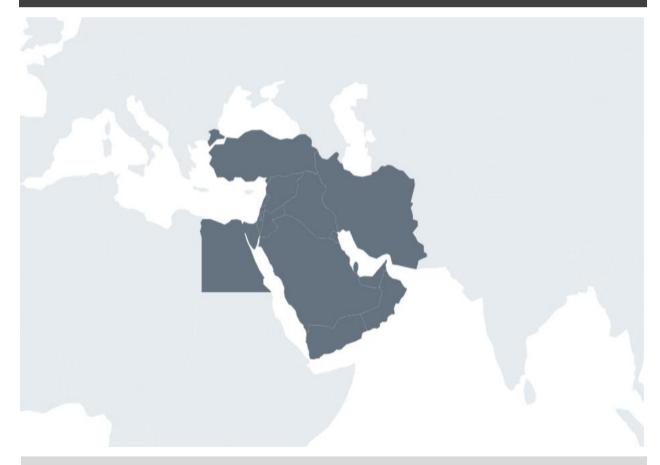


DPG WEST ASIA REVIEW



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Delhi Policy Group

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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 <u>click here</u>.

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DPG WEST ASIA REVIEW Volume 2, Issue 34

Contents

Abstract	i
Bahrain	1
Egypt	
Iraq	3
Iran	4
Israel	5
Jordan	6
Kuwait	7
Lebanon	8
Oman	9
Qatar	10
Saudi Arabia	11
Syria	12
Turkey	13
UAE	14
Yemen	15



Abstract

India's "Strategic Partnerships" in West Asia have strengthened significantly. In the economic realm, the 13th session of India-UAE Joint Commission Meeting (JMC) on trade, economic and technical cooperation was held on August 17, cochaired by foreign ministers of both countries. "India invited further investments from the UAE in key sectors of the Indian economy including logistics, food parks, highways, ports, airports, renewable energy and defence". On August 17, India's Finance Minister also held a bilateral meet with UAE's Minister of State for Financial Affairs; besides inviting UAE to investment in ambitious National Infrastructure Pipeline, cooperation to integrate financial transactions was also explored. On August 20, Israel signed a water cooperation agreement with India's state of Uttar Pradesh to jointly establish 'India-Israel Bundelkhand Water Project'. Tel Aviv and Delhi also signed three year cultural agreement to further strengthen people to people relations.

Iraqi Prime Minister Mustafa al-Kadhimi met US President in Washington on August 20. President Trump spoke about US troops "leaving Iraq shortly", but did not give specific timeline for complete withdrawal. On the regional security front, US Secretary of State Mike Pompeo criticised the European nations for not supporting the arms embargo on Iran. Pompeo said, "European nations are siding with the Ayatollahs". In the meantime, Iran unveiled new ballistic and naval cruise missiles named after slain commander 'Qassem Soleimani' and 'Abu Mahdi al-Muhandis' respectively. On the defence technology front, Russia signed an agreement with Turkey for the delivery of second batch of S-400 missile defence systems.

Pakistani Prime Minister voiced his views about Islamic nations recognizing the Jewish State of Israel. He made it clear that "Pakistan will not recognize Israel until a Palestinian state is formed". Recently concluded 'Abraham Accord' through which Israel-UAE established full diplomatic relations has not undermined Israeli opposition to the sale of F-35 stealth aircraft to Arab nations. Prime Minister Benjamin Netanyahu said, "Israel would oppose any such move to maintain military superiority in the Middle East".

On the energy security front, Turkey discovered a new natural gas reserve in the Black Sea. While, India's crude oil imports slumped by about 36.4 percent from a year earlier due to COVID-19 induced lockdowns. Among the Gulf countries, Kuwait expects budget deficit to widen to about USD 46 billion in 2020/21. With

Volume 1, Issue 34 | August 24, 2020



countries liquidity down to mere USD6.5 billion, this would severely impact Kuwait's economy including salaries to government staff and expat workers beyond October 2020". On the other hand Bahrain's credit rating on long-term foreign currency issuer has been downgraded by Fitch ratings.

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



Bahrain

'Enough is Enough': Bahraini Diplomat Says Lebanese People Fed Up With Hezbollah

August 20, 2020, Algemeiner

Bahrain's ambassador to the US said on a program sponsored by the American Jewish Committee (AJC) that the Lebanese people were fed up with Hezbollah and that the Iran-backed terror group bore responsibility for the devastating Beirut blast earlier this month.

