



# Delhi Policy Group

Advancing India's Rise as a Leading Power



## DPG WEST ASIA REVIEW



Volume III, Issue 16 | April 19, 2021

**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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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](#).

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## Volume III, Issue 16

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## Abstract

In a major boost to the already strong India-United Arab Emirates strategic partnership, Indian External Affairs Minister Dr. S. Jaishankar met UAE's Foreign Minister Sheikh Abdullah in Abu Dhabi on April 18. The two leaders discussed "bilateral cooperation with emphasis on post-COVID economic recovery". Additionally, the UAE's Ambassador to the United States confirmed that, "the Gulf state is mediating between India and Pakistan to help both countries reach a healthy and functional relationship". Simultaneous presence of Pakistani Foreign Minister in UAE, during Dr Jaishankar's visit raised speculations of further attempts at mediating, but the two ministers did not meet.

In terms of trade, UAE has reached out to New Delhi seeking revival of talks on the Gulf Cooperation Council (GCC) Free Trade Agreement. In another development, 'Invest in Turkey' hoardings have appeared in Srinagar's (Indian Union Territory of Jammu and Kashmir) Lal Chowk; reportedly these hoardings have been placed by New Delhi-based immigration consultancy-Olives & Figs. A senior police official from J&K stated that, "perhaps these hoardings are indications of changing India-Turkey relations, as the hoardings might not have been installed without prior government permission". Srinagar Municipal Corporation did not have any information about these hoardings.

Considering the growing number of Covid-19 cases in India and subsequent demand to ban commercial export of coronavirus vaccines, the Iranian government has requested India to quickly send 3.75 lakh Covaxin vaccines out of the 5 lakh it had purchased. Meanwhile Israel has lifted the requirement to wear a mask in the country and fully reopened all schools. However, the health authorities have warned Israelis to stay vigilant as Israel has not reached herd immunity. The Indian variant of coronavirus still being a concern.

On the energy front, India hosted 'The Hydrogen Economy-New Delhi Dialogue 2021'. India plans to spend USD200 million in the next 5 to 7 years to promote 'Hydrogen' as a source of clean energy. In light of this, New Delhi has "asked its state-owned oil and gas companies to set up seven hydrogen pilot plants by the end of this financial year". UAE's Abu Dhabi National Oil Company (ADNOC) is also set to explore the potential of Hydrogen market in India. ADNOC's CEO stressed that, "hydrogen is still in its infancy, it could be a game changer and a real opportunity to accelerate the broader energy transition, an opportunity that ADNOC and UAE are well placed to capitalize on".

In light of Chinese Foreign Minister Wang Yi's recent visit to the Middle East, Chinese analysts have raised the possibility of 'Petroyuan' system that could further internationalise the Chinese currency. "The Petroyuan could gain traction as energy exporters like Russia and Iran, which are subject to the US sanctions, look to limit dollar exposure". However, it remains to be seen if the major petroleum exporting countries would be willing to risk the wrath of the US (Petrodollar) by making such a move. Further, China is hesitant over J-10 fighter aircraft barter deal (weapons for oil) with cash-strapped Iran. Chinese military analysts stressed that, "now is not the time to exchange weapons for oil but believe Beijing is considering the move".

On the United States-Iran relations, in a major development after the last week's sabotage at the Natanz nuclear site, Iran has "vowed to ramp up uranium enrichment up to 60 percent purity". This is a clear breach of the 'Joint Comprehensive Plan of Action' (JCPOA) 2015 that had limited Iran's uranium enrichment to 3.67 percent. It is to be noted that, uranium enrichment up to 90 percent is considered weapons grade. The United States described Iran's move as "provocative" while questioning its seriousness about the talks in Vienna. On the other hand, Biden administration has reportedly "warned Israel to stop chatter about its alleged involvement in the blast at Natanz, as it is dangerous, detrimental and embarrassing particular as Washington attempts to negotiate a return to the nuclear deal with Tehran". Meanwhile Israel and Saudi Arabia re-iterated their strong determination to stop Iran from building a nuclear weapon. In light of this, Gen. Amos Yedlin, former Israeli Air-Force officer who had played a major role in destroying Iraq and Syria's nuclear plants in 1981 and 2007 highlighted the difficulties Israel could face in attacking the Iranian nuclear sites. Gen. Yadlin said, "Saddam Hussein and Bashar al-Assad were surprised [by the Israeli airstrikes]; Iran has been waiting for this attack for 20 years". "Iran's program is much more fortified and dispersed, while Iraq and Syria's nuclear programs were concentrated in one place", he added.

