

DPG WEST ASIA REVIEW



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ABOUT US

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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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Abstract

In a boost to the already strong India-UAE strategic partnership, UAE's Minister of Foreign Affairs, Sheikh Abdullah bin Zayed Al Nahyan met Indian External Affairs Minister Dr. S. Jaishankar to review the growing cooperation between the two nations. Meanwhile China's strategic partnership in the Middle East (West Asia) is also strengthening. President Xi Jinping in a call with Egyptian President "vowed to expand cooperation in infrastructure construction, production capacity enhancement and in the field of science and technology, while pushing for taking the bilateral comprehensive strategic partnership to a new level". Qatar and China have also vowed to enhance and deepen their strategic partnership.

Considering the major spike in domestic fuel prices, "India could make diplomatic efforts to organise oil-consuming countries against the Organisation of Petroleum Exporting Countries and its allies (OPEC+). Delhi believes oil producers are keeping the crude prices artificially high by restricting production and supply; India also plans to resume energy imports from Iran and Venezuela to counter the oil cartel".

Under President Biden, the United States-Saudi Arabia relations are witnessing a moment of reckoning. A US intelligence report released on February 26 confirmed that, "Jamal Khashoggi (dissident Saudi journalist) was killed (inside a Saudi consulate in Istanbul in October 2018) by a hit squad operating under the orders of Saudi Crown Prince Mohammed Bin Salman". Further the Biden administration is considering cancellation of the arms deals to Saudi Arabia that pose human rights concerns while limiting future sales to defensive weapons. In the light of possible US cancellation of approved weapon sales, Riyadh is reportedly showing interest in buying S-400 missile defence system, and Sukhoi Su-35 fighter aircrafts. UAE and Bahrain have steadfastly supported Saudi Arabia in its complete rejection of the US intelligence report on the assassination of Jamal Khashoggi.

In a significant escalation, the United States for the first time under the Biden administration on February 25 launched air-strikes in Syria, targeting Iran-backed 'Kataib Hezbollah' and an affiliated group near the Iraqi border killing at least 17 pro-Iran fighters. U.S. Defence Secretary Lloyd Austin highlighted the attack as America's immediate response to the February 15 rocket attacks on the U.S. service members in Northern Iraq. Israel also launched air-strikes on areas around Southern Damascus (Syria) in an alleged response to the Iranian attack on an Israeli owned ship in the Gulf of Oman on February 25.

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On the regional security front, in an important development, Israel is reportedly in talks with Saudi Arabia, UAE, and Bahrain to establish 4-nation defence alliance in the Middle East. This underlines unease among the U.S. allies in the region about President Biden's intent to revert back to the Joint Comprehensive Plan of Action (JCPoA). On the US-Iran relations, "Tehran has refused Europe's offer for an informal meeting involving the United States on the 'JCPoA' by stressing that time is not suitable for talks as Washington has not lifted sanctions". Meanwhile "the International Atomic Energy Agency (IAEA) remains deeply concerned about the presence of nuclear material at an undeclared site in Turquzabad district of Tehran, previously identified by Israel as an alleged site of secret atomic activity". In a related development, Israel and Bahrain stressed on the "importance of involving regional countries in any new talks with Iran regarding its nuclear program". Concerned over the rising tensions in the Middle East, "Israel has moved to purchase a new squadron of F-35 fighter aircrafts, four new KC-46 refuelling planes, and a large quantity of munitions".

On the investments front, UAE-based Shari'ah-compliant financial services major, Gulf Islamic Investments (GII) is set to announce the launch of its second India-focused fund, with a size of USD50 million. This announcement comes in light of India's decision to classify Foreign Portfolio Investors (FPI's) from the UAE as eligible for a Category-I license. Earlier FPI investments coming from the UAE were classified as Category-II that was subjected to stringent norms. In another development, the Governor of Saudi Arabia's Public Investment Fund (PIF) reiterated "Riyadh's confidence and positive outlook towards India's digital economy and start-ups". Further, analysts believe that, Reliance Industries decision to carve out an independent oil-to-chemicals subsidiary may take it a step closer to selling a stake to Saudi Aramco. In terms of India-Israel start-up "iCreate (International Centre for cooperation, Technology and Entrepreneurship), India's start-up incubator and Start-Up Nation Central (Israel), have announced the commencement of 'India-Israel Innovation Accelerator', enrolling six top start-ups from Israel as a part of the MoU signed between the two nations in September 2020".

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



Bahrain

Khashoggi Murder: Bahrain, UAE reaffirm Support for Saudi Arabia after CIA Report

February 27, 2021, Middle East Eye

Bahrain and the United Arab Emirates (UAE) stood behind Saudi Arabia's position on a newly released CIA intelligence report that blames Crown Prince Mohammed bin Salman for the killing of journalist Jamal Khashoggi.

