



Delhi Policy Group

Advancing India's Rise as a Leading Power



DPG WEST ASIA REVIEW



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Delhi Policy Group

Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003

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DPG WEST ASIA REVIEW

DPG West Asia Review contains major developments in West Asia of strategic relevance to India, compiled from open source media. To subscribe please [click here](#).

Your comments and feedback can be addressed to Sanket Joshi at sanket@dpg.org.in.

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Abstract

The United States in the recent past has accused Iran-backed Kataib Hezbollah of firing rockets at bases hosting US troops and other facilities in Iraq. On June 26, 2020, the Iraqi security forces raided a base belonging to Kataib Hezbollah in Southern Baghdad and detained at least 14 militants. In addition, the US Embassy in Baghdad's fortified Green Zone was also a target of rocket attack on July 05, 2020, that injured a child. .

The United States-Iran relations are further deteriorating with America's call for indefinite arms embargo on Iran in the United Nations. Whereas, both Russia and China rejected the American demand, even the close US allies such as France and Britain have been ambivalent on the issue. In a development of geopolitical relevance, an explosion damaged Iranian nuclear site at Natanz. Reports emanating from Iran point fingers at Israel for this major cyber-attack. In another development of major consequence, Iran's foreign minister Zarif said, "Iran is negotiating 25-year strategic accord with China and the details of the same will be announced once the deal is struck." Iran has also integrated the strategically important Chabahar port within its Free Trade Zone.

Israel-Palestine issue has been at the heart of geopolitical and religious conflict in West Asia (Middle East) for the past 70 years. Israel's proposed plan to annex parts of the West Bank will have major geopolitical ramifications. In the wake of this, Ministry of External Affairs (MEA) reiterated India's position on the peaceful "[Two-State Solution](#)". MEA Spokesperson Anurag Srivastava said, "Our position on this is very clear and I would like to reiterate that the final status issues should be resolved through direct negotiations between the two parties." In a major military deal, Indian Air Force is planning to acquire more [SPICE-2000](#) bombs from Israel amid rising tensions with China. These weapons were earlier used in the Balakot airstrikes targeting Pakistan sponsored terrorist camps.

On the economic front, the UAE's economy is showing signs of recovery from COVID-19 induced economic crisis. According to the latest Purchasing Managers' Index (PMI), in the month of June UAE non-oil private sector saw return to growth in many months. Emirates on the other hand also announced sweeping reforms in government structure for a smooth and swift decision making process.

The Gulf nations are indigenising their economies in the light of COVID-19 to reduce dependence on migrant workers. In light of this, Kuwait's legislative

assembly approved a quota for expats. It states that the Indian expatriate community – one of the largest in the country – should not exceed 15 per cent of the national population, which means around 800,000 of them may have to leave Kuwait.

Links to major developments in West Asia of strategic relevance to India, compiled from open source media, can be found below.

Bahrain

[Bahrain's Economy Likely to Contract by 3.6 per cent this Year](#)

July 07, 2020, Zawya

The International Monetary Fund (IMF) forecast real GDP for the GCC shrinking by 2.69 per cent in 2020 and by 3.27 per cent for the West Asia-North Africa region as a whole.

Egypt

[Egypt Says No Progress Made in Tripartite Talks over Ethiopia's Nile Dam](#)

July 04, 2020, CGTN

Egyptian water ministry said on Friday (July 03) that no tangible progress has been made in the tripartite talks over the controversial Ethiopian Nile dam. There are still "fundamental differences at the technical and legal levels" between Egypt, Sudan and Ethiopia over the filling of the Grand Ethiopian Renaissance Dam (GERD).

Iraq

[Rocket Fired Toward US Embassy in Iraq Injures Child](#)

July 05, 2020, Hindustan Times

The Iraqi military said Sunday (July 5) that a rocket aimed at Baghdad's fortified Green Zone, home of the U.S. embassy, struck a residential house and injured a child.

[Iraq Looks to Lure Saudi Investment as it tries to Comply with OPEC+ Deal](#)

July 01, 2020, Oilprice.com

Iraq is looking to attract investment from Saudi Arabia in one of its natural gas fields, Iraqi Deputy Prime Minister and Finance Minister, Ali Allawi said, while OPEC's second-largest producer looks to be seriously trying to comply with the OPEC+ production cuts.

[Coronavirus and Sanctions Hit Iran's Support of Proxies in Iraq](#)

July 02, 2020, Reuters

Iran's financial and military support for Shi'ite proxy paramilitary groups in Iraq, a linchpin of its regional foreign policy, has been dramatically disrupted by the coronavirus pandemic and U.S. sanctions.

[Iraqi Forces Raid Iran-backed Kataib Hezbollah Base, 14 Arrested](#)

June 26, 2020, Al Jazeera

Iraqi security forces have raided a base belonging to a powerful Iran-backed armed group Kataib Hezbollah in southern Baghdad and detained at least 14 militia members.

