

DPG WEST ASIA REVIEW



Volume IV, Issue 13 | March 28, 2022

Delhi Policy Group

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



DPG WEST ASIA REVIEW Volume IV, Issue 13

ABOUT US

Founded in 1994, the Delhi Policy Group (DPG) is among India's oldest think tanks with its primary focus on strategic and international issues of critical national interest. DPG is a non-partisan institution and is independently funded by a non-profit Trust. Over past decades, DPG has established itself in both domestic and international circles and is widely recognised today among the top security think tanks of India and of Asia's major powers.

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.

At a time of disruptive change in the global order, DPG aims to deliver research based, relevant, reliable and realist policy perspectives to an actively engaged public, both at home and abroad. DPG is deeply committed to the growth of India's national power and purpose, the security and prosperity of the people of India and India's contributions to the global public good. We remain firmly anchored within these foundational principles which have defined DPG since its inception.

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.

© 2022 by the Delhi Policy Group

Delhi Policy Group

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

DPG WEST ASIA REVIEW Volume IV, Issue 13

Contents

Abstract	1
Bahrain	3
Egypt	4
Iraq	5
Iran	6
Israel	7
Jordan	9
Kuwait	10
Lebanon	11
Oman	12
Qatar	13
Saudi Arabia	14
Syria	15
Turkey	16
UAE	17
Yemen	18



Abstract

As the crude prices continue to hover around USD 115 per barrel, India increased petrol and diesel prices by around INR 4/liter. COVID-19 lockdown in China's financial capital 'Shanghai' heightened the possibility of weak fuel demand, leading to a slump in crude prices by around USD 5 on Monday (March 28). Amidst the ongoing Russia-Ukraine conflict and the possibility of a food crisis, Lebanon is planning to import 50,000 tons of wheat from India.

Pakistan once again raked up the Kashmir issue at the Organisation of Islamic Cooperation (OIC) foreign ministers meeting held in Islamabad. Pakistani Prime Minister, Imran Khan, stressed that "OIC has failed both, Palestine and Kashmir, as the 57-member body is a divided house and both Israel and India know this". He called on the OIC to create a "united front on core issues" as India did not feel any pressure after the abrogation of art. 370 in August 2019. Meanwhile, a delegation from the Gulf countries attended an investment summit in the Indian UT of Jammu and Kashmir.

India-UAE Comprehensive Economic Partnership Agreement (CEPA) is likely to come into force on May 1 and is expected to boost bilateral trade between the two countries to USD 100 billion over the next five years.

Boosting India's air-defence capabilities, the Defence Research and Development Organisation (DRDO) successfully test-fired two Medium-Range Surface-to-Air Missiles (MRSAMs) jointly developed with Israel Aerospace Industries (IAI) for the use of the Indian Army. In another development, Israel plans to sign a contract to procure a laser air defence system. Defence Minister Gantz did not give any timeframe but stressed that it will be done in the shortest possible time. Israel is pushing for a laser air defence system as it is concerned that Iron Dome will not have sufficient interceptor missiles to shoot down incoming rockets in future conflicts. Meanwhile, the Israeli Defence Minister is scheduled to visit New Delhi on March 29, prior to PM Naftali Bennett's visit on April 2. Israeli PM's visit remains uncertain as he tested positive for COVID-19 on March 28.

Continuing deepening India-Oman strategic partnership, Indian External Affairs Minister, Dr. S. Jaishankar, met his Omani counterpart. The two leaders "discussed growing cooperation in the political, economic, defence, energy, science and technology, space, rare-earths, and people-to-people fields". They also



"exchanged views on the situation in Gulf, Yemen, and Ukraine", and "agreed to scale up maritime security cooperation".

