



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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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 [click here](#).

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

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Abstract

Amid fury of Western sanctions regarding Hong Kong and Xinjiang, China has embarked upon major Middle Eastern diplomacy to strengthen its political and economic foot prints. It is within this framework, Chinese Foreign Minister Wang Yi undertook multi nation tour of the Middle East. During his visit to Saudi Arabia, Wang Yi lauded Riyadh's support for Beijing's legitimate position on internal issues including Xinjiang and Hong Kong. Chinese analysts stressed that, "support from Islamic countries especially Saudi Arabia, proves that the concerns of Western countries over Xinjiang Uyghur Autonomous Region are hypocritical, and politically motivated. These have nothing to do with either human rights or religion". Nonetheless as Wang Yi visited Turkey, hundreds of Uyghur Muslims in Istanbul protested against China's ill treatment of Muslim minorities.

In a major development with long term regional consequences, Iran and China signed 25 year cooperation agreement (worth USD400 billion) that is expected to boost Chinese investments in key sectors such as energy and infrastructure. Iranian foreign ministry spokesman stressed that, "the document was a 'roadmap' for trade, economic and transportation cooperation, with a "special focus on the private sectors of the two sides". Further, in a boost to China-Qatar relations, Qatar Petroleum has signed a ten-year Liquefied Natural Gas (LNG) supply deal with China Petroleum & Chemical Corporation (Sinopec), under which Qatar will supply 2 million tons per annum (mmtpa) of LNG, starting January 2022.

On the energy front, as noted in March 8 issue of DPG West Asia Review, Saudi Arabia had advised India to use its crude reserves, to tide over the rising oil prices. The Indian Petroleum Minister Dharmendra Pradhan in an apparent rejoinder described Saudi response as "undiplomatic". Mr. Pradhan underscored "India's determination to keep its strategic and economic interests in mind while sourcing crude oil...Indian companies can source crude from any country in the world that offers cheaper and favourable terms". In another major development impacting global energy markets and trade, a cargo ship Ever Given stuck in Egypt's Suez Canal has choked traffic along this strategically important water way. It is estimated that, this blockade is resulting in losses of USD9.6 billion per day or USD400 million per hour. Reports coming in indicate that ship is likely to become afloat again with chances of trade resumption in next few days. In a related development, Iran's Ambassador to Russia reiterated the importance of "promoting north-south trade corridor that connects India to Russia passing through Iran, arguing that it is a better alternative to the Egyptian Suez Canal". Meanwhile India supplied the second shipment of equipment to Chabahar port in Iran.

On the security front, with a view to bring peace to war-torn Yemen, Saudi Arabia announced an initiative to end the Yemeni crisis and reach a comprehensive political resolution. "India has welcomed the initiative as it inter alia proposes a comprehensive ceasefire along with consultations between the Yemeni parties to reach a UN mandated political resolution".

Meanwhile some media reports highlight the possible role of United Arab Emirates (UAE) in brokering the February 25, India and Pakistan ceasefire agreement. In a sign of India's growing strategic footprint in West Asia, Indian Air Force participated in UAE hosted exercise 'Desert Flag VI' conducted from March 4 to 27 at UAE's Air Force Base Al Dhafra.

On the Iranian nuclear program issue, the International Atomic Energy Agency (IAEA) Director General Rafael Grossi contended that, "reviving the nuclear deal (Joint Comprehensive Plan of Action) between Iran and the world powers is "impossible" and that a new agreement is needed". On the Iranian security front, it appears that Iran-Israel conflict is escalating further to the maritime domain; on March 25, allegedly an Iranian missile struck Israeli ship in the Arabian Sea, creating tensions between the two countries.

On the political front, even after the latest round of parliamentary election, Israel is once again headed toward a political deadlock with Prime Minister Benjamin Netanyahu (Likud Party) and his opponents falling short of a governing majority. Meanwhile the Palestine Liberation Organization (PLO) has hailed China's plans to host talks between Israel and Palestine in Beijing.

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

Bahrain

[Bahrain Expects \\$3.2 Billion Deficit in 2021, 5 Percent Economic Growth](#)

March 03, 2021, Reuters

Bahrain expects to post a deficit of 1.2 billion dinars (\$3.20 billion) in 2021, state news agency BNA said.

