom in North America made the USA a potential competitor for Saudi Arabia in international energy markets. While Saudi Arabia still considers the US protection shield essential for its own security, Riyadh is also seeking to expand its strategic options. While Saudi Arabia is determined to improve US-Saudi relations with President Trump following the alienation under the Obama presidency, Saudi politicians consider the unpredictability and transactional character of the Trump administration to be problematic. Saudi Arabia simply cannot afford to continue with the USA as usual, according to many in Riyadh.

Measured in terms of GDP per capita, Saudi Arabia is in a stronger position than the other three key states. The country is one of the major players in the international energy sector. However, the negative economic growth that has persisted since 2015 (2017 = -0.74 percent) underlines that the kingdom still lacks sustained economic momentum. This is because the Saudi economy continues to remain too dependent on oil exports (90% of the country's income is generated by oil). It remains to be seen whether the reform agenda of Crown Prince Mohammed Bin Salman, the aforementioned "Saudi Vision 2030", will have the desired effects and make the Saudi economy more efficient and independent of oil and gas. The current course of political centralism and economic decentralization certainly shows a number of contradictions that Riyadh will have to face in the near future.

Saudi Arabia holds a leading position internationally in terms of absolute and relative military expenditure. With ever-increasing expenditure on arms imports, Riyadh is not only modernizing its own military arsenal, but is also consolidating existing alliances and building new ones. For instance, Saudi arms purchases of up to USD 350 billion were agreed with US President Trump during his state visit in 2017 for the coming years. From Russia, Riyadh wants to acquire the state-of-the-art S-400 air defence system and other military equipment.

## 2 Relations and interdependencies, conflicts and cooperation between the key states

A number of challenges affect the EU's relationship with these four key states in its neighbourhood. However, relations between Russia, Turkey, Saudi Arabia and Iran are equally characterised by a complex network of cooperation and conflict. Especially in the Balkans, the Eastern EU neighbourhood and the Mediterranean/Gulf region, these key states compete for resources, power and influence not only with the EU, but also with each other. Their relationships are characterised by *realpolitik* and/or power politics, as well as by mistrust of one another. Awareness and understanding these changing alliances and rivalries provides the EU with the opportunity for openings in terms of applying its foreign and security policy in dealing with the key states.

### Matrix of Interests and Issues

	Russia with	Turkey with	Iran with	Saudi Arabia with
Russia		<ul style="list-style-type: none"> <li>▪ Trade / Energy sector</li> <li>▪ Syria / Kurds</li> <li>▪ Black Sea region</li> <li>▪ Balkans</li> <li>▪ Caucasus</li> <li>▪ Arms acquisitions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Iranian nuclear agreement</li> <li>▪ UN Security Council</li> <li>▪ Syria</li> <li>▪ Trade / Energy sector</li> <li>▪ Arms acquisitions</li> <li>▪ Caucasus</li> </ul>	<ul style="list-style-type: none"> <li>▪ Oil price / output</li> <li>▪ Iranian nuclear agreement</li> <li>▪ Syria</li> <li>▪ Arms acquisitions</li> </ul>
Turkey	<ul style="list-style-type: none"> <li>▪ Trade / Energy sector</li> <li>▪ Syria</li> <li>▪ Caucasus</li> <li>▪ Black Sea region</li> <li>▪ Distance to USA / Nato</li> <li>▪ Arms exports</li> </ul>		<ul style="list-style-type: none"> <li>▪ Trade</li> <li>▪ Energy sector</li> <li>▪ Syria</li> <li>▪ Iraq</li> <li>▪ Caucasus</li> </ul>	<ul style="list-style-type: none"> <li>▪ Syria</li> <li>▪ Muslim Brotherhood / Qatar</li> <li>▪ Trade</li> <li>▪ Iraq</li> </ul>
Iran	<ul style="list-style-type: none"> <li>▪ Syria</li> <li>▪ Iranian nuclear agreement</li> <li>▪ Trade / Energy sector</li> <li>▪ Arms exports</li> <li>▪ Caucasus</li> </ul>	<ul style="list-style-type: none"> <li>▪ Trade / Energy sector</li> <li>▪ Syria / Kurds</li> <li>▪ Iraq / Kurds</li> <li>▪ Iranian nuclear agreement</li> </ul>		<ul style="list-style-type: none"> <li>▪ Yemen, Bahrain, Qatar, Syria, Lebanon, Iraq</li> <li>▪ Sunni Shia divide</li> <li>▪ Iranian nuclear agreement</li> <li>▪ Pilgrimage regulations</li> </ul>
Saudi Arabia	<ul style="list-style-type: none"> <li>▪ Oil price / output</li> <li>▪ Arms exports</li> <li>▪ Iranian nuclear agreement</li> <li>▪ Syria</li> </ul>	<ul style="list-style-type: none"> <li>▪ Trade / Energy sector</li> <li>▪ Syria / Kurds</li> <li>▪ Qatar / Muslim Brotherhood</li> </ul>	<ul style="list-style-type: none"> <li>▪ American-Israeli-Saudi alliance</li> <li>▪ Pilgrimage regulations</li> <li>▪ Oil price / output</li> </ul>	

### 2.1 Turkish-Iranian relations

The Turkish-Iranian relationship has proven to be largely "conflict-prone" in recent decades and is characterised by sustained *realpolitik*.

