



# West Asia Watch

## *Trends & Analysis*



**West Asia  
Centre**



MANOHAR PARRIKAR  
INSTITUTE FOR  
DEFENCE STUDIES AND ANALYSES  
मनोहर परिकर रक्षा अध्ययन एवं विश्लेषण संस्थान

**Editor:**  
**Dr. Prasanta Kumar Pradhan**

**Associate Editor:**  
**Dr. Md. Muddassir Quamar**

- Editorial
- Geopolitical and Security Dynamics in WANA  
*Dr. Prasanta Kumar Pradhan & Mr. Prabhat Jawla*
- External Powers and WANA  
*Dr. Md. Muddassir Quamar*
- The Abraham Accords: Implications for the Region and India  
*Dr. Jatin Kumar*
- COVID-19 and its Economic Impacts in West Asia  
*Ms. Nagapushpa Devendra*
- India and the WANA: Cooperation Amidst the Pandemic  
*Dr. Lakshmi Priya*

**West Asia Centre**

**Manohar Parrikar Institute for  
Defence Studies and Analyses  
No. 1, Development Enclave,  
Rao Tula Ram Marg, Delhi Cantt,  
New Delhi – 110 010  
Tel. (91-11)2671 7983,  
Fax: (91-11)2615 4191  
Website: <http://www.idsa.in>**

*Disclaimer: Views expressed are of the author(s) and do not necessarily reflect the views of the Manohar Parrikar Institute for Defence Studies and Analyses (MP-IDSA) or of the Government of India*

# EDITORIAL

The geopolitical and security situation in the West Asia and North Africa (WANA) region continued to remain turbulent in 2020. The emergence of the COVID-19 pandemic added further discomfort to the ongoing violence and humanitarian crises in the region.

The COVID-19 pandemic forced lockdowns and closing of borders which deeply impacted the countries of the region. Apart from the loss of human life and the alarming atmosphere created by the pandemic, there were substantial economic fallouts for the region as well. By the end of the year, as the pandemic-induced lockdowns were lifted, the countries steadily, yet cautiously opened up the borders, religious sites and in-person diplomatic engagements.

The flaring rivalry between Iran and the US entered a new phase with the assassination of Qassem Soleimani in January 2020, as the tensions continued to simmer for the rest of the year. Conflict in various zones in Syria, Libya, and Yemen persisted, as the sporadic civil protests and demonstrations continued in Egypt, Iraq and Lebanon against the government. The relationship between Saudi Arabia and Iran continued to deteriorate. Increased Turkish involvement in active conflicts ranging from WANA to Mediterranean to Eurasia illustrated the Erdogan's ambitions and commitment for more active role in the regional geopolitics.

Inarguably, the positive news for the year came with the normalisation agreements signed between Israel and various Arab countries, including the UAE, Bahrain, Morocco and Sudan. Popularly regarded as "Abraham Accords," these agreements laid the foundation for serious geopolitical reconfiguration in WANA. Additionally, less popular yet crucial 'Deal of the Century' was presented which failed to garner much support as expected, including from the Palestinian leadership.

In spite of the severe challenges posed by the pandemic, India continued to undertake the large-scale evacuation of its nationals under the *Vande Bharat Mission*. India has been helping a number of the countries in the WANA region by supplying them medicines, medical equipment and health care professionals to help them fight the pandemic. As the restrictions eased, Indian External Affairs Minister and other high-level dignitaries made official visits to Iran, Qatar, Oman and Bahrain to further strengthen the bilateral relations.

This Special Issue attempts to analyse these key issues affecting the geopolitics and security in the WANA region and India's engagement and responses to crises that occurred over the span of this year.

## COMMENTARY

# *Geopolitical and Security Dynamics in WANA*

*Dr. Prasanta Kumar Pradhan & Mr. Prabhat Jawla*

Apart from the considerable challenges that the COVID-19 pandemic posed this year, the West Asia and North African (WANA) region witnessed significant geopolitical and security changes. The conflicts in Syria and Yemen continued to persist. While the tensions continue to simmer, Libyan parties have agreed to a ceasefire that provides hope for resolving the conflict. With support from the US, Israel has made efforts to engage and reach out to the Arab countries. The announcement of the 'Peace to Prosperity', the US President Donald Trump's plan for the resolution of the Israel-Palestine conflict, also known as the 'Deal of the Century' was one of the key political and strategic developments that took place in the region. Further, in September 2020, the 'Abraham Accords', epithet for the normalisation agreements between Israel and the Arab countries like the UAE and Bahrain have reconfigured the existing geopolitical and geo-economic equations in West Asia.