Egypt

[Cargo Ship Stuck in Egypt's Suez Canal Affects Shipping Worldwide](#)

March 25, 2021, AL Jazeera

Efforts to dislodge one of the world's largest container vessels that has choked traffic along the Suez Canal have resumed at high tide, with five tugs working to drag the vessel to deeper water.

[Suez Canal Blockage Costs \\$9.6bn in Trade Per Day](#)

March 25, 2021, Middle East Monitor

According to Lloyd's List calculations, westbound traffic travelling through the vital waterway is worth about \$5.1 billion per day and eastbound traffic roughly \$4.5 billion.

[Iran Proposes Alternative Shipping Line to Suez Canal](#)

March 28, 2021, Middle East Monitor

According to state news agency IRNA, Iranian Ambassador to Russia Jalali called for the acceleration of "the infrastructure and activating the north-south corridor" as a result of "the suspension of maritime traffic in the Suez Canal". For years, Iran has been promoting the trade corridor north-south that connects India to Russia passing through Iran, arguing that it is a better alternative to the Egyptian Suez Canal.

[All-India Crew of Cargo Ship Wedged in Egypt's Suez Canal Safe; Losses Mount on](#)

March 27, 2021, The Indian Express

Bernhard Schulte Shipmanagement said its 25-member crew was safe and accounted for. Shoen Kisen Kaisha said all the crew came from India.

[U.S. Offers to Help Open Suez Canal, Sees Potential Impact on Energy Market](#)

March 26, 2021, CNBC

The White House said that the U.S. has offered to help Egypt in its ongoing efforts to free a massive cargo ship stuck in the Suez Canal. "We are tracking the situation very closely," press secretary Jen Psaki told reporters, noting that the blockage appears to be taking a toll on energy markets.

[The Competition for Egypt: China, the West, and Megaprojects](#)

March 15, 2021, AL Jazeera

China is joining the race with international competitors to participate in a boom of megaprojects and infrastructure developments currently underway in Egypt as

President Abdel Fatah el-Sisi seeks to modernise and transform the Middle East's most populous country.

Iraq

[India Will Keep Its Strategic and Economic Interests in Mind While Sourcing Crude Oil: Dharmendra Pradhan](#)

March 26, 2021, Mint

India, the world's third-largest oil importer said that it will source crude oil from any country that offers cheaper and favourable terms. While articulating India's position, petroleum and natural gas minister Dharmendra Pradhan said India will take a decision while keeping its strategic and economic interests in mind.

[US to Begin Strategic Talks With Iraq to Plan Combat Troop Pull-out](#)

March 24, 2021, Middle East Eye

The United States is to resume strategic talks with Iraqi officials next month regarding the status of combat troops. The talks will be the first set of US-Iraq meetings under President Joe Biden and are expected to set the tone for the relationship between the two countries during the next few years.

Iran

[Iran and China Sign 25-year Cooperation Deal](#)

March 27, 2021, Middle East Eye

Iran and China on Saturday (March 27) signed a 25-year "strategic cooperation" agreement as Beijing expands its trillion-dollar Belt and Road Initiative.

[IAEA: Reviving JCPOA \(Nuclear Deal\) with Iran 'Impossible'](#)

March 25, 2021, The National Interest

Rafael Grossi, the director-general of the International Atomic Energy Agency (IAEA), has contended that reviving the nuclear deal between Iran and world powers is "impossible" and that a new agreement is needed.

[Israel: 'We Can Destroy Iran's Nuclear Programme'](#)

March 27, 2021, Middle East Monitor

A senior Israeli military official has declared that his country has the ability to "completely destroy Iran's nuclear programme". Tal Kalman, head of the Strategic Division and the Third-Circle Directorate of the Israeli army said that 2020 was a "good" year concerning war against Iran.

[Iranian Missile' Hits Israeli Ship on Way to India](#)

March 26, 2021, Telegraph India

A cargo ship owned by an Israeli company was damaged by a missile in the Arabian Sea in what was suspected to be an Iranian attack, an Israeli security official said.

[India Supplies Second Shipment of Equipment to Iran's Chabahar Port](#)

March 22, 2021, The Economic Times

India has supplied the second shipment of equipment to Chabahar port in Iran, Union Minister Mansukh Mandaviya said.

