



010
Prime Minister
 Agree to see U.A.E.
Minister of Petroleum at
 11.00 a.m. on Sunday, 18 April?

Foreign and Commonwealth Office

London SW1A 2AH

8 April 1983

A.F.C. $\frac{4}{4}$

New Team,

Yes ml

VISIT OF UAE MINISTER OF PETROLEUM

In his telegram no 93 (copy attached) HM Ambassador at Abu Dhabi reports that the UAE Minister of Petroleum, Dr Mani Al Otaiba, is to visit London briefly on his way to the United States, returning on 15 April for a longer stay. He is expected to chair an OPEC monitoring committee in London from 18 April onwards.

Dr Otaiba may bring with him a reply from the Ruler of Abu Dhabi, Shaikh Zaid, to the message which the Prime Minister sent to a number of Gulf Rulers on 26 March. He has said that if he does bring such a message, he would like to be able to deliver it personally.

We see considerable advantage in the Prime Minister seeing Otaiba if he brings a message and if a suitable time can be arranged, perhaps between 15 and 18 April. A meeting would demonstrate the importance we attach to the channel of communication between the Prime Minister and Shaikh Zaid, both on account of our broader relations with Abu Dhabi and because we may conceivably need to use it again if BNOC make a further move on oil prices in the next few weeks and we are obliged once more to seek Abu Dhabi's understanding.

Though Sheikh Zaid's message is unlikely to contain much of substance, Dr Otaiba for his part would be in an ideal position to give an overall impression of thinking, particularly in the Gulf States, on oil prices. He also appreciates the British position over North Sea oil prices (he would probably discuss any detailed issues separately with Mr Lawson if, as we hope, an opportunity could be found).

I am copying this letter to Julian West at the Department of Energy.

(R B Bone)
Private Secretary

A J Coles Esq
 10 Downing Street

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FM ABU DHABI 070720Z APR 83
TO IMMEDIATE FCO
TELEGRAM NUMBER 93 OF 7 APRIL 83

RPTD FOR INFO TO DUBAI .

MY TELNO 79:

UAE MINISTER OF PETROLEUM.

1. THE UAE MINISTER OF PETROLEUM CONFIRMED TO US YESTERDAY HIS INTENTION TO SPEND TWO DAYS IN LONDON ON HIS WAY TO THE UNITED STATES. HE LEAVES FOR LONDON TONIGHT 7 APRIL. HE INTENDS TO RETURN TO LONDON ON 15 APRIL BEFORE HOLDING THE OPEC MONITORING COMMITTEE MEETING THERE ON 18 APRIL.
2. OTAIBA ALSO TOLD US THAT HE HAD PREPARED A REPLY FROM SHAIKH ZAID TO THE PRIME MINISTER'S MESSAGE ABOUT OIL PRICES (FCO TELNO 55 TO KUWAIT) WHICH HE HOPED WOULD BE READY FOR HIM TO BRING: IF SO HE HOPED TO BE ABLE TO DELIVER IT TO THE PRIME MINISTER HIMSELF. THE MESSAGE HE SAID CONTAINED NOTHING CONTROVERSIAL, BUT RATHER EXPRESSED APPRECIATION AND UNDERSTANDING OF HMG'S ATTITUDE.
3. AS TIME WILL BE SHORT ON HIS OUTWARD VISIT, WHEN HE WILL IN ANY CASE BE HAVING MEDICAL TREATMENT, IT WILL NO DOUBT BE EASIER TO CATCH OTAIBA ON HIS RETURN TO LONDON FROM THE US. HE WILL BE STAYING EITHER AT HIS GROSVENOR SQUARE FLAT (TELEPHONE NUMBER WITH THE DEPARTMENT) OR AT A NEW ONE IN CARLOS PLACE (TEL 493 4925/6 REPEAT 493 4925/6).
4. IF HE IS CARRYING ZAID'S MESSAGE AND THERE IS ANY CHANCE OF HIS SEEING THE PRIME MINISTER THIS WOULD OF COURSE BE GREATLY APPRECIATED BY HIM, AND I THINK ALSO BY ZAID. IF THE PRIME MINISTER CANNOT RECEIVE OTAIBA, I HOPE THAT IN ANY CASE AN APPOINTMENT CAN BE ARRANGED WITH MR LAWSON, WHO AMONG OTHER THINGS MIGHT WISH TO SOUND OTAIBA ABOUT A VISIT HERE.

