

# DPG WEST ASIA REVIEW



Volume IV, Issue 15 | April 11, 2022

### 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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# Abstract

Prime Minister, Narendra Modi, held telephonic conversation with his Israeli counterpart, Naftali Bennett, whose India visit was postponed due to COVID-19. The two leaders "reviewed India-Israel cooperation in various areas" and also "discussed recent geopolitical developments including the situation in Ukraine". Meanwhile, in a boost to 'Make in India', state-owned aerospace and defence company, 'Hindustan Aeronautics Limited' (HAL) has signed an MoU with 'Israel Aerospace Industries' (IAI) to convert civil (passenger) aircraft to Multi-Mission Tanker Transport (MMTT) aircraft in India. HAL will convert civil aircraft into air refuellers with cargo and transport capabilities. The two countries also held a workshop on developing a joint roadmap for 'Quantum Technologies' development.

Israel's ruling coalition has lost its majority in the Knesset (Parliament) as coalition whip 'Idit Silman' withdrew her support. As a result, PM Bennett-led alliance and the opposition bloc (Netanyahu-led Likud Party and their allies), both, have 60 seats each, creating a political impasse in Israel.

Continuing with the flow of Gulf investments into India, Saudi Arabia's Public Investment Fund (PIF) is looking to buy a stake in Tata Power's green energy, power transmission, and distribution businesses. Further, UAE's International Holding Company (IHC) has agreed to invest USD 2 billion in Adani Green Energy Limited, Adani Transmission Limited, and Adani Enterprises Limited. As noted in the earlier issues of West Asia Review, an Egyptian delegation is scheduled to visit India beginning April 11 to explore the possibilities of sourcing wheat.

On the energy front, Iran may soon follow Russia's path and sell oil and gas in Rial, instead of the US Dollar. Reportedly, Rial is likely to be bound by gold and Tehran will soon announce the Rial-Gold exchange rate, to incentivize the purchase of crude and gas. Meanwhile, the Reserve Bank of India (RBI) forecasted crude prices at USD 100 for FY23 and made a sharp upward revision in the inflation forecast. The RBI now sees Consumer Price Inflation (CPI) averaging 5.7 percent in FY23, up from the 4.5 percent forecast in February. It also revised India's GDP growth forecast from 7.8 to 7.2 percent for FY23.

Even after a year of intense negotiations, the future of the Iran nuclear deal (JCPoA) still remains indeterminate. As the Vienna talks remain stalled since March 11, Iranian Foreign Minister, Hossein Amir-Abdollahian declared that



"Washington is imposing new conditions to restore the 2015 agreement". Further, Iran sanctioned 24 US officials from Obama and Trump administrations over charges of "terrorism" and "human rights violations". In an apparent counter to Iranian actions, US Secretary of State, Antony Blinken, stressed that the US was also "not overly optimistic" about the prospects of Iran nuclear deal. Meanwhile, US officials reportedly clarified that "Iran's 'IRGC' will not come off Washington's terror list, even if this torpedoes the nuclear deal".

As a consequence of the ongoing Russia-Ukraine conflict, in an important development, the United Nations General Assembly suspended Russia from the Human Rights Council. 94 UNGA member-states voted in favour of the suspension resolution, while 24 voted against it, and 58 including India and the Gulf Arab States abstained. With regards to mediation between Russia and Ukraine, Senior Adviser to Turkey's President Erdogan, Ibrahim Kalin, claimed that "horrific images of dead civilians emerging from Ukrainian towns such as 'Bucha' and 'Borodyanka' had affected Kyiv's willingness to negotiate with Moscow". On the other hand, Russia has reportedly appointed 'General Alexander Dvornikov' who commanded operations in Syria to lead Russian troops in Ukraine.

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



#### Bahrain

# India Now Sets Sights on Free Trade Agreement with Gulf Countries

April 06, 2022, Business Standard

After inking trade pacts with the UAE and Australia, India is set to begin deeper engagements with the Gulf Cooperation Council (GCC) countries as early as May-June to finalise a free trade agreement (FTA).