Political differences have been recurring, especially with regard to the Syrian conflict. Yet, these were openly and explicitly addressed in both capitals. Neither on a political nor on a society level, can a rhetoric be found that could evoke an exaggerated rivalry or even enmity between these states. The traditionally stable trade relations, visa-free travel, the long common border and the fact that about 40 percent of the Iranian population speaks Turkish dialects forms a solid social basis that does not appear to give rise to intensive conflicts even among the political elites.

Iran was one of the first states to publicly side with the Erdogan government after the military coup in 2016. The crisis around the Gulf Emirate of Qatar, which has been escalating since June 2017, has also brought the countries closer together – both of them are benefiting from Qatari investments. The common rejection of Kurdish statehood ambitions is also unifying. There are, however, clear differences with regard to the means of curbing a Kurdish rise in power. Iran, for example, strongly criticises Turkey's military incursion into northern Syria.

Economic interests dominate relations between Ankara and Tehran. The import of oil and gas from Iran is of particular importance for Turkey, as the country is dependent on energy imports. A significant part of Turkey's large trade deficit can be ascribed to the high amount of energy imports. In addition, Turkey has a strong interest in expanding its export business to Iran and securing the involvement of Turkish companies in major Iranian projects. Iran, on the other hand, depends on market opportunities for its energy resources and needs partners and investors who can contribute to the modernization of the Iranian economy. The re-establishment of comprehensive American economic and financial sanctions against Iran following the US withdrawal from the nuclear agreement will significantly hamper the economic policy objectives of both states. Turkey had welcomed the nuclear agreement with Iran because the abolition of sanctions created a legal basis for the development of Turkish-Iranian economic relations and at the same time curbed Iran's nuclear ambitions.

## 2.2 Iranian-Russian relations

Moscow's military intervention in the Syrian war forms the most important basis for the close ties between Russia and Iran. Nevertheless, the relationship is not free of contradictions; neither the Soviet Union nor Russia ever gained Iran's trust. The scepticism dates back to the beginning of the 20th century, when Russian bombs destroyed the first Iranian parliament. Although Russia's veto thwarted numerous UN Security Council Resolutions against Iran, the opposite was also often the case with Russia contributing time and again to sanctions against Iran. That is why nobody in Iran speaks of relations with Russia in alliance terms, despite the common Syria policy and Moscow's support for the nuclear agreement.

However, since the beginning of 2018 there have been signs of an expansion of relations: Iranian Defence Minister Amir Hatami attended a Moscow Security Conference; the Education Ministers of both countries agreed to include Farsi as a foreign language in Russia and Russian as a foreign language in Iran in the curricula; the conservative cleric and Rouhani challenger Ebrahim Raisi visited Orthodox clergy in the Russian city of Kazan.

Russia wants to secure its military bases on the Syrian Mediterranean coast with a reduced use of resources. Moscow's Middle East policy is guided by flexibility and pragmatism, and the Russian perspective on Iran reflects this, especially in regard to the war in Syria: Moscow and Tehran agree on the rejection of any regime change policy and the goal of ensuring the continued existence of Bashar al-Assad's Syrian regime. Without Iran and the Lebanese Hezbollah militia, Russia could not have helped al-Assad achieve a military breakthrough.

With regard to Syria's future, however, interests between the two countries seem to differ: Moscow favours a centralist, secular and military-dominated state. In the medium to long term, Moscow does not view itself tied to al-Assad as ruler. The Iranian Revolutionary Guards, on the other hand, are committed to maintaining the leadership of al-Assad, as well as their own militias and power bases. As Iran is more present on the ground in Syria, Moscow subsequently cannot assert all of its interests against Tehran.

For Russia, the negotiations on the Iranian nuclear agreement in the E3/EU+3 (P5+1) format were an opportunity to demonstrate Moscow's international capacity to act. Russian companies are active both in the nuclear sector as well as in the development of oil and gas fields in Iran. Iran is also an important recipient of Russian weapons – even though arms trade with Iran has remained subject to international controls and restrictions even after the nuclear agreement.

US President Trump's stance on Iran will further help to keep Tehran's ties with Moscow closely aligned despite differences over Syria's future. Russia does not want a nuclear-armed neighbour Iran and is therefore interested in maintaining the nuclear agreement. Moreover, the Kremlin fears that an end to the agreement could weaken

Iran's moderate forces, allow hardliners to restart the nuclear programme without any outside controls as well as intensify Iran's expansionary regional policy. In the Kremlin's view, this would complicate bilateral relations and endanger current Russian-Iranian cooperation in the Middle East region.

The leadership in Tehran also wants to save the agreement, but will need concessions from the other parties to the agreement. In the case of Russia, Iran is interested in receiving a certain security dividend – for example the Russian veto in the UN Security Council or the assurance that Tehran will not have to give in too much to Israeli pressure in the Syrian conflict.

In this context, there are signs of possible rifts: Against the background of the danger of an intensified Iran-Israeli conflict, Moscow's military cooperation with Iran in Syria is not without risk. Russia's balancing policy includes having good relations with Israel. Moscow thus wants to avoid at all costs a confrontation with Israeli military power and the financial and military costs associated with it. In the event of an escalating Israeli-Iranian conflict, Moscow may be caught between the frontlines, which in turn would undermine its role as mediator in the region that the Kremlin seeks.