~~WALKER~~

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10 DOWNING STREET

From the Private Secretary

12 April 1983

VISIT OF UAE MINISTER OF PETROLEUM

Thank you for your letter of 8 April.
If Dr. Otaiba brings a message to the Prime
Minister from the Ruler of Abu Dhabi, the
Prime Minister would be able to receive him
at 11.00 a.m. on Monday, 18 April.

I am copying this letter to Julian West
(Department of Energy).

A. J. COLES

R. B. Bone, Esq.,
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

15 April 1983

mt

Dear Sam,

Visit of UAE Minister of Petroleum: Dr Mani al Otaiba

Thank you for your letter of 12 April. Dr Otaiba is expected to arrive from Washington late this evening, 15 April. We have been unable to ascertain whether he will be bringing a message from Shaikh Zaid. We will try tomorrow to establish this, and whether he wants to see the Prime Minister, and let you know as soon as possible. In the meantime, you may like a short note on the background, and some points which the Prime Minister might make, agreed with the Department of Energy.

Dr Otaiba's main purpose in London is to chair the meeting of the OPEC Monitoring Committee here on 18/19 April which will check how individual OPEC members are sticking to the price and production agreements made at the OPEC meeting which ended here on 14 March.

Our impression is that the OPEC states are generally abiding by the agreement, and this is reflected in the present relative stability of the market. The situation has been helped by BNOC's modest price changes for North Sea oil. Though the companies have not yet agreed formally that the March price should also apply to April, BNOC should be able to hold March prices in April and beyond if market confidence holds. The gap between official prices and the spot market has closed considerably over the last week. The key to stability is that OPEC countries should observe the discipline of their production and pricing agreement: BNOC pricing policy can have only a marginal effect.

The Prime Minister may wish to stress that BNOC's pricing moves were carefully judged with the intention of helping stabilise the oil market.

/We have

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We have heard reports from our Embassy in Abu Dhabi that the UAE have taken on the task of plugging the massive oil leak spilling from an Iranian offshore oil field, although there are other reports that the Gulf countries have been unable to agree with Iran and Iraq how this should be tackled. The Prime Minister may wish to enquire about this and if appropriate to express hopes for the success of the operation. She might also remind Dr Otaiba that BP (who are world experts in pollution control work) are standing by to help.

/ I also enclose a personality note and, in case
/ Dr Otaiba raises other issues, a short brief covering bilateral relations, Arab/Israel and Iran/Iraq.

I am copying this letter to Julian West at the Department of Energy.

Yours ever
J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

CALL ON THE PRIME MINISTER BY DR OTAIBA, UAE MINISTER OF
PETROLEUM

LINE TO TAKE

Bilateral

1. Mr Pym very pleased with visit last week to UAE.
Useful and timely discussions on Arab/Israel and Iran/Iraq.
2. Delighted with signature of Hawk contract in January.
Appreciate your support for this.

Iran/Iraq

3. We are deeply concerned about the war. We have studied
proposals from some GCC states (but not UAE) about further
action by the UN. Share your doubts about effectiveness of
UN Security Council.

Military Situation

4. Small scale Iranian offensive launched on 10 April
may have regained small amount of Iranian territory. Iraqis
well equipped to hold, though probably taken by surprise.
Fighting continues.

Other Mediation Attempts

5. Algerians inactive. Will there be follow-up to NAM
initiative, e.g. by the Indians? Do we know Iranian terms
for settlement?

Arab/Israel

6. Breakdown of Hussein/Arafat discussions a setback.
But Reagan plan still offers only realistic starting point
for negotiations. Stalemate in no-one's interests.