Bahrain FM Holds Talks with Russia's Lavrov on Ukraine, Iran Nuclear Talks

April 11, 2022, Arab News

Bahrain's Foreign Minister, Abdullatif Al-Zayani, said that he discussed a number of issues with his Russian counterpart Sergei Lavrov, describing the talks as constructive and fruitful.



# Egypt

# Wheat Exports: Egyptian Delegation in India to Visit Farms, Facilities

April 11, 2022, Financial Express

An official delegation from Egypt, one of the biggest importers of wheat, will be visiting India from Monday (April 11) to explore possibilities of sourcing grain from India to meet domestic demand.

Suspending Russia from UN Human Rights Council Linked to Politicising UN Bodies: Egypt

April 07, 2022, Egypt Today

Egypt's Permanent Representative to the United Nations, Osama Abdel Khalek, affirmed that Cairo does not see the draft resolution on suspending Russia from the UN Human Rights Council as being related to the Ukraine crisis, rather it is a politicisation of UN bodies.

Egypt Says Arab Countries Are Willing to Mediate Between Russia, Ukraine

April 04, 2022, Reuters

Arab countries have expressed willingness to mediate between Russia and Ukraine, Egyptian Foreign Minister Sameh Shoukry said during a press conference in Moscow.

Israel Ready to Export Gas to Europe via Egypt in September

April 07, 2022, The Jerusalem Post

Israel is preparing to step into the gap in Europe's energy market left by sanctions on Russian natural gas as soon as this summer, according to Energy Minister Karin Elharrar.



#### Iraq

# Forces at Iragi Base Hosting US Troops Shoot Down Drone

April 08, 2022, AL Arabiya

The US-led coalition fighting ISIS in Iraq said it shot down an armed drone that targeted an air base, reporting no casualties or damage.

# Why Arab Allies Don't Trust the U.S. on Ukraine

April 08, 2022, The Wall Street Journal

'This will not stand,' the US President said after Iraq invaded Kuwait. No such fortitude is evident today, one of the reasons why US' Arab allies do not trust Washington on Ukraine.

#### Iraq Enters Constitutional Vacuum

April 09, 2022, Middle East Monitor

After Parliament failed several times this year to elect a new president, Iraq has entered a constitutional vacuum. These events led to the end of the constitutional deadline set by the Federal Supreme Court on 6 April.



#### Iran

### After Russia, Iran to Sell Oil in Its Local Currency Instead of US Dollars

April 08, 2022, The New Indian Express

Iran may soon follow the Russian example and start selling oil and gas in its currency, Rial, instead of US dollars. The rial is likely to be bound to gold, just like the Russian Rouble. Sources said Iran may soon announce an attractive rial-gold exchange rate, which would incentivise purchase of oil and gas in rial or gold.

### Iran Sanctions 24 US Officials Over 'Terrorism' and Rights Abuses

April 09, 2022, AL Jazeera

Iran has added 24 United States officials and people to its blacklist of sanctioned individuals over charges of "terrorism" and violations of human rights of the Iranian people.

<u>Iran Wants U.S. To Show Goodwill by Lifting Some Sanctions Prior To Nuclear</u> Deal

April 10, 2022, Reuters

U.S. President Joe Biden should lift some sanctions on Iran to show his goodwill towards reviving the international nuclear agreement with Tehran, Iran's foreign minister Hossein Amirabdollahian said.

US Official: Iran's IRGC Won't Come off Terror List, Even if it Torpedoes Nuclear **Deal** 

April 09, 2022, The Times of Israel

The Biden administration will not remove the Islamic Revolutionary Guard Corps (IRGC) from the US terror list even though it may be a dealbreaker for Tehran signing a revived nuclear deal, an unnamed US official has said.

Iran Says US 'Imposing New Conditions' in Nuclear Talks

April 10, 2022, The Economic Times

"On the issue of lifting sanctions, they (the Americans) are interested in proposing and imposing new conditions outside the negotiations," state news agency IRNA quoted Foreign Minister, Hossein Amir-Abdollahian as saying.



Iran Nuclear Chief Says Tehran Has Given IAEA Documents on Outstanding <u>Issues</u>

April 06, 2022, Reuters

Iran has handed over documents related to outstanding issues to the U.N. nuclear watchdog, IAEA, Iranian nuclear chief Mohammad Eslami said, as Tehran demands closure of the agency's investigation into uranium particles found at three undeclared sites.