## **2.3 Iranian-Saudi relations**

On the one hand, Iran's view of Saudi Arabia is characterised by a deeply rooted sense of superiority, which still keeps Iran's threat perception with regard to Saudi Arabia rather low. In terms of geo-strategy, the country also sees an advantage in Yemen, where Saudi Arabia – according to Tehran's estimates – is failing militarily, despite having superior armed forces and the support of the USA and Great Britain. Qatar's isolation has also driven the rich emirate from Saudi Arabia into Iran's arms with the result that the trade between Iran and Qatar has risen by over 100 percent since June 2017.

On the other hand, there is growing concern in Iran – especially after the termination of the nuclear agreement by Washington – that the Saudi government, led by the Crown Prince Mohammed Bin Salman will continue to pursue its regional policy, which Iran characterizes as reckless. Tehran speaks of an "unholy alliance" between Saudi Arabia, the United Arab Emirates, Israel and the overly anti-Iranian team of US President Trump due to public statements of government representatives of these countries, which suggest a policy of regime change towards Iran. Tehran is concerned that this could lead to destabilisation inside the country, where the intelligence services of the USA and Israel, with the help of Saudi Arabia and the UAE, could cause deliberate turmoil in Iran. The Iranian leadership is trying to counter this risk by intensifying the presence of the secret services and police.

For Saudi Arabia, meanwhile, the rivalry with Iran is a permanent feature of its security concerns, which has further gained in intensity in recent years. The leadership in Riyadh is convinced that U.S. Middle East policy failures since the fall of Saddam Hussein's regime in 2003, opened the door for Iran to expand its influence regionally to the direct disadvantage of the kingdom. From Riyadh's perspective, Iran is fostering state disintegration in the Middle East through its support of proxy-militias such as Hezbollah in Lebanon and Syria, the Houthi rebels in Yemen or various Shiite groups and paramilitaries in Iraq. Saudi Arabia is no longer willing to stand by idly and watch such developments. Riyadh sees itself in a defensive position and accordingly justifies military intervention in the neighbourhood. Saudi Arabia is most visibly engaged in Yemen, where it wants to prevent the Houthi rebels, who in Riyadh's judgement receive military support and training from Iran and Lebanese Hezbollah, from establishing themselves as a state within the state along the lines of Hezbollah and from pushing for the permanent disintegration of the state in Yemen.

The unrest in the region is not, from the kingdom's point of view, simply the result of a historic rivalry conflict with Iran. Instead, Riyadh is convinced that Iranian policy is mainly directed against the regional order led by the USA with Saudi Arabia simply being part of this order. Saudi Arabia is determined to contain Iran's further advance in the region, but it equally fears a military conflict between the US and/or Israel and Iran, which would negatively impact the kingdom; including endangering the stability of the Al-Saud family's own system of rule. The lack of communication across regional lines of conflict significantly contributes to the risk of such an escalation. Against this background, it cannot be ruled out that Riyadh might once again be willing to engage in dialogue with Tehran in the near future.

## 2.4 Turkish-Russian relations

The Turkish-Russian relations have never been free of tension; although ties have improved at the same time that Turkey's relations with the EU and the USA have cooled off.

In Syria, Turkey initially took a firm stand with the rebels, while Russia supported the regime. However, the overthrow of Syrian ruler Bashar al-Assad is no longer a priority of Turkish Syria policy and instead is now primarily aimed at preventing the political and military ambitions of the Kurds in northern Syria and northern Iraq. Turkish military operations in northern Syria are coordinated at least to some extent with Moscow. Whereas Ankara wants to push the Kurds back, they are seen as important actors as far as Moscow's Middle East policy is concerned. The Turkish downing of a Russian fighter plane in November 2015 showed that confrontation could escalate in Syria. However, after months of strained relations, both states, together with Iran, see themselves as Syria's central external powers of order, which are also in a position to undermine the United Nations negotiation process in Geneva with their own diplomatic initiatives such as in Sochi and Astana. The improved Russian-Turkish relations are also evident in the fact that NATO member Turkey has bought the Russian S-400 air defence system (while Iran only receives the S-300 systems in consideration of Israel).

President Putin's pragmatic policy is more about common grounds than differences and does not ask about political and social freedoms; this stands in clear contrast to the critical European attitude the Turkish leadership finds itself confronted with. Russia's strategy of flexibility has successfully helped to dissociate Turkey from its Western allies. Ankara, on the other hand, sees Russia as a strategic and economic complement to political relations with the West and the customs union with the EU, which according to President Erdogan falls short of Turkey's economic expectations. The Turkish government is further seen as seeking closer relations with Russia in order to put pressure on its Western partners and to take Ankara's wishes more into account, for example with regard to the issues of the Kurds, trade and the modernisation of weapons.

Russia and Turkey are also stepping up their cooperation in the energy sector: Russian natural gas is to flow into Turkey via the TurkStream pipeline from the end of 2019. Moscow and Ankara are planning to expand the pipeline to south-eastern Europe. This would make Turkey an important transit country for Russian gas to Europe and bring it closer to its goal of becoming an energy hub. By combining its energy supplies via TurkStream with the NordStream2 pipeline, Russia would in the meantime become less dependent on the transit countries Ukraine and Belarus.