Bahrain, Israel Stress Importance of Regional Role in Iran Nuclear Talks

February 25, 2021, Asharq AL-Awsat

Bahrain's Crown Prince and Israel's Prime Minister stressed in a phone call the importance for the "countries of the region" to take part in any talks about Iran's nuclear program.



Egypt

China, Egypt to Push Bilateral Comprehensive Strategic Partnership to New Level

February 23, 2021, CGTN

China is willing to expand cooperation with Egypt in infrastructure construction, production capacity, science and technology and push the bilateral comprehensive strategic partnership to a new level, said Chinese President Xi Jinping.

Egypt Pledges Commitment to War on Terror in Call with US Secretary of State

February 25, 2021, Arab News

Egyptian Minister of Foreign Affairs Sameh Shoukry pledged his country's commitment to the war on terror during a phone conversation with US Secretary of State Antony Blinken, in the first such call by the new US administration to the Egyptian government.



Iraq

Iraq not Cutting Oil Exports to India in February amid Asia Focus: SOMO

February 22, 2021, S&P Global

Iraq, the top oil supplier to India, is not cutting volumes to India in February amid a focus to maintain its market share in Asia, which consumes at least 70% of its crude exports, according to the deputy director general of Iraq's State Oil Marketing Organization (SOMO).

US President Biden, Iraqi PM Discuss Flurry of Rocket Attacks

February 24, 2021, AL Jazeera

US President Joe Biden and Iraqi Prime Minister Mustafa al-Kadhimi discussed a recent spate of rocket attacks on US-led coalition forces in the country with both saying those responsible should be "held fully to account".

Iran: Perpetrators of 'Suspicious' Iraq Attacks Must be Found

February 27, 2021, AL Jazeera

Iran's Foreign Minister Mohammad Javad Zarif has said recent rocket attacks against United States positions in Iraq are "suspicious" and the perpetrators must be identified. Following a meeting in Tehran with his Iraqi counterpart Fuad Hussein, Zarif said that the series of attacks could be aimed at damaging Iran-Iraq relations.



Iran

Nuclear Deal [JCPOA] on the Brink of Collapse as Iran Rules out Meeting with US

February 28, 2021, Middle East Eye

Iran on Sunday (February 28) dismissed Europe's offer for an informal meeting involving the United States on the troubled 2015 nuclear deal, saying the time is not "suitable" as Washington has failed to lift sanctions.

Biden Says US Air-strike in Syria a Warning to Iran

February 27, 2021, Mint

President Joe Biden said that a US air-strike against an Iranian-backed militia in Eastern Syria, the first since he took office, should be seen by Iran as a warning.

Iran Condemns U.S. Strikes in Syria, Denies Attacks in Iraq

February 27, 2021, Reuters

Iran condemned U.S. air-strikes against Iran-backed militias in Syria, and denied responsibility for rocket attacks on U.S. targets in Iraq that prompted Friday's strikes.

Iran Threatens to Quit IAEA Pact over Censure from West

February 26, 2021, The Guardian

Iran has threatened to pull out of a deal struck with UN weapons inspectors last weekend if western countries go ahead with plans to censure it over its failure to cooperate fully with the International Atomic Energy Agency.

IAEA Deeply Troubled by Possible Nuclear Material at Iran Site Flagged by Israel

February 24, 2021, The Times of Israel

The UN's atomic watchdog said that it was "deeply concerned" by the possible presence of nuclear material at an undeclared site in Iran that Prime Minister Benjamin Netanyahu has declared was a "secret atomic warehouse."

India May Turn to Iran, Venezuela for Oil Imports

February 22, 2021, Hindustan Times

India may make diplomatic efforts to organise oil-consuming countries against the Organisation of the Petroleum Exporting Countries and its allies (OPEC+) as producers keep crude prices artificially high by restricting supply, and also plans to resume import of cheaper energy from countries such as Iran and Venezuela to counter the oil cartel.



Israel

Israel in Talks to Establish 4-Nation Defense Alliance with Saudi, UAE and Bahrain

February 25, 2021, i24 News

Jerusalem is currently in talks with the kingdoms of Saudi Arabia, Bahrain and the United Arab Emirates in establishing a four-nation defense alliance.

Blaming Iran, Security Officials said to Back Response to Blast on Israeli Ship

February 27, 2021, The Times of Israel

Israeli security officials view the attack on an Israeli-owned ship in the Persian Gulf on Friday (February 26) as a crossing of a red line on the part of Iran, and support an Israeli response.

China and India to Send Vaccines to Palestinians

February 28, 2021, The Jerusalem Post

China and India plan to send COVID-19 vaccines to the West Bank and Gaza amid calls for donor countries to ensure pandemic protection for the Palestinians.