Amidst the concerns about oil prices and inflation, Houthi rebels of Yemen targeted Aramco oil facility in Saudi Arabia impacting production. Reacting sharply, Riyadh asserted that the Kingdom "won't bear any responsibility" for the shortage in global oil supplies. Importantly, it called on the "international community to assume responsibility to preserve the energy supplies by deterring attacks that jeopardize Saudi oil production capability". US National Security Advisor, Jake Sullivan, blamed Iranian weapons for continuous Houthi attacks on Saudi Arabia. Meanwhile, US refiners are turning to the Middle East in greater numbers, as President Biden banned the import of Russian crude. Further, Japan, US, and UK are teaming up to loan USD 1 billion to Kuwait to increase oil output.

As Iran continues to demand that the US lift sanctions on 'IRGC', Robert Malley, US Special Envoy for Iran, claimed that he was "not confident that a nuclear deal between the P5+1 and Iran was imminent". Meanwhile, in an important development, Israel is hosting foreign ministers of UAE, Bahrain, Egypt, Morocco, and the United States in the Negev. Reportedly, Israel and their Arab partners are discussing a defence alliance (regional security architecture) to counter Iranian aggression. On his part, US Secretary of State, Antony Blinken, vowed "Ironclad Commitment" to Israel.

With regards to the Russia-Ukraine conflict, Turkey is scheduled to host the next round of one-on-one talks between Kyiv and Moscow beginning March 29.

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



Bahrain

Bahrain Sees Higher Oil Helping It Beat Budget Balance Target

March 22, 2022, Gulf Business

The International Monetary Fund estimates Bahrain needs oil prices of around \$107 a barrel to balance its budget.

Bahrain Condemns Attempted Houthi Attack in the Red Sea

March 24, 2022, Arab News

The Iran-backed militia attempted to use two explosive-laden boats for the attack, but it was thwarted by the Arab Coalition.



Egypt

Egypt, UAE, Israel Discuss Economic Challenges as Iran Looms

March 22, 2022, Reuters

Leaders of Egypt, Israel and the United Arab Emirates met in the Red Sea resort of 'Sharm el-Sheikh' on Tuesday (March 22) for talks on the economic impact of Russia's invasion of Ukraine and the growing influence of Iran in the region.

French President Macron Warns of 'Unprecedented Food Crisis' in Middle East Countries Like Egypt Because of Russia's Military Escalation on Ukraine

March 25, 2022, Egypt Today

Countries in Africa and the Middle East like Egypt are facing an unprecedented food crisis to feed their nations, said French President Emmanuel Macron, in his speech during the G7 and NATO summits.



Iraq

Iraqi Parliament Fails to Elect New President Over Lack of Quorum

March 26, 2022, Reuters

Irag's parliament failed again on Saturday (March 26) to vote for a President after Iran-backed groups boycotted the session, in a setback to an alliance led by Shia cleric Mogtada al-Sadr which won the election and threatened to remove them from politics.

Surging Oil Prices Could Spark a Global Recession

March 26, 2022, Oilprice.com

Federal Bank of Dallas economists warn that a global economic downturn may be unavoidable if a large number of Russian energy exports remain off the market throughout the year.

Petrol Price Nears INR 100 in Delhi as Fuel Rates See Sixth Hike in Last Seven <u>Days</u>

March 28, 2022, India Today

In the last one week, the rates of both petrol and diesel have increased by around INR 4 per litre.

Fostering Deeper Ties, China Emerges as Key Financial Player in Iraq

March 16, 2022, Business Standard

China has emerged as a key financial player in Iraq amid its policy of fostering deeper economic ties with the Middle East in recent years.



Iran

U.S. Special Envoy Robert Malley Not Confident Iran Nuclear Deal is Imminent

March 27, 2022, Reuters

U.S. Special Envoy for Iran, Robert Malley, said on Sunday (March 27) that he was not confident that a nuclear deal between P5+1 and Iran was imminent. dampening expectations after 11 months of talks in Vienna that have stalled.

US Allies Increasingly Worried as Biden Administration Inches Back to Iran Nuclear Deal

March 26, 2022, Fox News

Amidst Houthi attack on Saudi oil facilities, the growing concern is that Iran's proxies will escalate attacks in the region as the prospects of the Biden administration re-joining the Iran nuclear deal look increasingly likely.