## 2.5 Saudi-Turkish relations

Saudi-Turkish relations are subject to strong fluctuations. In the context of the "Arab Spring", the two countries found themselves on opposing sides: Saudi Arabia saw the overthrow of long-standing allies such as the presidents of Egypt, Yemen and Tunisia in 2011 as a dramatic weakening of established foreign policy partnerships in the Arab world. Turkey, on the other hand, positioned itself as a supporter of the uprisings in North Africa and the Middle East, establishing close relations with political representatives of the Islamist Muslim Brotherhood, whose ideology is seen in Saudi Arabia and above all in the United Arab Emirates as a threat to the legitimacy of the ruling families. This Turkish-Saudi conflict became apparent when Egyptian President Mursi, a member of the Muslim Brotherhood, was overthrown in the summer 2013, and intensified as Turkey and Qatar expanded their cooperation while Saudi Arabia and the UAE attempted to isolate the emirate. One of Saudi Arabia's demands to Qatar is to close the Turkish military base in Doha. Saudi Arabia is also critical of the expansion of Turkish military influence in the Red Sea right on Saudi's doorstep, where Ankara is building a military base on a Sudanese island.

At the start of the Syrian civil war, Saudi Arabia and Turkey found themselves on the same side and initially supported the uprising against Bashar al-Assad. Both were disappointed by the passive attitude of the US under the leadership of then President Obama and began to support various rebel groups in Syria. Since then, however, the priorities of the two states have shifted. While Saudi Arabia primarily wants to counter Iranian influence in Syria and still considers a fall of Bashar al-Assad as desirable, Turkey is primarily interested in curbing the political and strategic ambitions of the Kurds in northern Syria. In this context, Ankara is dependent on coordination with Russia and Iran, Saudi Arabia's competitor.

Despite the difficult relationship, however, the importance of Turkey's role for Saudi Arabia in the overall strategic situation of the Middle East should not be underestimated: Like Saudi Arabia, Turkey is an Islamic-Sunni country that Riyadh views as a possible counterweight to Shiite Iran and a bulwark against Tehran's expansionism.

## 2.6 Saudi-Russian relations

Saudi Arabia and Russia are upgrading their bilateral relations motivated by political and economic considerations:

Given Riyadh's mistrust of the ambitions and unreliability of the US administrations, Saudi Arabia is keen to diversify its security partnerships. This means it cannot ignore Russia due to Moscow's strong role in the Middle East region. Although and precisely because Russia is on the opposite side to Riyadh in the Syrian conflict and in the Saudi-Iranian rivalry, Saudi Arabia sees a need for clarification. The royal family does not regard the constellation of interests in Moscow and Tehran as being in any way identical. In addition, there is a hope that Russia will have a moderating influence on Iran's regional ambitions.

A major focus of bilateral cooperation between Moscow and Riyadh lies in the economic field, especially in the expansion of energy cooperation. Since 2016, Russia and Saudi Arabia have been working together to regulate oil production, as both countries are benefiting from a stable oil price in view of their current economic situation. With its announcement to buy Russian weapons, such as the modern Russian air defence system S-400, Saudi Arabia combines economic and security considerations. At the same time, the procurement of Western, especially American, military goods remains a priority for the kingdom.