<u>iCreate and Start-Up Nation Central (SNC) Kickoff Accelerator Program with 6</u> <u>Israeli Startups</u>

February 22, 2021, BW Businessworld

iCreate (International Centre for Technology and Entrepreneurship), India's leading startup incubator and Start-Up Nation Central (SNC), have announced the commencement of its India-Israel Innovation Accelerator, enrolling six top startups from Israel as a part of the MoU signed between the two nations in September 2020.

Israel Moves to Buy More F-35 Jets, KC-46 Refueling Planes, Munitions: Official

February 16, 2021[`], Reuters

"A ministerial procurement committee has approved the purchase of a new F-35 squadron, four new refueling planes, and a large quantity of munitions," an Israeli official said.

Senators are Calling for a US-Israel Working Group

February 27, 2021, Defence News

Eyeing the growing military technology challenge from great power competitors, four members of the Senate Armed Services Committee sent a letter Feb. 24 to Secretary of Defense Lloyd Austin, urging him to stand up a U.S.-Israel

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Operations-Technology Working Group, or OTWG. The working group authorized in the annual defense bill is necessary to ensure U.S. troops have the most advanced capabilities and can outmatch any potential adversary.



Jordan

Gantz Recently Held Secret Meeting with Jordan's King Abdullah - Report

February 28, 2021, The Times of Israel

"I think Jordan is a great asset to Israel, and I think that our relationship with Jordan could be 1,000 times better. Unfortunately, Netanyahu is an unwanted figure in Jordan, and his presence harms" relations between the countries, Gantz said.



Kuwait

Kuwait Backs Saudi Rejection of U.S. Report on Khashoggi Killing

February 27, 2021, Bloomberg

Kuwait supports the Saudi government's rejection of a U.S. intelligence report on the killing of journalist Jamal Khashoggi, the Foreign Ministry said.



Lebanon

Thousands in Lebanon Rally in Support of Maronite Patriarch

February 27, 2021, France 24

Thousands of Lebanese rallied in support of the Maronite patriarch following powerful Shiite group Hezbollah's recent criticism of the Christian leader's positions. Earlier this month, Patriarch Bechara al-Rahi had called for a UN-sponsored "international conference" in the face of Lebanon's economic collapse and political impasse.



Oman

Regional Crises Bring Oman Back to the Forefront of Mediation Efforts

February 28, 2021, The Arab Weekly

With an on-going push to restore peace to the region in general, and in Yemen in particular, Oman, which has significant experience in leading difficult mediation drives, has become a destination for diplomatic action from inside and outside the region.



Qatar

Qatar, China Vow to Enhance Cooperation, Deepen Strategic Partnership

February 21, 2021, Global Times

Qatari Emir Sheikh Tamim bin Hamad Al Thani on Saturday (February 20) held a meeting with visiting senior Chinese diplomat Yang Jiechi, during which the two sides vowed to boost cooperation and deepen the China-Qatar strategic partnership.

<u>'More than 6,500 Migrant Workers Have Died' Building Qatar's World Cup</u> <u>Infrastructure</u>

February 25, 2021, Daily Mail

More than 6,500 migrant workers have died during Qatar's football World Cup preparations over the last decade, according to a report. On average 12 migrants from India, Pakistan, Nepal, Bangladesh and Sri Lanka have died each week since December 2010 when Qatar was awarded the 22nd FIFA tournament.



Saudi Arabia

'India's Start-ups, Digital Economy Show Promise': Governor Saudi PIF

March 01, 2021, Mint

As a long-term investor, the market fundamentals for many emerging markets such as India remain unchanged or improved on a relative basis. Our [Saudi Arabia's] outlook for India is very positive.

Reliance's Move to Spin off Oil may Have Cleared Decks for Saudi Aramco Deal

February 25, 2021, S&P Global

A strategic move by Reliance Industries to carve out an independent oil-tochemicals subsidiary may take the country's biggest private refiner one step closer to selling a stake to Saudi Aramco, as well as help draw investors keen to focus on specific businesses of the diversified group.

Khashoggi Report Spurs 'Reckoning Moment' for US-Saudi Relations

February 26, 2021, AL Jazeera

A United States intelligence report that lays blame for the killing of journalist Jamal Khashoggi at the feet of Saudi Crown Prince Mohammed bin Salman raises stark questions about the future of US-Saudi relations.

Biden Team Considering Halting Some Arms Sales for Saudis: Report

February 26, 2021, AL Jazeera

President Joe Biden's administration is considering the cancellation of arms deals with Saudi Arabia that pose human rights concerns while limiting future military sales to "defensive" weapons, as it reassesses its relationship with the kingdom.