In first such attack, US military base at Erbil airport in Iraq was attacked with the use of drone. The United Nations Secretary-General's Special Representative for Iraq Jeanine Hennis-Plasschaert warned that "the drone attack at the Global Coalition against Daesh's headquarters at Erbil International Airport was aimed to inflame tensions in the region". Meanwhile as the US declared date for the withdrawal of its troops from Afghanistan, Baghdad has also started pressing Washington to do the same in Iraq in an "attempt to pull the rug from under Iran-

backed paramilitaries and secure some modicum of calm before October's parliamentary elections".

On the arms procurement front, the Biden administration is likely to approve USD23 billion arms sales to the UAE including F-35 stealth aircrafts and the Reaper Drones, as it nears completion of the review of arms deals signed by the Trump administration. However, the fate of arms sales to Saudi Arabia still remains unclear as the Biden administration is in the process of recalibrating relations with Riyadh. After the on-going review, "Biden administration plans to suspend air-to-ground offensive weapons used by fighter aircrafts and drones to Saudi Arabia".

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

## Bahrain

### [Citigroup to Exit Retail Banking in 13 Markets, including Bahrain](#)

April 18, 2021, Gulf Business

Citigroup plans to exit retail banking in 13 markets across Asia and the Europe, Middle East and Africa region. The bank will instead operate its consumer-banking franchise in both regions from four wealth centers in Singapore, Hong Kong, the United Arab Emirates and London.

## Egypt

### [Suez Canal Authority Detains Ever Given Ship amid Compensation Negotiations](#)

April 14, 2021, Egypt Independent

An anonymous source in the Suez Canal Authority said that an Egyptian court has issued an order to detain the Ever Given container ship in the Suez Canal amid compensation negotiations with the ship's owner.



## Iraq

### [Iraq Pressing US to Agree on Troop Withdrawal Timetable as Tensions Escalate](#)

April 15, 2021, Middle East Eye

Iraq's government is trying to accelerate the process that lays out timetables for the withdrawal of US-led coalition troops, in an attempt to pull the rug from under Iran-backed paramilitaries and secure some modicum of calm before October's parliamentary elections.

### [First-time Drone Attack in Erbil Seen as Iranian Test of US, Kurdish Response](#)

April 16, 2021, The Arab Weekly

The strike on the US military base at Erbil airport with the use of a drone is a cunning test by Iran and its allied militias in Iraq of the willingness of the US to step up its response after such assaults.

### [UN: Erbil Airport Drone Attack Aimed to Inflame Tensions in the Middle East](#)

April 16, 2021, Middle East Monitor

The United Nations (UN) Secretary-General's Special Representative for Iraq Jeanine Hennis-Plasschaert warned that the drone attack at the Global Coalition against Daesh's headquarters at Erbil International Airport aimed to inflame tensions in the region.

## Iran

### [Iran Requests India to Quickly Send Rest of Covaxin Shipment it Has Already Paid For](#)

April 09, 2021, Moneycontrol

As vaccine shortage in India spurs more demand for an outright ban on commercial export, an anxious Iranian government has clarified that it has purchased 5 lakh doses of Covaxin from Bharat Biotech. But 3.75 lakh doses, which were supposed to be sent by mid-March, are still pending.

