

Written evidence submitted by Mr Steven Merley (BFA0007)

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Introduction

The below forms written evidence to the Foreign Affairs Select Committee inquiry into the UK Foreign and Commonwealth Office's role in blocking foreign asset stripping in the UK. The below seeks to address the challenges involved in protecting the UK's national security interests towards nations, such as the State of Qatar, who have accrued a significant portfolio of assets in prominent UK companies, including strategic national assets.

Summary

The State of Qatar is described as a 'natural trade partner' to the UK and has become one of its most important international investors – reported to total more than £35bn – while amassing a hugely influential portfolio of interest in strategic UK national assets. Set alongside this, the ongoing diplomatic crisis between Qatar and its Gulf neighbors represents one of the biggest challenges to the UK's foreign policy to the Middle East since the Arab Spring. The conflict centres on Qatar's alleged support for terrorism and history of support for the Muslim Brotherhood. Qatar is funding large mosque projects throughout Europe through the quasi-governmental charity known as Qatar Charity ("QC"). These projects have taken place in the UK, Belgium, Ireland, and the Netherlands in cooperation with the funding/endowment arm of the Muslim Brotherhood in Europe. The main office for QC in Europe is Qatar Charity UK ("QCUK"), now known as the Nectar Trust, further cementing the UK's role as the "Command and Control Centre" for the Brotherhood in Europe. Through its financial support, Qatar is helping the Brotherhood further entrench its influence within Europe, hindering the integration of the Muslim minorities, fostering hatred among religious communities, and helping to incubate home grown extremism. The inquiry asks how the Foreign and Commonwealth Office should assess whether a potentially hostile party is seeking to secure significant influence or control over a UK company, with a focus on what safeguards are required in the National Security and Investment Bill. If the purpose of the NSI Bill is to strengthen the Government's powers to scrutinise and intervene in business transactions to protect national security, then it must consider the investment portfolios of hostile parties not just individual transactions.

When soft power becomes hard power? State of Qatar investments in the UK

1. [According](#) to the UK Government, the State of Qatar is one of its largest investors, with investments reported to be worth more than £35bn to the UK economy. This is expected to continue to rise following a pledge from Qatar in 2017 to deploy an additional £5bn of investment over a five-year period, half of which has already been invested in the UK. Total trade between the UK and Qatar came to £5.3 billion in 2018, and according to latest figures around 4,500 UK businesses exported goods to Qatar, with around 500 importing. The former International Trade Secretary, Rt Hon Liam Fox, described, Qatar is a natural trade partner.

2. The State of Qatar is [reported](#) to have secured influential investment positions in prominent UK companies, including strategic national assets and signature landmarks. Through its sovereign wealth fund, the Qatar Investment Authority (“QIA”) and other affiliated state enterprises, it is reported to have acquired:

- 5.9 per cent stake in Barclays, making it the British bank’s second largest investor according to Refinitive data;
- 20 per cent [stake](#) in Heathrow Airport, the UK’s biggest airport
- 21.8 per cent stake in Sainsbury’s, the UK’s second largest supermarket group
- 4.18 per cent stake in Severn Trent, one of the UK’s biggest water companies
- 25.1 per cent of International Airlines Group, which owns British Airways
- Ownership of [iconic](#) London hospitality landmark assets, including Harrods, Claridges, the Berkeley and the Connaught hotels, as well as the Intercontinental in Park Lane (*through a 64 per cent stake in Coroin, the holding company which owns the Maybourne Hotel Group).
- Ownership of London’s Canary Wharf Group which owns some 16 million sq ft in the heart of London’s business district including 20 Fenchurch Street, nicknamed the Walkie Talkie, and the Shell Centre redevelopment on London's South Bank
- A prominent London property portfolio including nearly 900 commercial and residential sites including ownership of the HSBC Tower at 8 Canada Square, the Chelsea Barracks, the Olympic Village and The Shard - it is [said](#) that Qatar owns more land in the London than the Her Majesty the Queen
- Qatari Diar, QIA’s real estate development unit, is in the process of converting the former US embassy on Grosvenor Square into a luxury hotel, and in a partnership with Delancey and AGP, is developing Elephant and Castle

3. The UK is also heavily [dependent](#) on Qatar for it’s supply of LNG, which makes up a sizeable proportion of UK’s energy imports with the BBC reporting in 2017 that “Qatar provides nearly all of the UK’s LNG”. In 2017, this was reported to comprise up to 10% of all UK fuel imports.

4. It is undeniable that the State of Qatar has meticulously accrued strategic footholds in UK national assets across aviation, banking, utilities, infrastructure, energy and hospitality. Taken at face value and individually, this would appear to represent a blossoming relationship

between the UK and Qatar. However, when viewed as a collective portfolio, does Qatar's significant financial interest restrict the UK Government's ability to challenge Qatar from a geopolitical and national security perspective?