[Russia and Iran Tried to Interfere with 2020 Election, U.S. Intelligence Agencies Say](#)

March 16, 2021, CNBC

Russia and Iran both carried out operations to try to interfere in the 2020 presidential election between Joe Biden and Donald Trump, according to a U.S. intelligence report. But intelligence experts also found that China, which was

previously thought to be expanding its U.S. influence efforts, ultimately did not deploy operations to affect the outcome of the Trump-Biden election.

[US Gives Palestine \\$15m for Covid Response](#)

March 26, 2021, Middle East Monitor

The Biden administration is giving the Palestinians \$15 million to aid in their COVID-19 response in the occupied West Bank and besieged Gaza Strip.

Israel

[Final Israeli Election Results Confirm Deadlock](#)

March 26, 2021, AL Jazeera

Final election results have shown Israel in a political deadlock once again, with Prime Minister Benjamin Netanyahu and his opponents falling short of a governing majority.

[Palestine Hails China's Plan to Host Talks with Israel](#)

March 24, 2021, Anadolu Agency

Palestine welcomed China's proposal to host talks between Palestinian and Israeli leaders in Beijing. Wasel Abu Yousef, member of the executive committee of the Palestine Liberation Organization (PLO), hailed China's official position on the Palestinian issue.

[India Calls for Direct Peace Talks between Israel, Palestine Based on Global Consensus](#)

March 26, 2021, The New Indian Express

With Israel in the process of forming a government and Palestine facing elections in the coming months, India has said the international community must use this phase to focus on how to encourage the parties back to "meaningful negotiations" for achieving a peaceful solution to the dispute.

[UN, US, Russia and EU Meet Virtually on Israel, Palestinians](#)

March 24, 2021, Outlook India

The United Nations, the United States, Russia and the European Union met virtually to discuss relaunching their long-stalled effort to get Israel and the Palestinians to negotiate a two-state solution to their decades-old conflict.

[Iran Showing Increasing Nerve as Fight with Israel Spreads to the Sea](#)

March 26, 2021, The Times of Israel

As reports emerged of another Iranian strike on an Israeli civilian vessel, it appeared that the confrontation between Iran and Israel was escalating dangerously at sea.

Jordan

[Netanyahu Rejects Amman's Request to Increase Water Supplies to Jordan](#)

March 27, 2021, Middle East Monitor

Israeli Prime Minister Benjamin Netanyahu has escalated the spat with Jordan as he turned down the Jordanian request to increase water supplies to the kingdom. Netanyahu's rejection was likely part of a personal confrontation with Jordan's King Abdullah II.

Kuwait

[China and Kuwait Exchange Congratulations on 50th Anniversary of Ties](#)

March 22, 2021, CGTN

Chinese President Xi Jinping exchanged congratulatory messages with Kuwaiti Emir Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah on the 50th anniversary of the establishment of the two countries' diplomatic relations.

Lebanon

[Hundreds Protest Poor Economic Conditions in Lebanon](#)

March 28, 2021, Anadolu Agency

Hundreds of Lebanese demonstrated in the capital Beirut over deteriorating economic and living conditions in the country. The protest was organized by the Lebanese Communist Party with demonstrators carrying banners demanding housing services, education and healthcare services.

Oman

[Chinese Foreign Minister Arrives in Oman](#)

March 28, 2021, Times of Oman

Wang Yi, State Councillor and Foreign Minister of the People's Republic of China arrived on Sunday (March 28) on an official visit to the Sultanate of Oman.

[Syria Pins Hopes of Re-joining Arab League on Oman](#)

March 24, 2021, The Arab Weekly

Syria is pinning its hopes on the Sultanate of Oman for a return to the Arab fold with President Bashar Assad remaining at the country's helm. Syria's membership of the Arab League was suspended in 2011 over its deadly crackdown on protesters at the start of the country's civil war.

Qatar

[Qatar to Solidify Its Market Share in Fast-Growing Chinese LNG Market](#)

March 22, 2021, Oilprice.com

Qatar aims to solidify its position as a major supplier of liquefied natural gas (LNG) to the key growth market, China, after Qatar Petroleum signed a ten-year LNG supply deal with Chinese giant Sinopec. Qatar will supply China Petroleum & Chemical Corporation, or Sinopec, with 2 million tons per annum (mmtpa) of LNG, starting in January 2022.