Fitch Cuts Bahrain's Rating on Combined Impact of Lower Oil Prices, Coronavirus

August 14, 2020, ET Energy World

Credit rating agency Fitch said it has downgraded Bahrain's long-term foreigncurrency issuer default rating to 'B+' from 'BB-', with the cut reflecting the combined impact of lower oil prices and the coronavirus outbreak on the country.

India's Air Travel Talks Underway with Bahrain

August 20, 2020, Zawya

Talks are underway on a bilateral air bubble agreement between India and Bahrain to operate flights in a regulated manner amidst travel restrictions due to Covid-19.

China's Sinopharm Starts Phase III Trial of Covid-19 Vaccine in Bahrain

August 10, 2020, Reuters

Chinese state-owned pharmaceutical company Sinopharm has begun Phase III clinical trials of a COVID-19 vaccine in Bahrain, after launching similar trials in the United Arab Emirates last month, Bahrain's health ministry said.



Egypt

Construction of Egypt's First Nuclear Power Plant to Begin Next Year

August 19, 2020, Arab News

The Nuclear Power Plants Authority (NPPA) of Egypt confirmed that a permit is expected to be issued for construction of the Dabaa nuclear power plant site in the second half of 2021.

Egypt to Manufacture Coronavirus Vaccine in Cooperation with China

July 28, 2020, CGTN

Egypt's Health Ministry announced that it has started to prepare for the manufacturing of a COVID-19 vaccine in cooperation with the Chinese government once the vaccine is proved effective in trials.



Iraq

President Trump Tells Iragi Prime Minister US Troops Will Be 'Leaving Shortly'

August 20, 2020, Voice of America

Sitting alongside the Iragi Prime Minister Mustafa al-Kadhimi in the Oval Office, President Donald Trump promised that thousands of U.S. troops in Iraq will "be getting out" and "we'll be leaving shortly," but there was no announcement of a specific time frame.

General Electric (GE) Signs Power Agreements Worth Over \$1.2 Billion With Iraq

August 20, 2020, Reuters

General Electric has signed two new agreements valued at over \$1.2 billion with the Iraqi Ministry of Electricity, to undertake maintenance programs across key power plants in the country and bolster its transmission network.

Covid-19 Effect: India's Crude Oil Imports Tumble 36.4%, Lowest Since 2010 in July

August 21, 2020, Business Today

Crude oil imports in July 2020 slumped about 36.4% from a year earlier to 12.34 million tonnes, or 2.92 million barrels per day, data from the Petroleum Planning and Analysis Cell (PPAC) of the Ministry of Petroleum & Natural Gas showed.

Prominent Female Activist Killed By Unknown Gunmen in Basra

August 20, 2020, Al Jazeera

Reham Yacoub's killing marks the third attack in Basra in less than a week where activists have been targeted.

Shia Pilgrims Gather in Irag's Karbala amid Covid-19 Restrictions

August 22, 2020, Euro News

Visitors and locals in Iraq started the mourn ceremony for Imam Hussein on Friday (August 21) by beating themselves with chains, walking towards his shine in the city and holding funeral sessions in the mosques.



Iran

Iran Unveils Ballistic Missile Named After Qassem Soleimani

August 20, 2020, AL-Monitor

A surface-to-surface ballistic missile dubbed the "Martyr Hajj Qasem Soleimani" has an 870-mile range. A naval cruise missile named after Abu Mahdi al-Muhandis, the Iraqi militia leader also killed in the strike, has a reported 620-mile range.

<u>Iran Nuclear Deal: European Nations 'Siding With Ayatollahs': Pompeo</u>

August 21, 2020, BBC News

US Secretary of State Mike Pompeo has accused European allies of "siding with the ayatollahs" after they said the US could not re-impose sanctions on Iran.

US Demands Restoration of UN Sanctions against Iran

August 21, 2020, Al Jazeera

The administration of US President Donald Trump has formally notified the United Nations that it wants all UN sanctions on Iran restored, claiming significant Iranian violations of the 2015 nuclear deal.

<u>Iran Detains UAE-registered Ship, Its Crew</u>

August 21, 2020, Arab News

Iran seized a UAE-registered ship violating its territorial waters this week, Iran's Foreign Ministry said on Thursday (August 20), adding that UAE coast guards killed two Iranian fishermen on the same day.