<u>Biden Doesn't Penalize Crown Prince Despite Promise to Punish Senior Saudi</u> <u>Leaders</u>

February 28, 2021, CNN

Despite promising to punish senior Saudi leaders while on the campaign trail, President Joe Biden declined to apply sanctions to the one the US intelligence community determined is responsible for the death of journalist Jamal Khashoggi: Crown Prince Mohammed bin Salman. Volume III, Issue 9 | March 1, 2021



Saudi Arabia Blames Houthis for Missile Attack over Capital, Drone Attack on South

February 28, 2021, The Times of Israel

Saudi Arabia said it intercepted a missile attack over its capital and bomb-laden drones targeting a southern province, the latest in a series of airborne assaults it has blamed on Yemen's rebel Houthis.

Former US Secretary of State Pompeo: Many Saudis Want Normalization with Israel

February 28, 2021, The Times of Israel

Former US secretary of state Mike Pompeo has said "many" people in Saudi Arabia want normalized relations with Israel, voicing hope the kingdom will join the Abraham Accords agreed on during Donald Trump's administration.

Saudi Arabia Eyes Russian Arms: Report

February 01, 2021, Mehr News Agency

A Russian newspaper (Gazeta) reported that the Saudis are seeking to buy Russian weapons after the US system failed to repel attacks on Saudi oil facilities and Biden stopped selling some weapons to the country. Riyadh plans to buy the S-400 missile system and Sukhoi Su-35 fighter jets, says the report.

UK Urged to End Arms Sales to Saudi Arabia Following Khashoggi Report

February 26, 2021, The Guardian

Britain faced fresh calls to end unrestricted arms sales to Saudi Arabia after the US published a CIA assessment which concluded that Crown Prince Mohammed bin Salman had ordered the murder of journalist Jamal Khashoggi.



Syria

US Bombs Facilities in Syria used by Iran-backed Militia; Monitor Counts 17 Killed

February 26, 2021, Arab News

The United States launched airstrikes in Syria on Thursday (February 25), targeting facilities near the Iraqi border used by Iranian-backed militia groups.

Syrian Army Says Israel Attacks Areas Around Southern Damascus

March 1, 2021, The Jerusalem Post

Iranian forces were reported as targeted in the air strike. This might suggest the strike is an Israeli response to what is believed to be an Iranian attack on an Israeliowned ship in the Gulf of Oman on Thursday (February 25).



Turkey

'Turkish President's visit to Bangladesh Will Boost Ties'

February 4, 2021, Anadolu Agency

A top-level visit from Turkey to Bangladesh in the coming months is expected to unravel a wide range of opportunities in bilateral relations, boosting, trade, investment, and understanding.

Turkey's Uighurs Fear Betrayal over Chinese Vaccines and Trade

February 24, 2021, Financial Times

The stand-off reflects the difficult balancing act that Turkey, which is home to tens of thousands of exiled Uighurs, must perform with Beijing, not least because it wants closer ties and investment and is reliant on China for supplies of coronavirus vaccines.



UAE

<u>Sheikh Abdullah bin Zayed meets with Indian Minister of External Affairs in New</u> <u>Delhi</u>

February 26, 2021, Gulf News

Sheikh Abdullah bin Zayed Al Nahyan, the UAE Minister of Foreign Affairs and International Cooperation, met with Dr. Subrahmanyam Jaishankar, Indian Minister of External Affairs, to discuss the historic UAE-India friendship ties and ways of enhancing joint cooperation and partnership to serve the mutual interests of the two countries and their people.

\$50m India-focused Fund to be Launched by UAE Financial Major

February 14, 2021, Arabian Business

Gulf Islamic Investments (GII), the UAE-based Shari'ah-compliant financial services major, is set to announce the launch of its second India-focused fund, with a size of about \$50 million. The proposed fund - India Growth Portfolio II (IGP-II) – is slated to be launched soon and will be deployed for investments in companies across sectors in the South Asian country.

UAE's Citizenship Offer to Boost Indian FDI Capital in Dubai

February 15, 2021, The Economic Times

Dubai's Ruler and the UAE Vice President Sheikh Mohammed bin Rashid Al Maktoum recently announced that the country has adopted amendments that allow the Gulf state to grant citizenship to investors, innovators, scientists, artists, doctors and their families.



Yemen

President Biden raises Yemen, Human Rights in Call with Saudi King Salman

February 25, 2021, AL Jazeera

United States President Joe Biden spoke for the first time since becoming president with Saudi Arabia's King Salman bin Abdulaziz Al Saud on Thursday (February 25). Mr Biden "affirmed the importance the United States places on universal human rights and the rule of law", the White House said in a brief statement after the call.



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