### [After Natanz Blast, Iran Vows to Ramp Up Uranium Enrichment](#)

April 13, 2021, Voice of America

Iran warned it would start enriching uranium up to 60 percent purity, two days after an explosion it blamed on Israel hit its key nuclear facility in Natanz. The announcement cast a shadow over ongoing talks in Vienna aimed at salvaging the tattered 2015 nuclear deal between Iran and world powers.

### [European Powers Warn Iran over 'Dangerous' Uranium Enrichment Move](#)

April 15, 2021, Reuters

The United States and the European countries party to the Iran nuclear deal pushed back against Tehran's decision to enrich uranium at 60% purity, with the top U.S. diplomat calling the move "provocative" and questioning Iran's seriousness about talks.

### [China Hesitant over J-10c Barter Deal with Cash-strapped Iran: Experts](#)

April 15, 2021, South China Morning Post

Tehran is said to be interested in buying 36 of the advanced Chinese fighter jets but finding the cash could be difficult. Military analysts say now is not the time to exchange weapons for oil but believe Beijing is considering the move.

### [Saudi Arabia and Iran Held Talks Aimed at Easing Tensions](#)

April 18, 2021, The Economic Times

Saudi and Iranian officials held direct talks this month in a bid to ease tensions between the two foes, a senior Iranian official and two regional sources said, as Washington works to revive a 2015 nuclear pact with Tehran and end the Yemen war.

## Israel

### [Israel's FM Thanks EAM Jaishankar for "warm words" on Israel's Independence Day](#)

April 15, 2021, Outlook India

Israel's Foreign Minister Gabi Ashkenazi thanked his Indian counterpart S Jaishankar for his "warm words" of congratulations on the country's Independence Day, expressing hopes that the "good relationships" between the two countries will "grow even stronger".

### [Israel Has not Reached Herd Immunity, Indian Variant a Concern, Says Virus Czar](#)

April 17, 2021, The Times of Israel

Israel's coronavirus czar Professor Nachman Ash said that, despite suggestions to the contrary, Israel has not reached herd immunity and expressed concerns about a new "Indian variant" found in the country.

### [Israel Says it Will 'Definitely' Stop Iran from Getting Nuclear Bomb](#)

April 16, 2021, The Associated Press

Israel's foreign minister said that his country was determined to stop Iran from building a nuclear weapon, after Tehran promised to step up its uranium enrichment process.

### [Israeli General Who Helped Destroy Iraq, Syria Nuclear Plants Says Stopping Iran is Much Harder](#)

April 17, 2021, CNBC

Amos Yadlin said Iran's program is "much more fortified and dispersed," while Iraq and Syria's nuclear programs were concentrated in one place. Iran's nuclear program is in dozens of sites, many buried deep beneath mountains. On top of that, it isn't clear intelligence agencies know all the details about the locations of Iran's program.

### [US Warns Israel to Stop 'Dangerous, Detrimental' Chatter on Natanz Attack](#)

April 16, 2021, The Times of Israel

Washington has conveyed to Israel in no uncertain terms that the "chatter" about its alleged involvement in the blast at the Natanz nuclear facility early this week must stop, warning that it is dangerous and detrimental as well as embarrassing to the Biden administration as it attempts to negotiate a return to the nuclear deal with Tehran.

[Israel and Greece Sign Record \\$1.65 Billion Defense Deal](#)

April 18, 2021, Arab News

The agreement includes a \$1.65 billion contract for the establishment and operation of a training center for the Hellenic Air Force by Israeli defense contractor Elbit Systems over a 22-year period.

[First Cohort of Israel-India Accelerator Yields Initial Ties](#)

April 11, 2021, The Times of Israel

At the completion of a first-of-its-kind Israel-India Innovation Accelerator program, called i3A, five of the six Israeli participating startups have already entered into some sort of agreement with Indian partners, Start-Up Nation Central, an Israeli nonprofit behind the program.