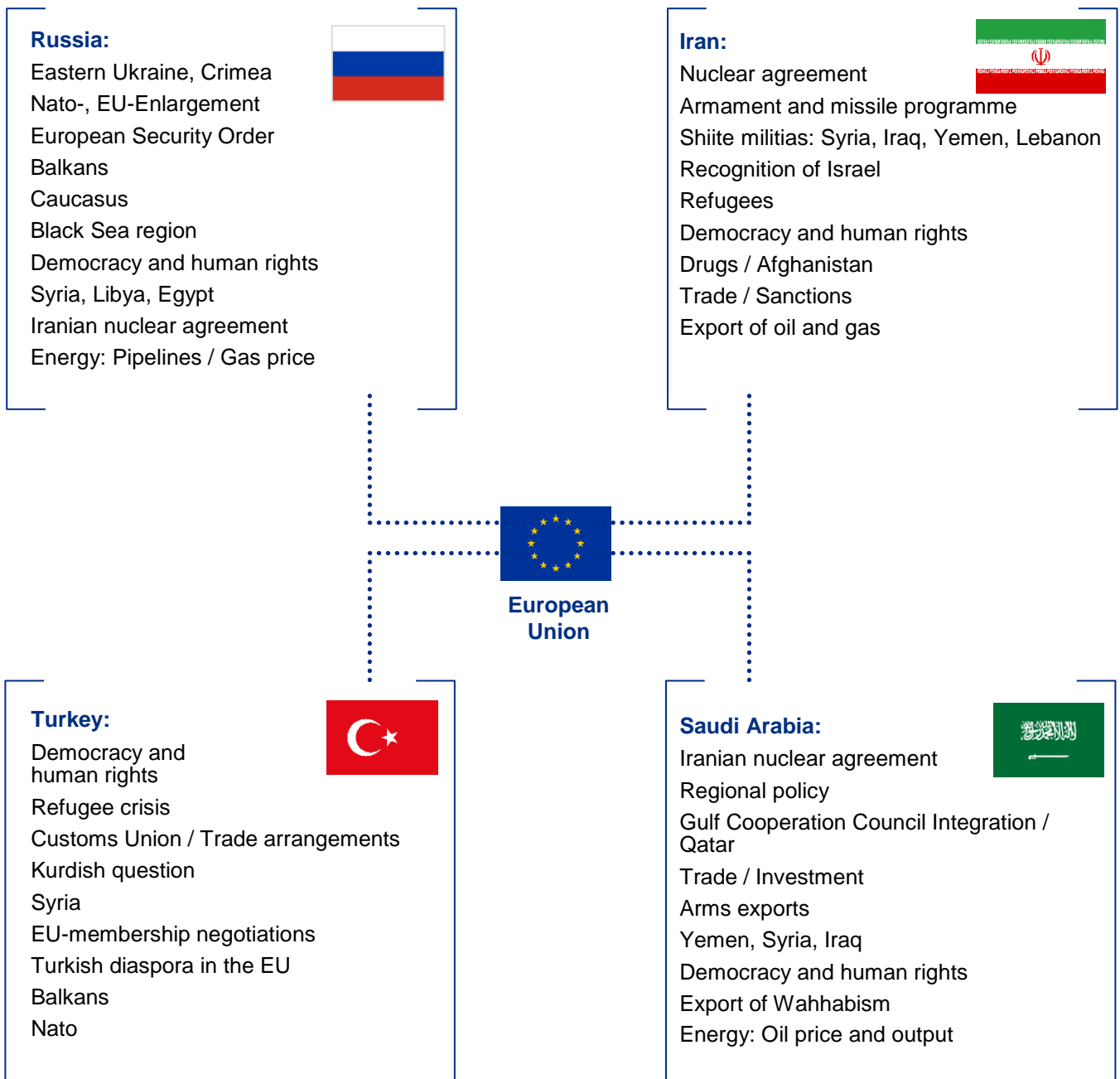
Saudi Arabia's efforts to establish cooperative relations with Russia are complemented by the diplomatic initiatives of the United Arab Emirates. Abu Dhabi has also intensified its cooperation with Moscow and even entered into a

"Strategic Partnership" with Russia in June 2018. The UAE wants to counter the efforts of its rival Qatar, which is also deepening its economic and political relations with Russia.

For Russia, the growing interest of Saudi Arabia, the UAE and Qatar provides a welcome opportunity to promote investment in its own economy and gain access to the energy and military sectors of these states. Economic alternatives are of strategic importance for Russia in the light of Western sanctions imposed because of the Russian annexation of the Crimean Peninsula and the continued fighting in parts of eastern Ukraine. The rivalry between Saudi Arabia and the UAE on the one hand and Qatar on the other is an advantage for Russia, as both sides are vying for Moscow's favour through investment promises from their sovereign wealth funds, without demanding a clear positioning of the Kremlin for their interests. In line with its "flexible Middle East policy", Moscow would hardly be prepared to do this in any case. Furthermore, the expansion of political relations with the Arab Gulf states in general, and with Saudi Arabia in particular, fits into Russia's underlying strategy of consolidating and expanding its own influence while at the same time weakening the role and alliances of the USA. A new element of the cooperation is the closer coordination between Russia and OPEC in setting oil production quotas. For the first time, the talks between Riyadh and Moscow appear to have led to a coordinated policy of reducing production levels.



**Thematic map of the EU with the “neighbours of the neighbours”: Russia, Turkey, Iran and Saudi Arabia**



### 3 “The neighbours of the EU's neighbours”: Challenges for the EU and its member states

While formulating their political strategies towards Russia, Turkey, Iran and Saudi Arabia, the EU and its member states must take a closer look at these states' values, interests, perceptions and policy objectives. This applies in particular to the formulation of the European Enlargement and Neighbourhood Policy in the Balkans, Eastern Europe, the Black Sea region and the Mediterranean area – regions that are also in the neighbourhood of the four key states mentioned. A number of aspects need to be taken into account in terms of policy application:

1. **The foreign and security policy priorities of the key states are strongly based on the requirements of their own regime security:** the political elites in Russia, Turkey, Iran and Saudi Arabia see themselves threatened by external and/or internal enemies. In the case of Russia, this is the alleged encirclement by "the West", which the Kremlin also accuses of having initiated and supported the "colour revolutions". Since the coup in 2016, the Turkish government sees itself threatened by the "Gülen movement" and regards Kurdish ambitions in northern Syria and northern Iraq as a challenge to Turkey's territorial integrity. The royal family of Saudi Arabia sees itself challenged by the expansion of Iranian influence in the region and by the strengthening of the Islamist forces in the context of the "Arab Spring". Iran's leadership is divided between reform-minded and ultra-conservative forces; it also fears efforts by the US and its allies to bring about regime change in Tehran.

Relations with the EU and its member states are analysed by the key states against the background of these threat scenarios. For them, the question arises as to whether the EU and its member states are exacerbating the perceived threat, or whether they offer an opportunity to increase their own security.