Israel

<u>Israel Opposes Any F-35 Sale to UAE Despite Warming Ties</u>

August 18, 2020, Reuters

Israel would oppose any U.S. F-35 sale to the United Arab Emirates despite forging relations with the Gulf power, Prime Minister Benjamin Netanyahu said on Tuesday (August 18), citing a need to maintain Israeli military superiority in the region.

Pompeo, Kushner to Visit Israel and Arab States as US Pushes More Peace Deals

August 22, 2020, Times of Israel

Three diplomats say US Secretary of State Mike Pompeo and US President Donald Trump's senior adviser and son-in-law Jared Kushner plan's to make separate, multiple-nation visits to the Middle East in the coming days to push Arab-Israeli rapprochement in the aftermath of the Israel-UAE deal.

Uttar Pradesh & Israel Ink Deal for Water Management in Parched Bundelkhand Region

August 20, 2020, The Financial Express

The Uttar Pradesh government on Thursday (August 20) inked an agreement with the water resources ministry of Israel for the management of water resources in Bundelkhand region of the state. The plan of cooperation was signed by the Israeli ambassador to India and UP's Agriculture Production Commissioner.

Pakistan PM: We Will Not Recognize Israel until Palestinian State Formed

August 20, 2020, The Jerusalem Post

Pakistani Prime Minister Imran Khan said on Tuesday (August 18) that Pakistan will not recognize Israel as a state until there is a state for the Palestinian people as well.

<u>Israel Bombs Gaza after Warning Hamas It Risks War</u>

August 20, 2020, Arab News

Israeli warplanes bombed the Hamas-ruled Gaza Strip overnight after Palestinians fired a rocket into southern Israel, the Israeli army said. The latest exchange came as Israel warned Hamas it was risking "war" by failing to stop fire balloons being launched across the border.



Jordan

Jordan Worries Israel-UAE Deal Will Scuttle Two-State Solution

August 21, 2020, AL-Monitor

Jordan has always been a staunch supporter of the two-state solution and the Arab Peace Initiative, but that might not mean much anymore after Israel and the UAE agreed to normalize ties under a historic US-brokered deal.



Kuwait

Kuwait Budget Deficit Could Widen To \$46 Bn in 2020/21

August 18, 2020, NASDAQ

Kuwait expects its budget deficit to widen in its 2020/21 fiscal year to 14 billion dinars (\$46 billion), as the economy reels from the coronavirus outbreak and weak oil prices, according to a ministry of finance estimate.

<u>Indian Expats in Kuwait Worried About Salaries Beyond October</u>

August 21, 2020, Moneycontrol

Kuwait's finance minister has maintained that the country has \$6.5 billion worth of liquidity, which would not be sufficient to cover state salaries beyond October. This is likely to impact those working in government services, including Indian expats.



Lebanon

Hezbollah Downs Israeli Drone over Lebanon

August 23, 2020, Al Jazeera

Lebanon's Hezbollah said it downed and seized an Israeli drone on Saturday (August 22) that flew over the Blue Line that demarcates Israel's 2000 withdrawal from the country.

Rafik Hariri Tribunal: Guilty Verdict over Assassination of Lebanon Ex-PM

August 18, 2020, BBC News

A UN-backed court has found a member of the militant group Hezbollah guilty of involvement in the assassination of former Lebanese PM Rafik Hariri.



Oman

Oman's Sultan Names New Foreign Minister

August 18, 2020, Arab News

Oman's Sultan Haitham on Tuesday (August 18) appointed a new top diplomat, replacing the long-serving Yusuf bin Alawi bin Abdullah in a government reshuffle.



Qatar

Hamas Demands More Money from Qatar

August 21, 2020, Israel Hayom

Hamas is demanding that Qatar increase the amount of money it sends to the Gaza Strip each month to \$40 million, to allow it to move ahead with a number of civilian projects in Gaza.



Saudi Arabia

Saudi Arabia's Public Investment Fund Looks to Invest Up To \$1 Billion in Jio's Fibre Assets

August 21, 2020, The Economic Times

Saudi Arabia's Public Investment Fund (PIF) has initiated discussions with Reliance Industries (RIL) on investing as much as \$1 billion in Jio's fibre assets, according to people aware of the matter, adding to a stake purchase in Jio Platforms.