### **US-Iran Tensions**

For Iran, the year has been a difficult one. Apart from the sanctions that severely impaired its economy, the [assassination](#) of the General Qassem Soleimani of Iran's Islamic Revolutionary Guards Corps (IRGC) in January and the senior nuclear scientist

Mohsen Fakhrizadeh in November 2020 have come as enormous shocks for Iran. These assassinations have implications for Iran's regional ambitions, and it has also made Iran pursue an even more aggressive approach in the region.

The killing of Soleimani had grave implications for Iran's regional ambitions, as was illustrated by its continued preoccupation in Iranian thinking and actions for the rest of the year. The Trump Administration, on the other hand, intensified its 'Maximum Pressure' policy on Iran. The campaign increasingly targeted Iranian commercial sector and its various other partners, in particular, the Hezbollah in Lebanon and the Assad regime in Syria, under the banner of 'Axis of Resistance'. Iranian regime vowed for "[severe revenge](#)" for the Soleimani assassination, as it launched [missiles](#) against the US targets in Iraq on January 08. There was immense public outcry and support for Iran after Soleimani's death, but the accidental shoot down of Ukrainian airliner soon developed into [protests](#) that spread to Iran's major cities.

In May 2019, Iran first started reducing its commitment to the Joint Comprehensive Plan of Action (JCPOA) or the 'Iran Nuclear deal' in a phased

manner. In January 2020, after Soleimani assassination, Iran entirely withdrew all commitments under JCPOA, except for the inspections from the International Atomic Energy Agency (IAEA). From June onwards, the US remained engaged in at the United Nations to: first, extend the UN Arms [Embargo](#) on Iran (that was due on October 18); and second, to impose [snapback](#) sanctions against Iran. Owing to support from Russia, China and the E3, Iran was able to withstand the US pressure at the UN, although the US unilaterally [introduced](#) all sanctions that existed before signing JCPOA and UNSC resolution 2231 that was signed in July 2015. In late November, the assassination of senior nuclear scientist [Mohsen Fakhrizadeh](#) stunned the Iranian regime. In essence, the assassination will have a significant impact on Iran's regional aspirations in the short-term and long-term. It is hard to reach decisive conclusions on these issues, but the assassination has raised serious concerns for the regime's security prowess within Iran, and will have determining repercussions over its image in the regional.

Further, Iran also witnessed a number of explosions and industrial fires in nuclear facilities, military instalments and petrochemical facilities in several parts of the country. On July 2, an explosion damaged the Natanz uranium enrichment facility, one of the country's key nuclear sites. Iranian authorities called it a [sabotage](#) attack. There was a blast in an industrial facility in Parchin on July 26. The [Iranian authorities stated](#) that the

explosion took place at the gas-storage tank, thus, rejecting the initial suspicion of a blast. In October 2020, a blast also occurred in a [petrochemical plant](#) in the Imam Khomeini port near Mahshahr in Khuzestan. Although there has been no clear indication of involvement of any country, Iran has suspected the US and Israel's involvement in some of these blasts.

### **Conflict Zones: Syria, Libya & Yemen**

In Syria, as the civil war entered the tenth year, ceaseless violence continues throughout the country. In February, a major escalation took place when Syrian [airstrike](#) killed 33 Turkish soldiers that prompted a harsh response from Ankara. Turkish President Recep Tayyip Erdoğan issued warnings threatening a [military campaign](#) against Assad, unless it sticks to the ceasefire agreement reached earlier in January. Later, Turkish defence minister [Hulusi Akar](#) claimed that Turkey neutralised more than 300 Syrian troops in a retaliatory attack. The increased hostilities subsided when Putin and Erdoğan reached an [agreement](#) in March to cease fighting in Idlib. The agreement called for joint patrols, forming a 'security zone' between the Syrian-Turkish border and a ceasefire. The strong Turkish position in Syria and its involvement in the various conflict have led to Turkey's rise as a critical player in the regional geopolitics.

By the end of this year, there was a build-up of US-Russia rivalry in Syria. The forces from both countries [clashed](#)

multiple times. After one such clash that left seven US soldiers injured, Washington announced the deployment of [armoured vehicles](#) and military assets in Syria. Such deployment is not uncommon, but it garnered attention due to President Trump's statement about the deployment. He said, "We are out of Syria other than we kept the oil. I kept the oil. We have troops guarding the oil. Other than that we are out of Syria." At present, the US has nearly 500 troops in north-eastern and southern Syria to prevent the Islamic State's return and guard Syrian oil fields.

