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Your view on the rapprochement between Saudi Arabia and Iran?

It's unlikely Iran will conform to Saudi demands. The kingdom does not have the power, to impose sanctions or take aggressive military action in the way that the US, Russia, or China do, in terms of leverage. If you judge by Iran's track record of its relations with other countries in the region, it's not good. The rapprochement doesn't hurt - Iran is under pressure due to the domestic protests and economic problems they're facing and so a little bit of breathing room is good - but it is not going to change its fundamental mindset. I don't think that the ingredients are there for a lasting commitment and the key stumbling block is that, over the last 30 or 40 years, Iran has constructed a very sophisticated network of non-state actors who it can direct and influence. It's not going to suspend that anytime soon. But what you might see in the near-term is, at the very least, is that it should hopefully keep Israel slightly less aggressive in its stance towards Iran as the signal from Saudi Arabia is that it's not interested in a military escalation.

Is the current banking crisis a buying opportunity Gulf sovereign wealth funds?

The Saudis have already been on a shopping spree and have massive exposure to every single kind of stock and share you could imagine in European and US markets. Also, transparency is not the hallmark of many of these bailouts, especially when it comes to reading what direction the politicians are going to take. And in terms of Credit Suisse and the Swiss government in particular, we don't even have a precedent to go on. So, the mix of risk aversion and saturated portfolios will likely keep those funds out. ■

**Paraphrased Comments*



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