#### Israel

# PM Narendra Modi, Naftali Bennett Discuss Global Events, India-Israel <u>Cooperation</u>

April 04, 2022, The New Indian Express

Prime Minister Narendra Modi spoke to his Israeli counterpart Naftali Bennett, whose visit to India was postponed after he contracted Covid-19, to enquire about his health and also discussed recent global events.

India, Israel Hold Bilateral Workshop on Quantum Technologies

April 06, 2022, The Print

The objective of the workshop was to deliberate on quantum technologies, evolve a joint quantum technology roadmap and plan for developing technologies by collaboration between both countries, a Defence Ministry statement said.

HAL and Israel Aerospace Industries Sign MoU for MMTT

April 06, 2022, Hindustan Aeronautics Limited

In a move aimed at bolstering the 'Make in India' campaign, HAL has entered into an MoU with Israel Aerospace Industries (IAI) to convert Civil (Passenger) aircraft to Multi Mission Tanker Transport (MMTT) aircraft in India.

Secretary Blinken Not Overly Optimistic with The Prospects of Iran Nuclear Deal

April 06, 2022, The Jerusalem Post

Secretary of State Antony Blinken said that he is not "overly optimistic" at the prospects of bringing the nuclear agreement with Iran to a conclusion.

Israeli PM Bennett's Government in Crisis as Whip Idit Silman Quits, Stripping Coalition of Majority

April 06, 2022, Arab News

A key member of Israeli Prime Minister Naftali Bennett's Yamina party said she was quitting his coalition government, in a surprise move that leaves him without a parliamentary majority.

Bennett's Coalition Has Lost Its Majority. Could Netanyahu's Likud Now Regain Power?

April 06, 2022, The Times of Israel

Resignation of Yamina MK Idit Silman, the coalition whip, from Naftali Bennett's eight-party government has thrown Israeli politics back into chaos, depriving the



coalition of its parliamentary majority and opening up the possibility of a Likudled government.

Palestinian Rioters Vandalize Joseph's Tomb Amid Clashes with IDF

April 10, 2022, The Jerusalem Post

Palestinian rioters vandalized Joseph's Tomb in the West Bank city of Nablus amid clashes with the IDF, setting fire to the site, damaging the gravestone, a chandelier hanging above it, a water tank and an electricity closet.

US Lawmakers Call for Expedited Arms Deliveries to Israel, Citing Iran Nuclear Talks

April 08, 2022, Middle East Eye

A group of US lawmakers have urged President Joe Biden to accelerate the delivery of refuelling aircraft, fighter jets and military helicopters to Israel in order to "defend itself from Iran".

Ukrainian President Zelenskyy Says Wants Ukraine to Become a 'Big Israel'

April 05, 2022, AL Jazeera

Ukrainian President Volodymyr Zelenskyy has said he wants his country to become a "'big Israel' with its own face" after the Russian invasion ends, stressing that security would likely be the main issue in Ukraine during the post-war period.

Israel Condemns "War Crimes" in Ukraine's Bucha

April 05, 2022, Reuters

Prime Minister Naftali Bennett condemned the killing of civilians documented in the Ukrainian town of 'Bucha' but stopped short of accusing Russian forces of responsibility.

<u>Israel-China Free Trade Deal to Be Accelerated After Foreign Ministers Call</u>

April 07, 2022, CGTN

China and Israel have agreed to accelerate negotiations on a free-trade deal following a phone call between the Chinese State Councillor and Foreign Minister Wang Yi and Israeli alternate Prime Minister and Foreign Minister Yair Lapid.



### Jordan

Muslim Brotherhood in Jordan: We Are Doing Our Bit to Face Off Normalisation with Israel

April 07, 2022, Middle East Monitor

The Muslim Brotherhood in Jordan is doing all it can to stop the normalisation of ties between the kingdom and Israel, Observer-General of Muslim Brotherhood in Jordan, Abdul Hamid Al-Thneibat, said.