Iran

[Iran is Negotiating 25-year Strategic Accord with China, Zarif Says](#)

July 05, 2020, Middle East Eye

Foreign Minister Mohammad Javad Zarif said on Sunday (July 05) that Iran has been negotiating a 25-year accord with China whose terms will be announced once the deal is struck.

[Consignments of Transit Goods from Afghanistan Shipped to India via Chabahar](#)

July 05, 2020, Iran Front Page

A shipment of transit goods has, for the first time, been transported to India via a port in southern Iran. The consignment was sent to India through Shahid Beheshti port in Chabahar in line with a trilateral agreement signed by Iran, India and Afghanistan.

[India-funded Chabahar Port in Iran to be Integrated with Free Trade Zone](#)

July 02, 2020, Business Line

The integration of Chabahar port with the Free Zone was approved by the Iranian Guardian Council. Subsequently, a memorandum of understanding was signed between the Ports and Maritime Organization (PMO) of the Islamic Republic of Iran and Free Zone Authorities on June 9 for implementation of laws and regulations of the Free Zone in the port of Chabahar.

[US Tries to Seize Four Iranian Tankers Sailing Towards Venezuela](#)

July 02, 2020, Al Jazeera

US federal prosecutors are seeking to seize four tankers sailing towards Venezuela with gasoline supplied by Iran, the latest attempt to disrupt ever-closer trade ties between the two heavily-sanctioned anti-US allies.

[China Asks U.S. to Stop Unilateral Sanctions on Iran](#)

July 01, 2020, CGTN

A Chinese envoy on Tuesday (June 30) asked the United States to stop its illegal unilateral sanctions on Iran, and voiced opposition to a U.S. push for an extension of the UN arms embargo against Iran.

[U.S. Calls for Indefinite Arms Embargo on Iran, but Finds No Takers in UNSC](#)

June 30, 2020, The New York Times

Secretary of State Mike Pompeo called on Tuesday (June 30) for an arms embargo on Iran to be extended indefinitely, but his appeal fell flat at the United Nations Security Council, where Russia and China rejected it outright and close allies of the United States were ambivalent.

[Mysterious Explosion and Fire Damage Iranian Nuclear Enrichment Facility](#)

July 02, 2020, The New York Times

A fire ripped through a building at Iran's main nuclear-fuel production site early Thursday (July 02), causing extensive damage to what appeared to be a factory where the country has boasted of producing a new generation of centrifuges.

[Interpol Shuts Down Iran's Request for Trump Arrest](#)

June 30, 2020, CNBC

Interpol has resoundingly rejected the Iranian government's request for help in carrying out an arrest warrant for U.S. President Donald Trump for the killing of Qassem Soleimani.

Israel

[Three Rockets Fired at Israel from Gaza as Border Region Heats Up](#)

July 05, 2020, Times of Israel

Three rockets were fired from the northern Gaza Strip into Israel Sunday evening (July 5), as tensions along the border region appeared to flare amid Israeli plans to annex parts of the West Bank.

[Report: Israeli Cyber Attack Caused Iran Nuclear Site Fire](#)

July 03, 2020, Times of Israel

Israel was responsible for two blasts at Iranian facilities – one related to uranium enrichment, the other for missile production – over the past week, a Kuwaiti newspaper reported Friday (July 03).

[Iran Warns Israel, US After Fire At Nuclear Site, Amid Reports Bomb Caused Blaze](#)

July 02, 2020, Times of Israel

Hours after it reported an “accident” at its Natanz nuclear complex, and said there were no casualties or radioactive pollution, Iran on Thursday (July 02) warned that it would weigh its response to “hostile countries,” including Israel and the US, if they had crossed Iran’s “red lines in any way.”

[Vatican summons Israel, US Ambassadors over West Bank Annexation](#)

July 02, 2020, Al-Monitor

The meetings were arranged “in order to express the concern of the Holy See regarding possible unilateral actions that may further jeopardize the search for peace between Israelis and Palestinians,” read a Vatican statement.

[Israel, Palestine Should Hold Direct Talks for ‘Two-States Solution’: India](#)

July 02, 2020, The Indian Express

India on Thursday (July 02) asked Israel and Palestine to resolve issues between them through direct negotiations and engage with each other to find an acceptable “two-states solution” for peaceful co-existence.

[Indian Air Force to Buy SPICE-2000 Bombs from Israel, Last Used in Balakot Airstrikes](#)

June 30, 2020, India Today

Amid tensions with China, India is going to acquire more SPICE-2000 bombs, which were earlier used in the airstrikes in Balakot, Pakistan. The weapons will be procured from Israel.

Jordan

[China Thanks Jordan, Saudi Arabia for Support on Core-interests and Issues](#)

July 05, 2020, CGTN

China appreciates the firm support of Jordan and Saudi Arabia on issues concerning China's core interests, especially for China's principled stand and legitimate rights and interests on internal affairs such as Taiwan, Hong Kong and Xinjiang.

Kuwait

[Kuwait Legislative Body Approves Expatriate Quota Bill](#)

July 03, 2020, Arab News

Kuwait's National Assembly committee has decided that a draft law proposing a quota for expatriates is constitutional. It states that the Indian expatriate community – one of the largest in the country – should not exceed 15 percent of the national population, which means around 800,000 of them might be required to leave Kuwait.