2. **Foreign and security political thinking in the key states is increasingly shaped by categories of power politics** such as spheres of influence, hegemonic pretensions and balance of power considerations. International relations are seen as a struggle for power and influence, often following the rules of a zero-sum game. Alliances are more of a tactical nature and international institutions primarily serve the promotion of national interests and not the application of the rule of law in international relations. The use of military capabilities to pursue and enforce political and geostrategic objectives is an important element of the security policy of all four key states. Against this background, military capability and the willingness to act are essential power factors.

The EU's difficulty in developing a common profile on foreign and above all security policy issues means that, from the perspective of the key states, only the large EU member states, above all France, the still-EU member Great Britain and, to a lesser extent, Germany, are ultimately taken seriously as security policy actors. The EU itself is hardly a factor in the military calculations of the key states. Only France and Great Britain, as veto powers of the UN Security Council and owners of nuclear weapons, play a role in this respect.

The key states believe that EU initiatives aimed at promoting social and economic reforms, respect for human rights and democratic political practices in the eastern and southern neighbourhood are motivated by power politics: In their eyes, the EU wants to use these soft tools to exert pressure on unwelcome regimes and gain influence in the region. The stipulation of a normatively guided European foreign policy is countered by the argument that the EU and its member states apply these standards only selectively and that the alleged values of the EU are also eroding internally.

### 3. The key states are interested in European investment and positive trade balances with the EU:

Although Europe is hardly a factor in their security policy calculations, the EU and its member states are very important for Russia, Turkey, Saudi Arabia and Iran as an economic area and potential partner for trade, investment and technological development. The EU is a valued economic partner for all four "neighbours of our neighbours". In this respect, foreign trade stands out above all. European companies are also important as investors for the modernisation of the economies of the key countries. Consequently, the EU's economic and financial potential offers opportunities for foreign policy influence. In this context, however, it is important to take into account China's growing competition, whose leadership does not ask about the rule of law or human rights.

### 4. The EU Neighbourhood – diverging interests:

- **Balkans:** In the Balkans, the Kremlin tries to strengthen national conservative and orthodox forces in Serbia, northern Macedonia and the Republika Srpska and to tie them to Russia. With regard to Serbia, the exploitation of the Kosovo issue is very effective. Ankara is attempting to strengthen links between Bosnia-Herzegovina and Turkey through references to historical connections and concrete economic and political initiatives. Saudi Arabia is also present in the Balkans through the construction of mosques. The policies of these countries stand therefore in direct competition with the EU's efforts to promote democratic and market economy reforms in the Balkans and to prepare the six Balkan countries for EU membership in the framework of the European Enlargement Policy.
- **Eastern EU neighbourhood:** The EU's Eastern Partnership ("EaP") with Ukraine, Belarus, Moldova, Armenia, Georgia and Azerbaijan competes with Russia's hegemonic approach. Moscow views this format of the European Neighbourhood Policy as an intrusion into the post-Soviet space, which Russia regards as "close abroad" and whose states the Kremlin concedes only limited sovereignty. The Russian leadership is intent on pursuing a policy of maintaining and creating zones of opacity, corruption and weak statehood in order to prevent the countries of the South Caucasus, Ukraine and Moldova from becoming associated with the EU and NATO. This policy conflicts with the interests of the EU to promote the rule of law and good governance in the same neighbourhood and to bring the countries of the Eastern Partnership into line with the EU's own standards and practices by means of economic integration and modernisation within the framework of free trade agreements.
- **Southern EU neighbourhood:** The key states also play an important role in the EU's southern neighbourhood, beyond Syria, Iraq and the Middle East. In North Africa, Russia, Turkey, Saudi Arabia and the EU support different actors and compete for influence: In Egypt, for example, Moscow seeks to intensify relations with President Fatah al-Sisi through loans and arms supplies. General al-Sisi himself came to power through a military coup supported by Saudi Arabia and the United Arab Emirates in 2013. At that time, he ousted the democratically elected President Mursi, who belonged to the Muslim Brotherhood and was supported by Turkey. Despite questionable human rights policies and repression, al-Sisi has emerged as a partner of the Europeans, who in turn believe they need the Egyptian leadership in order to restrict migration. In Libya, the EU is still counting on Fayiz al Sarraj as Prime Minister to lead a fragile unity government, which came into being following United Nations negotiations at the end of 2015. Together with the UAE and Egypt, Russia supports General Khalifa Haftar, one of the strongest military actors in Libya's civil war, who controls large parts of eastern Libya and competes with the Sarraj government. Turkey, meanwhile, together with Qatar, supports the Party for Justice and Construction, which is associated with the Muslim Brotherhood.

In the early years of the "Arab Spring", the EU's North Africa policy focused on promoting political and economic transformation. Following Islamist-inspired terrorist attacks and increasing refugee and migration movements, a policy of strengthening the "resilience of state structures" has come to the fore. Normative elements of European policy are largely subordinated to this principle. In practice, European policy in North Africa is currently focused primarily on preventing illegal migration across the Mediterranean, including

working with players guilty of human rights abuses. The EU thus runs the risk, just like the key states, of relying on supposedly "strong men" in the region, whose power stems above all from military strength and less from political legitimacy.