#### Kuwait

Gulf States Abstain as UN Suspends Russia from Human Rights Council Over **Ukraine Abuses** 

April 07, 2022, Middle East Eye

All six Gulf Arab countries abstained in a vote to suspend Russia from the UN Human Rights Council, as much of the international community rushed to condemn Moscow over its invasion of its smaller neighbour Ukraine.

Kuwait's Government Resigns in Latest Standoff with Parliament

April 05, 2022, Reuters

Kuwait's government submitted its resignation, state news agency KUNA reported, ahead of a no-confidence vote against the prime minister in parliament, amid a lengthy political feud that has hindered fiscal reform in the Gulf oil producer.



#### Lebanon

# Lebanon Reaches Preliminary \$3bn Deal With IMF

April 07, 2022, Financial Times

Lebanon and the IMF have reached a preliminary agreement for a \$3bn loan facility, the first significant step towards bringing relief from an economic and financial crisis that has crippled the country since 2019.

# Kuwait Vows Support to Cash-Strapped Lebanon

April 10, 2022, Middle East Monitor

Kuwait has vowed support to cash-strapped Lebanon, the Lebanese government said.



#### Oman

# Oman Participates in GCC Ministerial Council Meet

April 08, 2022, Times of Oman

The Sultanate of Oman has participated in the 151st session of the Ministerial Council of the Cooperation Council for the Arab States of the Gulf, which was held in Riyadh.



#### Qatar

# Qatar Gears Up to Host FIFA World Cup 2022

April 05, 2022, The New Indian Express

It is the first time that a Middle East country will be hosting the FIFA World Cup after fighting off stiff competition from countries like the US, Australia among others to clinch the bid.

India's Byju's Launches Its Subsidiary in Doha After FIFA World Cup Sponsorship

March 28, 2022, Business Today

India's edtech giant Byju's has signed a memorandum of understanding with the Qatar Investment Authority (QIA), the sovereign wealth fund of Qatar government, to set up a wholly-owned subsidiary in Doha, Qatar.

China's Qingdao Terminal Receives its First Qatari LNG Shipment

April 06, 2022, Doha News

The shipment is part of a 10-year agreement signed between what was formerly known as Qatar Petroleum, currently QatarEnergy, and Chinese state oil and gas company Sinopec Corp in 2021.



#### Saudi Arabia

#### Saudi Fund Looks for a Stake in Tata Power's Green Biz

April 11, 2022, Mint

Saudi Arabia's Public Investment Fund (PIF) is looking to buy a stake in Tata Power Co. Ltd's green energy, power transmission and distribution businesses.

RBI Forecasts Crude Oil Price At \$100 Per Barrel in FY23: Governor Shaktikanta Das

April 08, 2022, Moneycontrol

RBI's revised assumption of the crude oil price for making inflation and growth forecasts is sharply higher than the previous one.

<u>Crude Oil Prices to Swing Between \$90-110; US Fed May Hike Interest Rates by</u> 50bps

April 11, 2022, Financial Express

After falling from \$116 to \$95 per barrel, WTI has settled. Fears of Russian supply disruptions were temporarily put on the back burner by the coordinated inventory release by several countries and by extension of Covid lockdown in China.

<u>Saudi Envoy: Suspension of Russia from UN Human Rights Council is an 'Escalatory Step'</u>

April 08, 2022, Arab News

Saudi Arabia described a move by the UN General Assembly to suspend Russia from the UN Human Rights Council as an "escalatory step" that further aggravates an already tense situation.



# Syria

# General Who Ran Syria Operation to Lead Russian Troops in Ukraine

April 10, 2022, Bloomberg

Russia has appointed a new commander for its operations in Ukraine as it refocuses its war effort in the east, having failed to secure territory around the capital, Kyiv.

### Israeli Air Raids Target Positions in Syria

April 09, 2022, AL Jazeera

Israel launched new air raids on locations in Syria where Iran's Revolutionary Guards and Lebanon's Hezbollah have a presence, a human rights monitoring group said.



# Turkey

# Turkey Suspends Khashoggi Trial, Moves It to Saudi Arabia

April 07, 2022, The Telegraph

A Turkish court has confirmed transferring the case of the murder of journalist Jamal Khashoggi to Saudi Arabia - a move that his family and rights groups warned could lead to a cover-up of the killing.