<u>Iran Says US Lifting Sanctions on IRGC a Top Priority in Nuclear Talks</u>

March 26, 2022, AL Arabiya

Lifting US sanctions against Iran's Islamic Revolutionary Guard Corps (IRGC) is one of Tehran's top priorities in nuclear talks with world powers, Iranian Foreign Minister Hossein Amir-Abdollahian said.

Outrage as Iran's Revolutionary Guards Display Weapons at Doha Show

March 25, 2022, Arab News

"We reject the presence of Iran at a maritime defence exhibition [in Doha], considering that it's Iran that single-handedly is threatening maritime stability throughout the Gulf region," US State Department spokesman Ned Price said.



Israel

India's DRDO Test-Fires Surface-To-Air Missile Jointly Developed with Israel, Target Hit with 'Accuracy'

March 27, 2022, Mint

The Defence Research and Development Organisation (DRDO) successfully testfired the MRSAM missile system jointly developed with Israel Aerospace Industries (IAI).

Israel Moves Forward on Laser-Based Rocket Defence, Will Begin Initial Procurement

March 17, 2022, The Times of Israel

Defence Minister Benny Gantz said his office would be signing a contract in the coming days to begin procurement of a laser air-defence system to protect Israel against rockets and UAVs.

Stepping on Each Other's Toes, PM Bennett, Defence Minister Gantz Schedule Trips to India 4 Days Apart

March 24, 2022, The Times of Israel

In the latest sign of growing tensions between Prime Minister Naftali Bennett and Defence Minister Benny Gantz, the latter announced that he will embark on a planned trip to India on Tuesday (March 29), four days before the Prime Minister is scheduled to arrive in the country.

Negev Summit: Israel, Arab States Discuss Regional Defence Alliance

March 27, 2022, The Jerusalem Post

Israel and Abraham Accord states are discussing a defence alliance to counter Iranian aggression, sources close to Foreign Minister Yair Lapid said as the Negev Summit in Sde Boker began.

Foreign Ministers of Bahrain, UAE, Morocco, Egypt, and the US Arrive for Negev Summit

March 27, 2022, The Times of Israel

The foreign ministers of Bahrain, the UAE, Morocco, Egypt, and the US landed in Israel ahead of a landmark regional summit in the southern Negev Desert, where they were joined by their Israeli counterpart, Yair Lapid.



US State Secretary Blinken Vows 'Ironclad Commitment' to Israel

March 28, 2022, Business Standard

US Secretary of State, Antony Blinken, has said his country has an "ironclad commitment" to Israel. The remark was made at a joint press conference after his meeting with Israeli Prime Minister Naftali Bennett in Jerusalem.

Palestinian President Abbas Tells Blinken of West's 'Double Standards' over Ukraine, Palestine

March 28, 2022, TRT World

Palestine's President Mahmud Abbas has criticised the West's "double standards" that he said penalised Russia over its assault on Ukraine while ignoring Israel's "crimes" against the Palestinians.

<u>Israel Approves Huge 'New Defence' Plan to Confr</u>ont Iran Threats

March 21, 2022, Middle East Monitor

The Israeli government approved a defence plan to strengthen the country's air and missile defences in the border areas with Syria, in the north of the country, in light of the escalation of threats from Iran and Hezbollah.

Singapore to Open Israel Embassy for First Time, Foreign Ministry Announces

March 22, 2022, Haaretz

The decision to upgrade Singapore's honorary consulate-general to an embassy in Tel Aviv was announced during Foreign Minister Vivian Balakrishnan's visit to Israel.

Israeli PM Bennett Tests Positive for COVID-19

March 28, 2022, Israel Hayom

Prime Minister Naftali Bennett tested positive for the coronavirus, his office said, adding that the PM is feeling well and will continue to work from home.