Regardless of the concrete political objectives that the EU pursues in its neighbourhood in the Mediterranean and in Eastern Europe, it is clear that an EU Neighbourhood and Enlargement Policy not only deals with the players and constellations of interests on the ground, but must also take into consideration the influence of the neighbours of the European neighbourhood. The growing interest of the key states in shaping the common neighbourhood also opens up tactical and sometimes strategic options for local actors to strengthen their negotiating position vis-à-vis the EU.

5. The political systems of the four key states, which are authoritarian to varying degrees, allow the respective political leaders a **high degree of flexibility in the context of their foreign policy**. Unlike the EU and its member states, the key states can change foreign policy positions and friend/foe relations quickly and without major domestic political costs. This is less true for Turkey than for the other three key states. In addition, personal factors such as actual or alleged insults of political leaders play an important role in shaping foreign relations. The weaker the bureaucratic and administrative underpinning, the more significant the personalisation of foreign policy becomes. However, the ability to change and act in foreign and security policy reaches its limits when the economic costs and human casualties – for example in connection with military operations such as those by Iran and Russia in Syria, Saudi Arabia in Yemen or Russia in Ukraine – become too high.
6. Under **President Donald Trump**, the US seems to be finally abandoning a foreign policy that recognises multilateralism and the reconciliation of interests as important principles. Donald Trump not only poses considerable challenges to the transatlantic relationship, but also **prompts Russia, Turkey, Saudi Arabia and Iran to reassess the role of the US**. In the case of Iran, the withdrawal of the US from the nuclear agreement, combined with harsh political rhetoric and sanctions, has exacerbated Iran's already existing sense of threat. While the United States remains Saudi Arabia's most important international ally and security guarantor, the leadership in Riyadh does not fully trust President Trump. Due to his erratic foreign policy, the royal family is increasingly focusing on its own security priorities. The USA is important for Turkish regional policy, particularly with regard to the measures against the Kurds in northern Syria. The fact that Washington's policy fluctuates between military support and disregard for the Kurds is unsettling Ankara. Russia, in the meantime, has filled the strategic vacuum that had already arisen under the Obama administration in the Middle East – and the Kremlin is unlikely to give up this position for the time being.

Under President Trump, the US will be even less prepared than its predecessors to cooperate with the EU and its member states in the Middle East and to pursue a policy towards countries such as Russia and Saudi Arabia that is at the minimum in line with shared strategic principles. This is particularly evident at the moment in the case of Iran and the American withdrawal from the nuclear agreement.

7. **All four key states are dissatisfied with their own status in the regional or international system:** From the Russian leadership's point of view, Moscow deserves a leading role in the European and international security order which is being denied to Russia by the Europeans and above all by the USA. Iran sees itself in the role of a regional power in the Gulf and in its wider neighbourhood. Both share an interest in reducing the influence of the USA internationally. Following a neo-Ottoman approach, Turkey claims to be a central power in the region; Saudi Arabia sees itself as a leading power in the Muslim-Arab world and wants to defend or regain this position. Against the backdrop of these aspirations, there are also rivalries and conflicts between the key states.

These insights could give the EU and its member states a basis for committing the key states to contribute to solving regional problems, especially in the neighbourhood. Three initial examples: (1) through greater EU engagement in the conflict zones in the South Caucasus and Moldova, where Moscow currently plays a dominant role – and by a further initiative for a peaceful, undivided Ukraine to overcome the continuing low intensity conflict there; (2) through talks between Russia and the EU on the future of the al-Assad's regime in Syria, where Moscow has political leeway to assert its interests, but is not in the position to actually bring the conflict to an end and build peace; (3) by a bold diplomatic initiative by the EU to contain conflicts between Iran and Saudi Arabia in the Middle East and the Gulf region through the promotion of a regional system of cooperation and security.<sup>2</sup>

The strategy group "Key States / Neighbours of the EU's Neighbours" will continue its work in the coming months to identify further concrete opportunities for action for the European Union and supplement this overview paper with additional policy briefs.

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<sup>2</sup> Hanelt, C.-P., Koch, C., A Gulf CEC Could Bring Peace and Greater Security to the Middle East. Bertelsmann Stiftung, July 2015 [https://www.bertelsmann-stiftung.de/fileadmin/files/user\\_upload/spotlight\\_02\\_2015\\_ENG.pdf](https://www.bertelsmann-stiftung.de/fileadmin/files/user_upload/spotlight_02_2015_ENG.pdf)

## Appendix: Data on key states in the European neighbourhood

Table 1: Socio-economic data

Country/ Data	Population, July 2017, for EU 2016	Population share of age group 0-24 forecast 2020	Population forecast 2050	Human Develop- ment Index (HDI) value (2015) 0 = lowest; 1 = highest value	Gross Domestic Product (Mio. USD) 2017	GDP per cap- ita (USD, EUR for EU-28) 2017	Average annual GDP growth rate (real) 2016-2017	Unemploy- ment rate % 2017; for Saudi Arabia: 2016)	Inflation- rate in % April 2018	Natural Gas, proved reserves in billion cubic me- ters (cu m), est. Global ranking 2017	Crude Oil proved reserves, in Mio. Barrel (BBL), est. Global ranking 2017/ EU 2016
<b>Russia</b>	142,257,519	27.6 %	132,730,511	0-804	1,527,469	10,608	+1-55 %	5-2 %	2-8 %	Rank 1 47,800	Rank 8 80,000
<b>Turkey</b>	80,845,215	40.0 %	95,626,879	0-767	841,206	10,512	+7-05 %	11-0 %	11-4 %	Rank 77 18,490	Rank 54 389
<b>Saudi Arabia</b>	28,571,770	37.5 %	45,056,349	0-847	683,827	21,120	-0-74 %	5-6 %	3-7 %	Rank 5 8,602	Rank 2 266,500
<b>Iran</b>	82,021,564	36.3 %	93,553,454	0-774	431,920	5,305	+3-46 %	13-1 %	12-1 %	Rank 2 33,500	Rank 4 158,400
<b>EU-28</b>	510,300,000	-	528,600,000	-	17,578,724	38,000 (32,700 EUR)	+2-48 %	7-7 %	1-9 %	Rank 23 1,300	Rank 22 5,600

