



Delhi Policy Group

Advancing India's Rise as a Leading Power



DPG WEST ASIA REVIEW



Volume II, Issue 31 | August 3, 2020

Delhi Policy Group

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

www.delhipolicygroup.org



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Since 2016, in keeping with India's increasing global profile, DPG has expanded its focus areas to include India's regional and global role and its policies in the Indo-Pacific. In a realist environment, DPG remains mindful of the need to align India's ambitions with matching strategies and capabilities, from diplomatic initiatives to security policy and military modernisation.

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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 Arab Emirates (UAE) is diversifying its economy away from oil, by adopting more sustainable forms of energy sources. In light of this, UAE started operations at the Arab world's first nuclear power plant at Barakah. In another major development on the energy front, Saudi Arabia posted deficit of USD29 billion in the second quarter of this year on account of low oil prices and the Covid-19 induced economic contraction. This has resulted in 'Apple' overtaking Saudi Arabia's national oil company 'Aramco' as the world's most valuable company. Apple is valued at USD1.817 trillion, while Saudi Aramco's market value stands at USD1.76 trillion. In another development, the China National Petroleum Corporation (CNPC) is in advanced talks with British Petroleum (BP) for USD1.5 billion stake in Oman's Khazzan natural gas field.

On the regional security front, Iran tested an underground ballistic missile against a dummy US aircraft carrier with good results. Furthermore, Iranian Supreme Leader Khamenei rejected further negotiations with the US over Iran's ballistic missile and nuclear programme. In another development, an Iranian foreign ministry official clarified that Iran – China strategic cooperation is not an alliance between the two countries. The U.S. economic sanctions are taking toll on the Iranian economy; Iran has run out US Dollar reserves. This could impact Islamic Republics imports including India's Basmati rice.

India-Saudi Arabia relations have strengthened significantly in the past few years. Saudi Arabia's Ambassador to India acknowledged that, "India is one of the most important strategic partners of Saudi Arabia and both countries are forging strong relations on Defence and Security fronts."

Turkish President Erdogan has placed a greater emphasis on the pursuit of an Islamist identity. Reportedly, a number of radical Islamic organizations in India are being funded by the Turkish government. Turkey also reassured Pakistan of its support for Kashmir in a phone call between President Erdogan and Pak PM Imran Khan. Turkey's decision to convert Hagia Sophia museum to a mosque received criticism from the Russian Orthodox Church. In light of this, Russia has decided to help Syria build a replica Hagia Sophia that will operate as an Orthodox cathedral.

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

Bahrain

[Bahrain To Allow Private Employers To Hire Foreigners After Four-month Suspension](#)

July 30, 2020, Al-Monitor

After a four-month suspension due to COVID-19 restrictions, Bahrain will allow private companies to resume hiring foreign workers.

[India Will Operate 66 Repatriation Flights From The Middle-East](#)

July 27, 2020, Business Insider

India will operate 66 repatriation flights under the Vande Bharat Mission phase 5 from Bahrain, Kuwait, Dammam, Sharjah and Riyadh.

Egypt

[Turkey 'Dreaming of Empire in Libya,' Says Egyptian Strategist](#)

August 01, 2020, Arab News

Maj. Gen. Nagy Shohood, an Egyptian strategic expert, accused Turkey of intervening in Libya to further its dreams of a restored Ottoman empire.

Iraq

[Why Iran and China Are Pushing Iraq To Boost Oil Production](#)

July 29, 2020, Oilprice.com

There are four key reasons why Iraq is increasing the pace of development on a number of its major oil fields right now. First, it needs the money; second, hitting its own output targets will allow it to challenge Saudi Arabia in Eastern markets; third, it will allow Iran to increase its own oil exports; and, fourth, it is at the behest of China.

[Iraq Increases Oil Exports in July, Pumps Above OPEC+ Target](#)

July 30, 2020, Reuters

Iraq's crude oil exports have increased so far in July, shipping data showed and industry sources said, suggesting OPEC's second-largest producer is still undershooting its production cut target under an OPEC-led deal.

[Iraq's Oil Exports Average 2.76 Mln Bpd in July. Says Ministry](#)

August 01, 2020, Arab News

Iraq's total oil exports for July averaged 2.763 million barrels per day (bpd), the oil ministry said in a statement on Saturday (August 01).

[Iraq To Hold Next Parliamentary Elections On June 6, 2021 - A Year Early](#)

August 02, 2020, Arab News

Iraq will hold its next parliamentary elections nearly a year early, the premier has announced, as he seeks to make good on promises he offered when he came to power.