Gulf Diplomatic Crisis

5. Since 2017, a diplomatic crisis has dominated the Gulf region and shaped the UK's foreign policy towards that region. The Gulf dispute began when countries including Saudi Arabia, United Arab Emirates, Bahrain, and Egypt cut diplomatic ties with Qatar in June 2017. The Saudi-led coalition cited Qatar's alleged support for terrorism as the main reason for their actions.

6. Given the longstanding and broad set of relationships between the UK and Qatar, including the significant UK financial investments made by the Qatari Government and / or agencies, and Qatari individuals, the ongoing conflict is inherently important to the UK and therefore a broader understanding of its dynamics is vital. Although the Qatar conflict centers mainly on the country's alleged support for terrorism, Qatar's history of support for the Muslim Brotherhood has also been an issue.

7. While Russia, the UAE, Egypt and Saudi Arabia, amongst others, have officially designated the Muslim Brotherhood as a terrorist organization, the UK along with other European governments and the EU have not. Still, the UK government [concluded](#) that the Brotherhood has "selectively used violence and sometimes terror in pursuit of their institutional goals". As such, there are substantive reasons for concern for the UK regarding Qatar's support for the Brotherhood that include but are not limited to terrorism itself.

Qatar and the Global Muslim Brotherhood in Europe & the UK

Funding of the Global Muslim Brotherhood

8. For 17 years I have been [investigating](#), documenting and writing about what I came to call the Global Muslim Brotherhood ("GMB"), defined as the global network developed by Muslim Brothers (Ikhwan) who fled their home countries and settled in Europe, the United States and elsewhere and who went on to found what have become some of the most prominent Islamic organizations in their new home countries. The UK "[Jenkins Report](#)" on the Muslim Brotherhood has validated this concept example describing Europe as "an important base for the growing Muslim Brotherhood global network."

9. Understanding the finances and financial support for the Global Muslim Brotherhood has always been one of the biggest challenges for analysts given the lack of public records in this area and the typically non-transparent nature of the Brotherhood networks. Where funding has been identified in the past, the origin has almost always been the Gulf States- namely the UAE, Saudi Arabia, and Kuwait (Background [here](#) and [here](#)).

10. However, since the Arab Spring the Abu Dhabi federal government in the UAE has undertaken a harsh crackdown on the Muslim Brotherhood with many of its leaders and members either [imprisoned](#) or forced into exile. This crackdown is based on the belief that the Brotherhood in the UAE was plotting to overthrow the country's rulers. Saudi Arabia has also initiated its own crackdown on the Brotherhood and the two countries, together with their allies, took the unprecedented step of [designating](#) Global Muslim Brotherhood leader Youssef Qaradawi as a terrorist.

11. With the actions taken by the UAE and Saudi Arabia, it appears that the Global Muslim Brotherhood has lost key sources of financial support. The major source that has stepped into this funding vacuum appears to be Qatar, another long-time supporter of the GMB and which had [dissolved](#) its own domestic Brotherhood chapter in 1999. Qatari financial support for the Global Muslim Brotherhood appears to be channeled mainly through the quasi-governmental charity known as Qatar Charity ("QC"), [headed](#) by Sheikh Hamad bin Nasser bin Jassim al-Thani, chairman of the QC board.

12. In Europe, QC support for Global Muslim Brotherhood projects is [supervised](#) by its Ghaith [Rain] Initiative launched in 2015 and reported to have already included the [creation](#) of 138 Islamic centres across Europe. Many of these projects can be [characterized](#) as "mega-mosques" such as the Al-Noor center in French Alsace-Lorraine and consisting of a 10,200 square meter building with a mosque, a regular school, a da'wa centre, an Institute for Arabic Language Teaching and another for the teaching of the Holy Qur'an, a cultural centre, as well as Waqf facilities, and a Faculty of Islamic Sciences.

13. Major mosque projects either proposed or undertaken by QC in Belgium, Ireland, and the Netherlands were done so in cooperation with the Europe Trust, the funding/endowment arm of the Federation of Islamic Organizations in Europe (FIOE), an umbrella group representing the Muslim Brotherhood in Europe (background [here](#), [here](#), [here](#), [here](#) and [here](#)). Also working with QC in [support](#) of the Dutch project was the Kuwait Ministry of Religious Endowments (Ministry of Waqf). Leadership of the mosques was in the hands of individuals and groups tied to the Global Muslim Brotherhood (background [here](#), [here](#) and [here](#)).

14. The main office for QC in Europe is Qatar Charity UK ("QCUK"), now known as the Nectar Trust, [opened](#) in 2014 reportedly because of the need for direct supervision of Qatar Charity projects in Britain and in Europe generally. QCUK Trustees include or have included a mix of Qatari nationals including QC officials, and at least two individuals tied to the Muslim Brotherhood in France and the UK.