7. Jordanian statement leaves door open to further talks. Vigorous effort needed from all sides if opportunity to be seized.

8. European role still active. Prevent polarisation and encourage compromise.



DR MANA SAID AL OTAIBA

UAE Minister of Petroleum and Mineral Resources.

Born 1946 in Abu Dhabi to a leading merchant family. Educated at Baghdad and Cairo Universities.

A favourite of the President of the UAE and Ruler of Abu Dhabi, Shaikh Zaid, to whom he owes much of his position.

Called on Prime Minister in February 1981, but was not very impressive. Has since grown in stature and is now a leading OPEC figure, taking a 'moderate' line on pricing. The Prime Minister also had talks with him during her visit to the UAE in April 1981.

He has a strong interest in foreign affairs, which has become more noticeable since the resignation in April 1980 of the UEA Foreign Minister and the absence of an appointed successor to him.

He speak good English, which he studied in the UK, and has been helpful to British interests, eg over the sale of Hawk.



CALL ON THE PRIME MINISTER BY DR OTAIBA, UAE MINISTER OF PETROLEUM

BACKGROUND

Bilateral

1. Mr Pym visited the UAE from 10-12 April. He had discussions with the President of the UAE, Shaikh Zaid, with his eldest son and Heir Apparent, Shaikh Khalifa, and with the Head of the Presidential Court, Shaikh Surour.
2. Relations are good. No bilateral problems. The signing of the Hawk contract in January this year (Dr Otaiba was an influential supporter of this) has given fresh impetus to our defence sales effort. There is a possibility of further Hawk sales.

Military Situation

3. Iranian attack on 10 April seems to have surprised the Iraqis. Initial advances recaptured small amounts of Iranian territory, but these advances have been halted. Fighting continues. Each side has roughly 100,000 troops in the area, but only small numbers have been engaged so far. Iranian intention probably to keep Iraqi military on the hop.

UN Action

4. The Prime Minister has recently received letters from the Amirs of Bahrain, Qatar and Kuwait and from King Fahd of Saudi Arabia, asking for further action by the permanent members of the UN Security Council to bring the conflict to an end. The UAE has not taken part in this GCC exercise, and it is clear from Mr Pym's recent visit that the UAE shares our view that further Security Council action will only serve

/to irritate

to irritate the Iranians to no good effect. Further action by the UN should await clear signal from the Iranians that they are ready for serious negotiations.

5. The Prime Minister's reply to the Amir of Bahrain emphasised our willingness to support any realistic efforts aimed at achieving negotiated settlement. Our replies to the other letters will be along similar lines.

6. We are in touch with the Americans about the possibility of a new initiative arising from the NAM which would involve Mrs Gandhi and the UN Secretary-General.

UAE Attitude to the War

7. UAE enjoys better relations with Iran than do some of her Gulf neighbours, and is more anxious than others to maintain an even-handed attitude to any international activity aimed at bringing the two sides together.

Arab/Israel

8. The UAE take their cue on Arab/Israel issues from the Saudis. They support a political process based on the Fez principles, but will not get out in front of the Saudis, eg in support for King Hussein. The President of the UAE, Sheikh Zaid, told Mr Pym during the latter's visit on 10 April that Arafat had to consult widely within the Palestinian movement before he could agree to a joint approach with the Jordanians: he should not be pressed too hard.

9. King Hussein intended the Jordanian Government statement to be a 'sharp shock' to generate new thinking both within the PLO and Washington. It avoided closing the door on further Jordanian/PLO discussions, but Jordan will wait for the PLO to take the next move. Arafat has since expressed interest in further dialogue.



10. The Ten have not yet considered in detail the implications of recent developments for European policy. But if the US show signs of disengaging, we shall have an enhanced role to play in maintaining confidence in all sides in negotiated solutions.



10 DOWNING STREET

Prime Minutes

We should hear over the weekend whether Dr. Okaiba will be available to call on you at 11.00 on Monday.

2. Mr. Lawson would like to attend if he does.

A.J.C. $\frac{15}{4}$

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