[India's Rafale Jets To Have Hammer Missiles; Weapon That Was Used in Iraq and Syria](#)

July 28, 2020, DNA

It has been reported that India has decided to fit 'HAMMER' missiles on the newly-acquired Rafale fighter aircraft in view of the ongoing border tensions with China, as the integration and trial of the Israeli-developed SPICE 2000 bombs were taking too long.

[Iraq Says Nearly 560 Killed in Anti-Government Unrest](#)

July 30, 2020, Arab News

Nearly 560 Iraqi protesters and security forces were killed in months of anti-government unrest that erupted last year, the government said on Thursday (July 30).

Iran

[Iran's Khamenei Rejects Talks With US Over Missile, Nuclear Program](#)

July 31, 2020, The Jerusalem Post

Iran's Supreme Leader, Ayatollah Ali Khamenei, ruled out negotiations with the United States over Tehran's ballistic missile and nuclear program on Friday (July 31) and urged Iranians to resist US pressure.

[Iran's Stock Market Surges To Record High, Analysts Warn of Bubble](#)

August 02, 2020, The Economic Times

Iran's main stock index broke through the key 2 million point mark for the first time ever on Sunday (August 02), state media reported, amid warnings that the market is overheating.

[Mike Pompeo Says U.S. Has Expanded Scope of Iran Metals Sanctions](#)

July 31, 2020, Reuters

U.S. Secretary of State Mike Pompeo on Thursday (July 28) said he was expanding the scope of Iran metals sanctions, targeting 22 specific materials that he said were used in connection with Iran's nuclear, military or ballistic missile programs.

[Iran's Chabahar Port Exports Cargo To India And Southeast Asia, Notwithstanding Slowdown](#)

August 02, 2020, The Economic Times

Iran's Chabahar Port built with India's support has recently witnessed cargo movement to South Asia and SE Asia notwithstanding slowdown in the global trade due to Covid.

[Iran Says It Detained Leader of California-Based Exile Group](#)

August 01, 2020, The New York Times

Iran on Saturday (August 01) said it had detained an Iranian-American leader of a little-known, California-based opposition group for allegedly planning a 2008 attack on a mosque that killed 14 people and wounded over 200 others.

[Pakistan, China and Iran Urged To Forge Trilateral Partnership](#)

July 30, 2020, Dawn

The suggestion was put forward at a webinar hosted by the Islamabad Policy Institute (IPI), which was chaired by Senate Foreign Affairs Committee chairman Senator Mushahid Hussain Sayed.

[Iran-China Strategic Agreement is Not Alliance: Iranian Diplomat](#)

July 29, 2020, Tehran Times

A senior official at the Iranian Foreign Ministry said on Wednesday (July 29) that the Sino-Iranian strategic cooperation agreement doesn't mean that the two countries are building an alliance.

[Iran Blasts Dummy US Aircraft Carrier With Missiles](#)

July 28, 2020, BBC News

Iran has launched missiles at a mock-up of a US aircraft carrier in the strategic Strait of Hormuz. The drill included fire so heavy that the US military temporarily put two regional bases on alert.

[Iran Runs Out Dollars, India's Basmati Rice Exports May Fall 20%](#)

July 30, 2020, Business Standard

India's basmati rice exports to Iran may decline 20 per cent this financial year as the West Asian nation fails to make payment due to US economic sanctions.

[IRGC Launches Underground Ballistic Missiles in Military Exercise](#)

July 29, 2020, Tehran Times

The Islamic Revolution Guards Corps (IRGC) Aerospace Force on Wednesday (July 29) successfully launched a series of ballistic missiles from well-camouflaged underground missile systems during a large-scale military exercise underway in southern Iran.

Israel

[Israel Showers India With Goodwill Greetings on Friendship Day](#)

August 02, 2020, Livemint

Israel on Sunday (August 02) showered India with goodwill greetings on Friendship Day, peppered with a Bollywood hit number, with Israeli President Reuven Rivlin also congratulating Prime Minister Narendra Modi and the people of India on the occasion.

[Elite Israeli Doctors Help Fight Coronavirus in India](#)

July 29, 2020, The Jerusalem Post

The partnership allows India to use Israeli technology to speed up identification and treatment of COVID-19.

[India and Israel's Partnership is Currently Focussed On Combating Covid-19: S Jaishankar](#)

July 26, 2020, The Economic Times

The India-Israel partnership is currently focussed on combating the COVID-19 challenge and even as it does, the larger agenda of cooperation continues to move forward, External Affairs Minister S Jaishankar said on Sunday (July 26). Jaishankar made the comments in a tweet after speaking to his Israeli counterpart Gabi Ashkenazi.