Saudi Arabia

[India Terms Saudi Arabia's Response to Call for More Oil Supplies 'Undiplomatic'](#)

March 27, 2021, The Economic Times

Indian oil minister Dharmendra Pradhan described his Saudi counterpart's advice to reduce oil stores to tackle high crude prices as "undiplomatic".

[Mideast States back China's Xinjiang Stance](#)

March 25, 2021, Global Times

Saudi Arabia expressed support for China, opposing Western forces driving a wedge between China and the Islamic world and backing China's legitimate position on the affairs related to Xinjiang and Hong Kong.

[Saudi Arabia, Germany in Landmark Alliance on Green Hydrogen](#)

March 11, 2021, Arab News

The two countries will cooperate closely in the emerging fuel of "green" hydrogen, which many experts regard as a "fuel of the future," in the global effort to reduce harmful greenhouse gas emissions.

[Saudi Arabia's Bold Plan to Rule the \\$700 Billion Hydrogen Market](#)

March 07, 2021, The Economic Times

As governments and industries seek less-polluting alternatives to hydrocarbons, the world's biggest crude exporter doesn't want to cede the burgeoning hydrogen business to China, Europe or Australia and lose a potentially massive source of income. So it's building a \$5 billion plant powered entirely by sun and wind that will be among the world's biggest green hydrogen makers when it opens in the planned megacity of Neom in 2025.

[Yemen's Houthis Warn of Stronger Attacks after Drone Strikes on Saudi Arabia](#)

March 26, 2021, Reuters

Yemen's Iran-aligned Houthis said on Friday (March 26) that they had attacked Saudi energy and military sites with 18 armed drones, and the kingdom's energy ministry reported that a projectile had struck a petroleum products distribution station, causing fire.

Syria

[Ankara-Moscow Agree on Preventing Violations in Syria, Akar Says](#)

March 25, 2021, Daily Sabah

Turkey and Russia have agreed to take measures to ensure the prevention of cease-fire violations in Syria, Defense Minister Hulusi Akar said, following a phone call with his Russian counterpart Sergei Shoigu.

Turkey

[Turkey Raises Uyghur Rights at Meeting with China FM](#)

March 25, 2021, Middle East Monitor

Turkey raised the issue of Uyghur Muslims during talks with China's foreign minister in Ankara, Foreign Minister Mevlut Cavusoglu said, as hundreds of Uyghurs protested against the treatment of their ethnic kin in China.

UAE

[Much at Stake as UAE Steps into India-Pakistan's Perennial War Theatre, Seeks New Role as Peacemaker](#)

March 28, 2021, The Economic Times

Reportedly the Emiratis brokered the negotiations between India and Pakistan that led to an unexpected February 25 announcement that the South Asian rivals would respect their 2003 cease-fire agreement, despite heightened tensions between them. Further, it is aiming to secure a viable understanding on Kashmir, which has been the flashpoint for several wars.

[Indian Air Force Takes Part in Multination Exercise Hosted by the UAE](#)

March 03, 2021, The Diplomat

India's participation in the 'Desert Flag VI' provides an additional data point illustrating the country's deepening defence ties with the Middle Eastern powers.

[Chinese FM Lauds China-UAE Cooperation, Friendship in Abu Dhabi](#)

March 28, 2021, CGTN

Chinese State Councilor and Foreign Minister Wang Yi lauded the ties between China and the United Arab Emirates (UAE) featuring mutual trust, pioneering cooperation and solid friendship.

[China Picks UAE as Regional Production Hub for Sinopharm Shot](#)

March 28, 2021, Mint

The United Arab Emirates will start producing China's Sinopharm vaccine next month in a deal that deepens Beijing's influence in the Arab Gulf.

[President Biden Invites Saudi Arabia and UAE to Leaders Summit on Climate](#)

March 27, 2021, The National

US President Joe Biden invited on Friday the leaders of the UAE, Saudi Arabia and 38 other heads of state to attend the virtual Leaders' Summit on Climate that Washington will host on April 22 and 23. King Salman bin Abdulaziz of Saudi Arabia and President Sheikh Khalifa bin Zayed Al Nahyan of the UAE were the only Arab leaders on the list of invitees released by the White House.

Yemen

[India Welcomes Saudi Arabia's Peace Initiative in Yemen](#)

March 23, 2021, Outlook

India welcomed Saudi Arabia's peace initiative for Yemen that entails a comprehensive ceasefire in the war-torn country under the supervision of the United Nations.



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