15. QCUK in turn has been the major funder of the Emaan Trust of Sheffield whose Trustees have included a cleric [reported](#) to be a supporter of the Muslim Brotherhood and a Kuwaiti official who claims Jews orchestrated the September 11 attacks. Another Trustee has been Ahmed Al-Rawi a 69-year-old long-term British national and resident who was the former President of the Muslim Association of Britain (MAB) and of FIOE and currently heads the Europe Trust. Al-Rawi is also a trustee of the European Institute for Human Sciences, which

functions as a recruitment, indoctrination, and/or cadre training organization for the MB in the UK and elsewhere. The "London Branch" of the EIHS is a mosque/ cultural center with strong ties to the Islamic Online University (IOU), run by extremist Canadian cleric Bilal Philips, who is banned from the UK but was given refuge by Qatar. In 2004, Al-Rawi was one of 93 Islamic international scholars who signed a "bayyan" (declaration) in August supporting uprisings against the "filth of occupation" by both Iraqis and Palestinians and [said](#) he could not condemn attacks on coalition forces. Yet another Emaan Trustee is Mutlaq Al-Qarawi , an official of the Ministry Of Awqaf & Islamic Affairs in Kuwait who was also involved with Dutch mosque project referenced above and head of the Europe Trust Netherlands.

16. The major project of the Emaan Trust has been to construct a mega-mosque in Sheffield whose plans included a nursery, full-time school, social and cultural centre with a multipurpose hall, in addition to a library and restaurant, a prayer hall, a gym and a car parking. The cost of the project was [estimated](#) at 7.5 million pounds. The Emaan Trust has also set up an evening school for children in the city and says the new place of worship will "promote and teach Islamic morals and values to new Muslim generations."

Implications for the UK

17. The establishment of QCUK further cements what has in the past been [described](#) as the UK's role as the "Command and Control Centre for the Brotherhood in Europe." The implications of this role for the UK include both domestic and international concerns.

18. As the examples above alone demonstrate, the activities of the Global Muslim Brotherhood in the UK are alarming for the future of the Muslim communities in the country. At the very least, the Brotherhood's superior funding and organizing capabilities has ensured it plays an outside role in serving as both the voice of the Muslim communities in the UK as well as a sometimes interlocutor for the government.

19. By making it possible for the Brotherhood to construct and to control an ever-increasing number of mega-mosque complexes in both the UK and Europe, Qatar is helping the Brotherhood further position itself to hinder the integration of the Muslim minorities, to foster hatred among religious communities, and to help incubate home grown terror with a constant drumbeat message that Muslims are under siege by the West.

20. Beyond these domestic concerns, lies the question of what role the Global Muslim Brotherhood plays in the global scourge of terrorism generally. In this regard, it must be said that the Global Muslim Brotherhood has been particularly successful in concealing its relationship to "Jihadist" terrorism. Even the highly debated Jenkins report stated "The Muslim Brotherhood has not been linked to terrorist related activity in and against the UK. The Muslim Brotherhood in the UK (eg MAB) has often condemned terrorist related activity in the UK associated with al Qai'da".

21. However, a previously obscure organization based in Beirut known as the Global Anti-Aggression Campaign (GAAC) shows that far from being “differentiated” from radical Salafists and terrorist Islamist groups in reality the Global Muslim Brotherhood has been engaged in a 14-year political cooperation allegiance with some of those very same groups and their supporters.

Conclusion

The inquiry asks how the FCO should assess whether a potentially hostile party is seeking to secure significant influence or control over a UK company and what safeguards are required in the National Security and Investment Bill. If the purpose of the NSI Bill is to strengthen the Government’s powers to scrutinise and intervene in business transactions to protect national security, then it must reflect on the investment portfolios of hostile parties, not just individual transactions or takeovers.

The information presented above strongly suggests that in considering its position with respect to Qatari investment and trade, the UK has failed to challenge its growing role as a financier of the Muslim Brotherhood in the UK. Thanks to the ongoing support of Qatar, the UK has become the “Command and Control Centre” for the MB in Europe which is alarming for both the future of the Muslim communities in the country and for national security.

Protecting national security while ensuring the UK remains a global champion of free trade and investment is no easy task. However, the Foreign Office must view Qatar’s UK activity for what it is: a strategic attempt to use financial muscle to mask and then inhibit the UK’s ability to challenge measures that threaten its national security. The UK must exert maximum pressure on the Qatari government to cease its continued support to the Brotherhood, and ensure provisions are included in the NSI Bill to counter any attempts to accrue financial influence, as well as outright ownership of, UK assets from hostile nations.

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