<u>Ukraine</u>, <u>Russia 'Willing to Hold' Meeting in Turkey</u>

April 08, 2022, Daily Sabah

A Turkish official said that Russia and Ukraine are willing to hold peace discussions despite the Bucha massacre, but there are "issues pending."

Russian Attacks on Ukrainian Civilians Stalls Peace Talks, Says Turkish Mediator

April 07, 2022, Financial Times

Ibrahim Kalin, a senior adviser to Turkey's president Recep Tayyip Erdogan, said that the horrific images of dead civilians in towns such as Bucha and Borodyanka had affected Ukraine's willingness to continue negotiations.



#### UAE

# UAE's IHC to Invest \$2 billion in Adani Group's Companies

April 08, 2022, AL Arabiya

International Holding Co has agreed to invest 7.3 billion dirhams (\$2 billion) in three of Indian conglomerate Adani Group's portfolio companies.

Middle East Oil Exporters are Cashing in as Ukraine War Hits Global Economy

April 11, 2022, CNN

Some of the world's biggest hydrocarbon producers, the Gulf nations are seeing billions of dollars added to their coffers aided by a Ukraine war-driven rally in oil prices. They are expected to register their first budget surpluses after an eight-year oil slump that was compounded by a pandemic-linked downturn.



# Yemen

# Head of New Yemeni Council Promises 'End to War'

April 08, 2022, AL Jazeera

Rashad al-Alimi, who has close ties to Saudi Arabia, says the council will deal with 'challenges in all areas of Yemen without discrimination, without exception'.



# Turkey

# Zelenskyy-Putin Summit in Turkey in Sight as Russia, Ukraine Largely Agree on Draft

April 02, 2022, Daily Sabah

The prospect of a peaceful resolution to the war in Ukraine grew as a top negotiator for Kyiv said Moscow largely agreed to their proposals, at least "verbally," with the draft document having reached the stage where it is to be discussed by the countries' respective leaders.

# Russian Negotiator Says Too Early for Top Meeting on Ukraine

April 03, 2022, The Moscow Times

Russia's lead negotiator in peace talks with Ukraine said it was too early for a toplevel meeting between the Presidents of Russia and Ukraine on ending the conflict.

# Turkey Juggles Relationships with Russia, Ukraine Amid Economic Crisis

March 31, 2022, France 24

Turkey has played a major role in the search for an end to the Ukraine war as the host for talks between Moscow and Kyiv – the product of an ambivalent stance experts say is largely rooted in the troubled Turkish economy's deep links to both countries.



#### **UAE**

# Russia Will 'always' be a Part of OPEC+, UAE Energy Minister Says

March 28, 2022, CNBC

The United Arab Emirates' energy and infrastructure minister has insisted that Russia will always be a part of OPEC+ even as governments across the globe shun the oil exporter over its war in Ukraine.

# A Historic Milestone': Israel and UAE Sign Free Trade Agreement

April 01, 2022, The Times of Israel

After five months of negotiations, Israel and the United Arab Emirates signed a free trade agreement between the two countries, hailed as a "significant and historic milestone."

#### Iran Talks Key in Shaping Middle East's New Order, Says Dr Anwar Gargash

March 29, 2022, The National News

Dr. Anwar Gargash, diplomatic adviser to the UAE President, said the UAE was reaching out to all sides in the region in a bid to reduce tensions.

Joint Statement on the UAE-U.S.-Israel Religious Coexistence Working Group to Advance Interfaith and Intercultural Dialogue and Counter Religious Intolerance and Hatred

March 29, 2022, US Department of State

The United Arab Emirates, United States, and State of Israel have launched an ambitious agenda to promote interfaith and intercultural dialogue and counter religious intolerance and hatred at the inaugural meeting of the Trilateral Religious Coexistence Working Group in Dubai.



### Yemen

# Yemen's Warring Parties Agree Two-Month Truce in Major Breakthrough

April 02, 2022, Reuters

The U.N.-brokered deal between a Saudi-led coalition and the Houthi group aligned with Iran is the most significant step yet towards ending a conflict that has killed tens of thousands and pushed millions into hunger.



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