## Jordan

### [Jordan Faces Public Discontent as Israel Weaponises its Water Supply](#)

April 16, 2021, Middle East Monitor

Israel is weaponizing the water supplied to Jordan in order to persuade the government in Amman to backpedal on its opposition to the Jordan Valley annexation plan. In doing so, it is fomenting discontent within the Kingdom.

### [PM Modi Congratulates King Abdullah II on 100th Anniversary of Founding of Jordan](#)

April 13, 2021, Outlook India

Prime Minister Narendra Modi has congratulated Jordanian King Abdullah II on the occasion of the 100th anniversary of the founding of Jordan and hailed the Middle Eastern country as a global symbol of moderation.

## Kuwait

### [New Tax System amid Widespread Opposition](#)

April 17, 2021, Middle East Monitor

Kuwait is set to implement value-added and excise taxes amid popular opposition due to the cash crisis resulting from COVID-19 and the instability of oil prices.

## Lebanon

### [Hezbollah Said Making Preparations for Lebanon's Possible Collapse](#)

April 17, 2021, The Times of Israel

The Hezbollah militant group is preparing itself for the possibility of the collapse of the Lebanese state amid a spiralling economic and political crisis.

## Oman

### [Don't Travel to India Unless Necessary, says Oman Embassy](#)

April 17, 2021, Times of Oman

"The embassy advised all citizens to avoid travelling to the Republic of India during the current period unless absolutely necessary, due to the steady increase in the number of cases of COVID-19, which has exceeded 200,000 cases per day, and owing to the accompanying measures taken by the Indian government, including restriction of movement and prohibition of some activities."



## Qatar

### [Qatar Steps up Help for Businesses Battling Pandemic](#)

April 15, 2021, Arab News

Qatar's cabinet agreed to maintain central bank liquidity support for local banks as it stepped up its economic response to the coronavirus pandemic amid a second wave of infections.

## Saudi Arabia

### [Could US Sanctions and Closer Middle East Ties Fuel the Rise of China's Petroyuan?](#)

April 03, 2021, South China Morning Post

China could be looking to secure long-term energy deals with Middle Eastern nations to increase the international use of its currency. Use of the so-called petroyuan could gain traction as energy exporters like Russia and Iran, which are subject to US sanctions, look to limit dollar exposure.

### [Saudi Arabia: Iran must be Prevented from Obtaining Nuclear Weapons](#)

April 14, 2021, Arab News

Saudi Arabia issued its strongest warning yet that Iran must never be allowed to have a nuclear weapon or the ability to build one. The Kingdom spoke out on the eve of the resumption of talks aimed at reviving the Joint Comprehensive Plan of Action (JCPOA).

### [Strained US-Saudi Ties Will Likely Bring Gulf Kingdom Closer to Israel](#)

April 05, 2021, Jewish News Syndicate

America-Saudi Arabia ties have been growing increasingly strained in recent months-a development that will likely see the Sunni power draw even closer to Jerusalem.

## Syria

[Syria to Hold Presidential Election on May 26, Nominations Begin April 19](#)

April 19, 2021, Business Standard

The Parliament of Syria has announced that the country will hold its presidential election on May 26, while the candidate registration is to begin on April 19.

## Turkey

### [Mysterious 'Invest in Turkey' Hoardings Appear in Srinagar's Lal Chowk](#)

April 17, 2021, Outlook India

At Srinagar's busy Lal Chowk area, scores of billboards have recently cropped up urging Kashmiris to invest in Turkey. The hoardings have been placed by New Delhi-based immigration consultancy--Olives & Figs.

### [Bitcoin Payments to be banned in Turkey after Confidence Drops in Lira](#)

April 16, 2021, Mint

Turkey will ban the use of crypto-currencies as a form of payment following months of economic turbulence that spurred locals to swap the local currency for bitcoin and foreign currencies.