Saudi Arabia Snubs Pakistan's Efforts to Mend Relations

August 20, 2020, Middle East Monitor

Pakistan's effort to repair relations with Saudi Arabia has been snubbed by Crown Prince Mohamed bin Salman. The de-facto ruler of the kingdom refused to meet with Islamabad's Army Chief, Qamar Javed Bajwa, who was in the Gulf state to mend ties after disparaging remarks of the Pakistani Foreign Minister.

Saudi Prince: Palestinian State Before Israel Ties Normalise

August 21, 2020, Al Jazeera

Saudi Arabia's price for normalising relations with Israel is the creation of a sovereign Palestinian state with Jerusalem as its capital, a senior member of the Saudi royal family reaffirmed.



Syria

Syria Says Donald Trump 'Stealing' Its Oil, After U.S. Company Makes Deal to Drill

August 20, 2020, Newsweek

Syria has accused President Donald Trump of stealing the country's oil, after U.S. officials confirmed that a U.S. company has been allowed to operate oil fields under the control of Pentagon-backed militia.

Bengaluru Doctor Held by NIA Was Among 3 Friends Who Visited Syria in 2013-14

August 22, 2020, The Indian Express

Investigations by the NIA and other agencies have found that Rahman travelled to Syria six years ago with two friends -- a doctor and an engineer -- when they were all in their early 20s and allegedly enamoured by the then nascent IS in Syria and Iraq.

Trump Administration Eyes New Phase of Syria Sanctions

August 16, 2020, The Wall Street Journal

The Trump administration is readying new rounds of sanctions against Syria, U.S. officials said, planning to expand its blacklist by focusing on financial-support networks outside the war-torn nation in a renewed effort to coerce Damascus into peace talks.



Turkey

Russia Signs Contract with Turkey on 2nd Batch of S-400 Air Defence Systems

August 23, 2020, TASS (Russian News Agency)

A contract on the delivery of the second batch of S-400 anti-aircraft missile systems to Turkey has been signed and both sides are discussing financial terms of the contract, Head of Russia's state arms seller Rosoboronexport Alexander Mikheyev told reporters on Sunday (August 23).

Turkey's Erdogan Hails Huge Natural Gas Find

August 21, 2020, BBC News

A Turkish drilling ship has discovered a big natural gas reserve in the Black Sea.



UAE

India Invites Investments from UAE for Highways, Defence, Ports, Airports

August 17, 2020, Livemint

India on Monday (August 17) invited investments from the United Arab Emirates in areas including logistics, food parks, highways, ports, airports, renewable energy and defence, a statement from the Indian foreign ministry said.

<u>Israel 'Encouraged' Sale of Pegasus Spyware to UAE and Other Gulf Regimes, Report Finds</u>

August 23, 2020, The New Arab

The Israeli government encouraged and officially mediated in the sale of notorious phone-hacking spyware Pegasus, developed by Israeli tech firm NSO, to Gulf states including the UAE and Saudi Arabia, where it is known to be used to monitor dissidents.

<u>Finance Minister Nirmala Sitharaman Seeks Investment from UAE for Rs 111 Lakh</u> <u>Cr National Infrastructure Pipeline</u>

August 17, 2020, The Economic Times

Finance Minister Nirmala Sitharaman on Monday (August 17) held a virtual bilateral meeting with United Arab Emirates (UAE) Minister of State for Financial Affairs Obaid Al Tayer and urged the Middle Eastern nation to participate in India's ambitious Rs. 111 lakh crore National Infrastructure Pipeline.

<u>Kushner's Secret Push to Sell F-35 Jets to UAE Causes Frustration among US</u> Agencies and Lawmakers

August 20, 2020, CNN International

Jared Kushner is supporting the administration's discussions with the UAE about the potential advanced arms sale including F-35, which have been led by the NSC Senior Director for the Middle East, Miguel Correa, a senior administration official said.



Yemen

Saudi-led Coalition Downs Drone, Ballistic Missile Launched by Yemen's Houthis

August 23, 2020, Reuters

The Saudi-led coalition on Saturday (August 22) intercepted and destroyed an explosive-laden drone and a ballistic missile fired by Yemen's Houthis towards Saudi Arabia's southern region.

Hundreds of Houthis Killed in Fighting in Central Yemen, Officials Say

August 20, 2020, Arab News

Almost 1,000 Houthi fighters have been killed over the past four days in fierce clashes with government forces, which include allied tribesmen, in various contested areas of the central province of Marib, with hundreds more wounded or captured, local media and government officials said on Thursday (August 20).



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