Jordan

[Jordan King Calls For Parliamentary Elections](#)

July 30, 2020, Middle East Monitor

King Abdullah II of Jordan issued a decree to hold parliamentary elections in the country, the Royal Court announced.

Kuwait

[World Bank: Kuwait's Economy Faces Severest Hit in Decades](#)

July 27, 2020, Middle East Monitor

COVID-19 has been the severest blow dealt to the Kuwaiti economy since the 1990 Iraqi invasion, the World Bank (WB) warned. World Bank's Resident Representative for Kuwait, Ghassan Alkhoja, told Al-Anba that the Kuwaiti economy would shrink by 5.4 per cent this year.

[Kuwait Bans Commercial Flights From 31 Countries Including India Over Covid-19](#)

August 02, 2020, Livemint

Kuwait suspended commercial flights from 31 countries on the advice of health authorities, just as the Gulf state re-opened its airport to such operations.

Lebanon

[Israel To Hold Lebanon Accountable For Hezbollah Attack](#)

July 31, 2020, Israel Hayom

Israeli Defence Minister Benny Gantz has instructed the IDF to bomb Lebanese infrastructure if Hezbollah harms Israeli soldiers or civilians.

Oman

[Chinese Oil Giant CNPC Eyes BP's \\$1.5bn Stake in Oman Gas Field](#)

July 31, 2020, Arabian Business

China's state-owned oil giant, China National Petroleum Corp (CNPC) is having advanced discussions with BP for a ten percent stake in the Khazzan natural gas field. The minority stake could fetch about \$1.5 billion.

[Over 56,000 Indian Expats Bid Adieu To Oman Due To Covid-19](#)

August 02, 2020, Gulf News

As the fifth phase of Vande Bharat Mission (VBM) flights starts, many Indian expatriates in Oman have started packing their bags as they bid goodbye to a country that had been their home for years.

Qatar

[Alibaba and Qatar Lead Last-minute USD300 Million Financing of Chinese Electric Car Start-up Xpeng Ahead of New York IPO](#)

August 03, 2020, South China Morning Post

Alibaba Group and Qatar's sovereign wealth fund are among the last-minute investors in Chinese smart electric vehicle start-up, Xpeng Motors, ahead of its initial public offering in New York.

[Qatar is Coming To The Rescue of British Airways and Iberia](#)

July 31, 2020, CNN Business

Qatar Airways has promised to pump hundreds of millions of dollars into British Airways and Iberia as they fight to survive the coronavirus pandemic.

[US Envoy in Qatar: Gulf Dispute 'Gone On Too Long'](#)

July 26, 2020, Al Jazeera

The three-year blockade of Qatar by neighbouring Arab nations has gone on for too long and threatens regional security and prosperity, a US envoy has said.

Saudi Arabia

[India is One of Our Most Important Strategic Partners: Saudi Ambassador to India](#)

July 28, 2020, BusinessWorld

India – Saudi Arabia bilateral relations which earlier revolved around crude oil have evolved into strategic partnership and greater investments. Crown Prince Mohammed bin Salman has forged relationship with PM Modi on Defence & Security fronts as well.

[Apple Tops Saudi Aramco as World's Most Valuable Company](#)

July 31, 2020, Bloomberg

Apple Inc. became the world's most valuable company with its market value overtaking Saudi Aramco in the wake of better-than-expected earnings.

[Saudi Academic Cites Prophet Muhammad in Bid To Normalise Ties With Israel](#)

July 23, 2020, Middle East Monitor

As Saudi Arabia's relationship with Israel warms up, its people-to-people ties are supplementing its diplomatic gestures. Now, for the first time in history a Saudi academic has published a paper in an Israeli journal, with the aim to 'bring the two nations closer'.

[Saudi Arabia Posts \\$29 Billion Deficit in Second Quarter as Oil Revenues Slump](#)

July 28, 2020, Reuters

Saudi Arabia posted a deficit of 109.2 billion riyals (\$29.12 billion) in the second quarter this year as low oil prices hurt revenues, a finance ministry report published on Tuesday (July 28) showed.

[Muslims Begin Downsized Hajj Pilgrimage Amid Coronavirus Pandemic](#)

July 29, 2020, Al Jazeera

Hajj - the annual Muslim pilgrimage to Mecca - has begun, but under dramatically different circumstances due to the coronavirus outbreak.