Jordan

Jordan King Hosts UAE, Egypt, Iraq Leaders for 'Brotherly Meeting' on Region

March 26, 2022, The Times of Israel

Jordan's King Abdullah II hosted leaders from Egypt, Iraq, and the United Arab Emirates on Friday (March 25) for talks.

46 Percent of Jordanians Say Israel is Greatest Threat to Arab World

March 07, 2022, The Jerusalem Post

Nearly one in two Jordanians (46%) think Israel is the country posing the greatest threat to the Arab world, followed by the US and Iran at 10% each, according to a survey conducted by the Center for Strategic Studies at the University of Jordan.



Kuwait

Japan, U.S., U.K. Lenders Loan Kuwait \$1bn To Boost Oil Output

March 26, 2022, Nikkei Asia

Japan's three biggest banks are teaming up with major U.S. and European lenders to loan \$1 billion to help Kuwait increase oil output, seeking to calm energy markets roiled by Russia's invasion of Ukraine.

U.S. Refiners Turn to Middle East for Oil After Russia Import Ban

March 24, 2022, Reuters

U.S. refiners have begun snapping up fuel oil cargoes from the Middle East this month after U.S. President Joe Biden banned Russian oil imports over the country's invasion of Ukraine.



Lebanon

Lebanon Plans Tender for Indian Wheat, Minister Says

March 22, 2022, Reuters

Lebanon is planning a tender to import 50,000 tonnes of wheat from India but the timing depends on the Lebanese central bank opening the necessary credit line, the country's economy minister said.

Saudi Arabia Welcomes 'Positive Points' in Lebanese PM Statement

March 22, 2022, AL Jazeera

Saudi Arabia's foreign ministry has said it welcomed the "positive points" in a statement by Lebanon's Prime Minister, in a sign that Beirut's tensions with Gulf Arab countries are easing.

Lebanese President Aoun Says Christianity in Lebanon 'Not in Danger'

March 21, 2022, Middle East Monitor

Lebanese President, Michel Aoun said, "Christianity in Lebanon is not in danger" and that his country will remain a model for "co-existence".



Oman

EAM Jaishankar, Oman Foreign Minister Reaffirm Commitment to Close Strategic Partnership Between Countries

March 24, 2022, The Print

External Affairs Minister S. Jaishankar and his Omani counterpart Sayyid Badr bin Hamad bin Hamood Albusaidi reiterated their commitment to the close strategic partnership between the two nations.



Qatar

A World Record at Qatar Yoga Event and PM Modi's Message

March 27, 2022, Hindustan Times

Qatar saw a new world record this month when a yoga event - organised by the Indian Sports Centre - registered a participation of 114 nationalities.

<u>Ukraine-Russia Crisis is Driving Countries To Explore New Ways of Pricing Oil,</u>
<u>Qatar Says</u>

March 26, 2022, CNBC

Qatar's foreign minister has said the conflict in Ukraine, and its geopolitical ramifications, is pushing some countries to explore new ways of pricing oil — not in the US dollar.

Qatar Will Stand 'in Solidarity' with European Countries During Energy Crisis

March 25, 2022, CNN

Qatar will stand "in solidarity with Europe" and will keep natural gas flowing there, even if other customers are willing to pay more, Qatari Energy Minister Saad Sherida Al-Kaabi said.



Saudi Arabia

Oil Falls as Shanghai Lockdown Boosts Fears Over Weaker Demand

March 28, 2022, Reuters

Oil prices fell more than \$5 on Monday (March 28) as fears over weaker fuel demand in China grew after its financial hub of Shanghai launched a planned two-stage lockdown to contain a surge in COVID-19 infections.

The White House Blames Iran's Weapons for Houthi Attacks on Saudi Arabia

March 25, 2022, Iran International

The United States, its Western allies and others have condemned drone and missile attacks by Yemen's Iran-backed Houthis on Saudi energy facilities on Friday (March 25).