### Sources:

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 United Nations, DESA/Population Division, World Population Prospects, 2017 (share of population age group 0-24 yrs.) <http://www.un.org/en/development/desa/population/publications/database/index.shtml>  
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 CIA The World Factbook (Natural Gas) <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2253rank.html>  
 CIA The World Factbook (Crude Oil) <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2244rank.html>  
 Unemployment, Statista <https://de.statista.com> (data based on Eurostat and IMF)  
 Eurostat [http://ec.europa.eu/eurostat/statistics-explained/index.php?title=Population\\_structure\\_and\\_ageing/de](http://ec.europa.eu/eurostat/statistics-explained/index.php?title=Population_structure_and_ageing/de)  
 Human Development Index [http://www.hdr.undp.org/sites/default/files/2016\\_human\\_development\\_report.pdf](http://www.hdr.undp.org/sites/default/files/2016_human_development_report.pdf)  
 Doing Business (World Bank) <http://www.doingbusiness.org>  
 World Economic Outlook, April 2018, (inflation-rate), <http://www.imf.org/external/datamapper/PCPIPCH@WEOWEOWORLD/VENIEU>

Table 2: Political data

Land/ Daten	Transformation Status, BTI 2018 / 2016	Political Transformation, BTI 2018 / 2016	Economic Transformation, BTI 2018 / 2016	Governance Index, BTI 2018 / 2016	Freedom House Index Ranking (2018)	World Press Freedom In- dex, Reporters Without Borders (2018)	Corruption Perceptions Index Transparency International (2017)
	1 = lowest score 10 = highest score	1 = lowest score 10 = highest score	1 = lowest score 10 = highest score	1 = lowest score 10 = highest score	0=Least Free, 100=Most Free	Ranking of 180 states	Ranking of 180 states
<b>Russia</b>	2018: 5.31 2016: 5.10	2018: 4.55 2016: 4.40	2018: 6.07 2016: 5.70	2018: 3.52 2016: 3.20	Aggregate Score: 20/100	148	135
<b>Turkey</b>	2018: 6.17 2016: 7.30	2018: 5.55 2016: 7.30	2018: 6.79 2016: 7.40	2018: 4.72 2016: 6.10	Aggregate Score: 32/100	157	81
<b>Saudi Arabia</b>	2018: 4.27 2016: 4.30	2018: 2.57 2016: 2.50	2018: 5.96 2016: 6.00	2018: 3.80 2016: 3.80	Aggregate Score: 7/100	169	57
<b>Iran</b>	2018: 3.15 2016: 3.00	2018: 2.92 2016: 3.00	2018: 3.39 2016: 3.00	2018: 2.85 2016: 2.70	Aggregate Score: 18/100	164	130

## Sources:

Transformation Index BTI, Bertelsmann Stiftung, <https://www.bti-project.org/de/startseite/>  
 Freedom in the World 2018, Freedom House <https://freedomhouse.org/report/freedom-world/freedom-world-2017>  
 Corruption Perceptions Index, Transparency International <https://www.transparency.de/korruption/sindizes/cpi-2017/cpi-ranking-2017/>  
 Rangliste der Pressefreiheit 2018, Reporter ohne Grenzen <https://www.reporter-ohne-grenzen.de/rangliste/2018/>

Table 3: Defence policy data

Country/ Data	Military expenditure in Mio. USD in 2017	Military expenditure share of GDP 2017	Arms exports 2017 in SIPRI Trend Indicator Values (TIVs*) in Mio.	Arms imports 2017 in SIPRI Trend Indicator Values (TIVs*) in Mio.
<b>Russia</b>	66,335	4.3 %	6,148	34
<b>Turkey</b>	18,190	2.2 %	244	410
<b>Saudi Arabia</b>	69,413 (estimate)	10.3 % (estimate)	-	4,111
<b>Iran</b>	14,548	3.1 %	10	4

(\*) SIPRI's trend-indicator value (TIV) is a measure of the volume of international transfers of major weapons. The method used to calculate TIV is described at <https://www.sipri.org/databases/armstransfers/background#TIV-tables>

## Sources:

SIPRI Military Expenditure Database <https://www.sipri.org/databases/milex>  
 SIPRI Importer / Exporter TIV Tables <http://armstrade.sipri.org/armstrade/page/values.php>  
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 Measuring International Arms Transfers, SIPRI <https://www.sipri.org/sites/default/files/FS/SIPRIFS1212.pdf>

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