### [Turkey's Erdogan, Pakistani PM Talk before Afghan Peace Summit](#)

April 16, 2021, AL Jazeera

The leaders of Pakistan and Turkey have conferred on the continuing Afghan peace process, with Prime Minister Imran Khan reaffirming Pakistan's commitment to a negotiated political settlement to the conflict in advance of key talks in Turkey this month (April 24).

## UAE

### [U.S. is Expected to Approve Some Arms Sales to U.A.E. and Saudi Arabia](#)

April 14, 2021, The New York Times

The Biden administration will approve \$23 billion in weapons sales to the United Arab Emirates, according to a State Department spokesman, including F-35 fighter jets and armed Reaper drones. The fate of former President Donald Trump's arms sales to Saudi Arabia is still less clear.

### [Indian External Affairs Minister Jaishankar Meets Sheikh Abdullah; Discusses Covid, Bilateral Cooperation](#)

April 18, 2021, Khaleej Times

During the meeting, held at the ministry's headquarters in Abu Dhabi, Sheikh Abdullah and Dr. Jaishankar discussed the historic relations between the UAE and India and ways to enhance cooperation, particularly in commercial and health fields. They also discussed the latest Covid-19 developments, the two countries' efforts to contain its repercussions, and the global efforts to provide vaccines to all countries.

### [India Considers Reviving FTA Talks with Gulf Cooperation Council](#)

April 12, 2021, Swarajya Magazine

India and the Gulf Cooperation Council (GCC) are reconsidering a free trade agreement (FTA) as United Arab Emirates (UAE), India's largest trading partner in the grouping has reached out to India seeking to revive the talks which have been stalled since 2008.

### [ADNOC to Explore Potential of Hydrogen Market with India](#)

April 16, 2021, Arab News

The Abu Dhabi National Oil Company (ADNOC) sees a potential market for hydrogen in public and private Indian companies to serve the country's growing demand for energy and need for cleaner fuels, said Sultan Ahmed Al Jaber, minister of industry and advanced technology and CEO of ADNOC.

### [India to Spend \\$200 Million in Next 5-7 Years to Promote Hydrogen Use](#)

April 16, 2021, The Economic Times

India has asked its state-run oil and gas companies to set up seven hydrogen pilot plants by the end of this financial year, India's oil secretary Tarun Kapoor also said at the Hydrogen Economy - New Delhi Dialogue event.

[Pakistan Welcomes UAE's Mediation in Talks with India](#)

April 18, 2021, Khaleej Times

Pakistan's Foreign Minister Shah Mahmood Qureshi said, "We welcome third-party facilitation but, no matter what friends say, the initiative has to be indigenous. The political will has to be demonstrated by leadership of India and Pakistan.

[UAE is Mediating between India and Pakistan, Says Senior Emirati Diplomat](#)

April 15, 2021, AL Jazeera

The United Arab Emirates' (UAE) envoy to Washington has confirmed that the Gulf state is mediating between India and Pakistan to help the nuclear-armed rivals reach a "healthy and functional" relationship. Top intelligence officers from India and Pakistan held secret talks in Dubai in January in a new effort to calm military tension over the disputed region of Kashmir.

[Why the UAE Will be Watching the Rising Value of The Yuan](#)

April 05, 2021, Khaleej Times

Chinese ties to the Middle East have only increased during Covid-19. The question now being asked is when oil will be valued in yuan not dollars.

## Yemen

### [Fire at Saudi Arabia's Jizan University after Yemen Missile Attack](#)

April 15, 2021, Mint

A Saudi university near the country's border with Yemen caught fire early Thursday (April 15) after the kingdom's air defences intercepted a barrage of ballistic missiles and bomb-laden drones.

### [Heavy Fighting near Yemen's Marib Leaves 96 Dead](#)

April 16, 2021, The Economic Times

Heavy fighting near the Yemeni city of Marib has killed 96 combatants over the past two days as Houthi rebels press their offensive on the government's last northern toehold.



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