Saudi Arabia Says It's Not Responsible for High Oil Prices

March 22, 2022, Mint

Saudi Arabia said that it "won't bear any responsibility" for a shortage in global oil supplies after a fierce barrage of attacks by Yemen's Houthi rebels affected production in the Kingdom, the world's largest oil exporter.

Oil Thirst is Forcing Joe Biden to Pivot US Back to Saudi Arabia

March 22, 2022, The Times of India

President Joe Biden has been reluctantly drawn into closer ties with Saudi Arabia's king-in-waiting forced by Russia's invasion of Ukraine to rethink a standoff, as the US struggles to curb soaring oil prices.

Saudi Arabia Emphasises 'Essential Role' of OPEC+ Oil Accord

March 22, 2022, Reuters

The statement, a little over a week before OPEC+ is scheduled to meet, indicates little chance the grouping will decide to raise oil output at a faster pace.

Qatar, Saudi Arabia Say West Neglects Mideast Conflicts, But Responds to <u>Ukraine</u>

March 27, 2022, The Times of India

Saudi Arabia and Qatar expressed regret at a lack of attention to Middle East conflicts, as the West pushes them to show more solidarity with Ukraine.



Syria

UN: 'Syria's Devastation Finds Few Parallels in Recent History'

March 26, 2022, Middle East Monitor

UN Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator Martin Griffiths expressed his view that Syria's "devastation finds few parallels in recent history."



Turkey

Pakistan Again Rakes Up Kashmir Issue at OIC Foreign Ministers' Meeting

March 22, 2022, The Economic Times

Pakistan Prime Minister Imran Khan again raked up the Kashmir issue at the Organisation of Islamic Cooperation (OIC) foreign ministers' meeting in Islamabad, saying the 57-member body has not been able to make any impact at all as it's a "divided house".

Wang Yi's J&K Remark at OIC CFM: India Hits Back, Names Him

March 24, 2022, The Indian Express

India rejected the uncalled reference to J&K by Chinese FM Wang Yi who said ""On Kashmir, we have heard again today the calls of many of our Islamic friends. And China shares the same hope".

Kremlin Says Russia-Ukraine Talks Could Start in Turkey on Tuesday (March 29)

March 28, 2022, Reuters

Turkey said the talks could begin as early as Monday (March 28), but Kremlin spokesperson Dmitry Peskov said that was unlikely as the negotiators would only be arriving in Turkey on Monday.

Turkey Says Idea to Send Its S-400s To Ukraine 'Quite Unrealistic'

March 24, 2022, Daily Sabah

Turkey has rejected the idea of sending its Russian-made S-400 missile defence systems to Ukraine to help it fight the invading Russian forces.



UAE

Free trade: Historic UAE-India CEPA Details Released

March 27, 2022, Khaleej Times

The Indian Ministry of Commerce and Industry has published details about Comprehensive Economic Partnership Agreement (CEPA) between India and the UAE.

<u>India-UAE Trade Deal: Likely in Force from May, Focus on Boosting SME Jobs</u>

March 28, 2022, The Indian Express

The pact, likely to come into force on May 1, is expected to boost bilateral trade between the two countries to \$100 billion over five years as against \$43.3 billion in FY21.

<u>Investment Summit: J&K LG Assures UAE Delegation of Speedy Redressal of</u> Concerns

March 23, 2022, Hindustan Times

Indian UT Jammu and Kashmir's Lieutenant Governor Manoj Sinha has assured CEOs of top companies and entrepreneurs of Gulf countries, who are on a visit to Kashmir, that their concerns regarding investing in J&K will be redressed within the shortest possible time.



Yemen

UN Chief Condemns Attacks on Civilian Facilities in Saudi Arabia and Yemen

March 27, 2022, UN News

"The Secretary-General is deeply concerned about reports of ongoing airstrikes in Hudaydah city and the targeting of Hudaydah's ports, which provide a critical humanitarian lifeline for the Yemeni population," the UN chief's spokesperson, Stéphane Dujarric, said in a statement.



Delhi Policy Group Core 5A, 1st Floor,

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

www.delhipolicygroup.org