Lebanon

[Lebanon Bond Ratings Slashed By S&P as Country Struggles to Meet Debt Obligations](#)

July 05, 2020, The National

S&P lowered its ratings on several Lebanon government bonds, as the country's economy teeters on collapse and the government struggles to meet debt obligations. Lebanon's public debt is projected to climb to 161.8% of GDP in 2020 from an estimated 155% last year.

Oman

[Oman Poised to Allow Part-time Jobs for Expats and Citizens 'soon'](#)

June 30, 2020, Gulf News

Omanis and expatriates in the sultanate will soon have the option to do part-time jobs as the country is seeking to diversify its economy.

Qatar

[Qatar's Economy Set to Recover from Pandemic in H2: Oxford Economics](#)

July 05, 2020, MENAFN

Qatar's economy is set to recover from the pandemic in the second half of this year (H2) and grow steadily over the medium term, amid ongoing investment ahead of World Cup 2022 and a rise in gas production, according to Oxford Economics.

Saudi Arabia

[Saudi Arabia Extends Economic Measures to Mitigate Pandemic Impact](#)

July 02, 2020, Gulf News

Saudi Arabia is extending some private sector stimulus measures that would have expired this month, with the government saying it's keen to support businesses that are struggling to recover from the effects of the coronavirus pandemic.

[Delhi Riots: Links to Zakir Naik, Saudi Arabia, PFI Established in Police Probe](#)

July 04, 2020, India Today

Investigations by Delhi Police's Special Cell have revealed a link between the Delhi riots and Islamic preacher Zakir Naik. The probe has also traced back money trail to Saudi Arabia and Singapore.

[15 Percent Vat Hike Comes Into Effect in Saudi Arabia](#)

July 01, 2020, Gulf News

Saudi Arabia's decision to raise the value-added tax (VAT) rate to 15 per cent was enforced on Wednesday (July 01) on all goods and services subject to it in markets across the Kingdom.

[Kerala CM Seeks More Flights from Saudi Arabia](#)

July 02, 2020, The Hindu

Chief Minister Pinarayi Vijayan on Thursday (July 02) sought more Vande Bharat Mission flights to ferry expatriates home from Saudi Arabia.

[Saudis Threaten New Oil-Price War with OPEC Brethren](#)

July 01, 2020, The Wall Street Journal

Saudi Arabia has threatened to ignite an oil-price war unless fellow OPEC members make up for their failure to abide by the cartel's recent production cuts, delegates said.

Syria

[Several Killed in Islamic State and Assad Regime Clashes in Syria](#)

July 05, 2020, Dawn News

Clashes between Russia-backed Syrian regime forces and the militant Islamic State group have killed more than 40 fighters on the two sides in just 48 hours, a Britain-based war monitor said on Saturday (July 4).

[Russia's Putin urges Turkey, Iran to help promote dialogue in Syria](#)

July 01, 2020, Reuters

Russian President Vladimir Putin told his counterparts from Turkey and Iran on Wednesday (July 1) that there was a need for peaceful dialogue between the opposing forces in Syria's civil war.

Turkey

[Russian Church Slams Hagia Sophia Plan, Turkey Cites Sovereignty](#)

July 05, 2020, Al Jazeera

The Russian Orthodox Church says converting Istanbul's Hagia Sophia monument from a museum to a mosque would be "unacceptable" while Turkey has defended the decision, citing its sovereignty over the matter.

[Defense Minister Visits Libya for Engagement with Tripoli Government: Erdoğan](#)

July 03, 2020, Hurriyet Daily News

Turkey's Defense Minister Hulusi Akar visited Libya as Ankara aims close engagement with the government in Tripoli, President Recep Tayyip Erdoğan said on July 3.

UAE

[UAE Orders Government Shake-up as Coronavirus Hits Economy](#)

July 05, 2020, Al Jazeera

The United Arab Emirates (UAE) has announced a broad government restructuring on Sunday (July 5) for more "agile and swift" decision-making amid the coronavirus pandemic, merging government entities and appointing new economy and industry ministers.

[UAE Economy Turns Around as Demand Growth Restored After Lockdown](#)

July 05, 2020, Gulf News

The UAE non-oil private sector enjoyed a return to growth in June, latest Purchasing Managers' Index (PMI) data showed.

[UAE Seeks to Verify Credentials of Pakistani Pilots in its Airlines](#)

July 01, 2020, Arab News

The United Arab Emirates is seeking to verify the credentials of the Pakistani pilots and engineers employed in its airlines after the South Asian government grounded 262 pilots for holding "dubious" qualifications.

Yemen

[Saudi-led Coalition Destroys Four Houthi Drones over Yemen](#)

July 04, 2020, Khaleej Times

The Saudi-led military coalition battling the Houthis in Yemen said on Friday (July 3) it had destroyed four explosive-laden drones launched by the Iran-aligned group in the direction of Saudi Arabia.



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