Syria

[Syria Says U.S. Oil Firm Signed Deal With Kurdish-led Rebels](#)

August 02, 2020, Reuters

Syria's foreign ministry said on Sunday (August 02) that an American oil company had signed an agreement with Kurdish-led rebels who control north-eastern oilfields in what it described as an illegal deal aimed at "stealing" Syria's crude.

[US Imposes Sanctions on Son of Syria's President Bashar Al-Assad](#)

July 29, 2020, The Guardian

Hafez Bashar al-Assad, the eldest son of Syrian President Bashar al-Assad is named in the latest list of 14 senior Syrian regime officials and entities sanctioned by the US State Department under the so-called Caesar Act.

[Russia to Help Syria Build Replica Hagia Sophia Following Turkish Mosque Conversion](#)

July 29, 2020, The Moscow Times

Russia will help Syria construct a replica of the Hagia Sophia that will operate as an Orthodox cathedral, a Russian lawmaker has said after Turkey converted the iconic Istanbul museum into a mosque this month.

Turkey

[Erdogan Assures Pakistan of Support on Kashmir in Calls To President Alvi, PM Imran](#)

August 02, 2020, Dawn

Turkish President Recep Tayyip Erdogan on Saturday (August 01) assured his country's support for Pakistan's stance on the Kashmir issue in a conversation with President Arif Alvi.

[Turkey's Defence Minister Condemns UAE's 'Malicious' Acts in Libya and Syria](#)

August 01, 2020, Hurriyet Daily News

Turkey lashed out at the United Arab Emirates on July 31 over what it called "malicious" actions in Libya, where the two countries support opposing sides in the nation's grinding conflict.

[Red Flags in Delhi Over Erdogan's Turkey Funding Anti-India Activities: Official](#)

July 30, 2020, Hindustan Times

Islamist radical organisations in parts of the country including Kerala and Kashmir are being supported and funded by Turkish outfits backed by Recep Tayyip Erdogan's government in Ankara.

UAE

[UAE Asks Turkey To Stop Meddling in Arab Affairs](#)

August 01, 2020, Khaleej Times

Dr Anwar Gargash, UAE's Minister of State for Foreign Affairs, on Saturday (August 01) urged Turkey to stop interfering in Arab affairs, mockingly referring to the Ottoman Empire which collapsed a century ago.

[Concern At US President's Attempt To Bypass Congress To Sell Weapons To Saudi Arabia and UAE](#)

July 27, 2020, Middle East Monitor

Members on both sides of the US Congress are deeply "concerned" that President Donald Trump will bypass the legislature and sell weapons to Saudi Arabia and the UAE.

[Barakah: UAE Starts Arab World's First Nuclear Plant](#)

August 02, 2020, BBC News

The United Arab Emirates has launched operations at the Arab world's first nuclear power plant, on the Gulf coast just east of Qatar.

[Iran Missiles Land Near UAE Airbase Where Indian Rafale Jets Were on Overnight Halt: Reports](#)

July 29, 2020, WION

Three Iranian missiles landed near the Al Dhafra air-base in the United Arab Emirates (UAE) on Tuesday (July 28). Al-Dhafra is temporarily home to five French-built Rafale fighter jets on their way to India.

[Vande Bharat Mission Phase 5 To Operate 105 Flights From UAE To India](#)

July 27, 2020, Khaleej Times

India's Vande Bharat Mission shall move into its fifth phase, with 105 repatriation flights set to be operated from the UAE to various cities in India, said officials at the Indian missions in the country.

Yemen

[Dozens of Saudi Soldiers Killed in Clashes Along Yemen Border](#)

August 02, 2020, Middle East Monitor

Saudi forces suffered dozens of casualties amid clashes in the country's southwest, according to news reports on Sunday (August 02) by an outlet aligned with Yemeni Houthi rebels.

[US Envoy Hook Says Iran Backs Terrorists in Yemen, Gulf, Lebanon](#)

July 26, 2020, Gulf News

US Special Representative for Iran Brian Hook has stressed that Tehran authorities pose a threat not only to countries in the Gulf region, but also to their people. He further said, "Iran supports terrorists and rebels in Yemen, the Gulf, Lebanon and Israel."

[Riyadh Agreement on Yemen Must Be Implemented: UN Security Council P5 Ambassadors](#)

July 26, 2020, Arab News

The ambassadors and foreign ministers voiced their support for UN Envoy to Yemen Martin Griffiths' efforts in trying to find a comprehensive and sustainable solution to the conflict in Yemen.



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