This year, Israel also amplified airstrikes on Syrian territory that predominately targeted the [Iranian instalments](#). The Syrian regime observed the high-profile visits (separately) by Iranian and the Russian foreign ministers. [Sergey Lavrov's](#) visit was crucial given this was his first since 2012, which resulted in the signing of 40 projects in Syria, mainly concerning post-war reconstruction. No credible political negotiation could take place on the Syrian crisis partly due to the pandemic, and partly, due to the continued tensions in Idlib, the country's last rebel-held province. In July, the first virtual session of the [Astana Process](#) took place, in which the leaders from Iran, Russia and Turkey discussed vital issues related to the Syrian conflict.

In October, [Oman](#) reinstated its ambassador to Syria, thus, becoming the first GCC country to resume full

diplomatic relations with the Assad regime.

In Libya, there were promising developments in the Libyan Peace Process. The negotiations made headway after both parties to the conflict—Libyan National Army (LNA) under Khalifa Haftar, based in eastern Libya and the UN-recognised Government of National Accord (GNA), based in Tripoli—agreed on terms of the agreement in Berlin Conference in January. The meeting resulted in the 55-Point [List of Conclusions](#), which covered various aspects related to the negotiations and peace process. Among other things, it was agreed to create an International Follow-Up Committee (IFC) to monitor the peace process's progress and establish tracks concerning military, political and economic agendas.

The second round of talks in August by the 5+5 Joint Military Committee delegations—Prime Minister Fayez Al Serraj (GNA) and Speaker of the House of Representatives Aguila Saleh (LNA)—resulted in ceasefire extension and the lifting of eight months of [oil-blockade](#). Later, in September, the consultation took place in [Montreux](#) (Switzerland), under the auspices of Centre for Humanitarian Dialogue and in the presence of the United Nations Support Mission in Libya (UNSMIL). The major [outcome](#) was agreeing to hold Presidential and Parliamentary elections based on an agreed constitutional framework. This also led to the resumption of the inclusive Libyan Political Dialogue Forum,

chaired by Stephanie Williams, Acting Special Representative of the Secretary-General (ASRSG) and the head of UNSMIL. Later, in October, a [permanent ceasefire](#) was signed by the representatives of the 5+5 Joint Military Committee. Also, the [Libyan Political Dialogue Forum \(LPDF\)](#) was launched virtually followed by an in-person meeting in November in [Tunis](#). The 75-delegates conference [agreed](#) on the roadmap to “credible, inclusive and democratic national elections,” to be held on December 24, 2021. Simultaneously, multiple consultations involving military and economic committees were held, discussing various aspects related to the Libyan future. So far, there has been no consensus on the [transitional government’s](#) details or a unified executive authority that would be capable of organising the free and fair elections, as per the agreed constitutional framework. The unfolding peace process is significant as it may hold lessons for resolving other conflicts in the region.

The conflict in Yemen is persistent despite the pandemic. In March, there was a selective moratorium on conflict. However, the constant violations of ceasefires and moratoriums continued throughout the year. The country’s deteriorating security situation forced international aid-agencies to provide humanitarian relief to withdraw from the country. This further affected the people of the country during the pandemic. In May, the heads of 17 organisations representing the international humanitarian community

said in a [statement](#) that “UN agencies and their global partners are seeking US\$ 2.41 billion to fight COVID-19 spread in Yemen while continuing to support millions affected by the world’s worst humanitarian crisis.” Nearly 80 per cent (24.3 million) of the Yemeni population, continue to need humanitarian assistance. The October report of [OCHA](#) noted, “Over 156,000 people have been displaced this year alone, adding to the 3.6 million existing internally displaced persons (IDPs).” The humanitarian situation in the country continues to worsen. In terms of territory, there were no major gains for any side. However, the Houthis consolidated their position in the territories under their control.

In April, the UAE-backed [Southern Transition Council](#) (STC) declared self-rule in the port city of Aden and the provinces in South Yemen. Earlier, the STC had fought with Saud-led coalition against the Iran-backed Houthis in the North. In June, the STC seized the strategically important [Socotra](#) Island in the Gulf of Aden, ousting its governor Ramzi Mahroo. In July 2020, the Yemeni government and the STC agreed on a deal and signed the ‘[Riyadh Declaration](#)’. As per the Riyadh Declaration, the STC agreed to abandon their claim for self-rule and agreed to be a part of the President Abd-Rabbu Mansour Hadi’s cabinet.

### **Deal of the Century**

In January 2020, the US President Donald Trump announced the Israel-Palestine peace plan known as the “Deal of the Century.” This 181-page

plan, officially entitled, “Peace to Prosperity: A Vision to Improve the Lives of the Palestinian and Israeli People,” lists a multitude of aspects related to the Israeli-Palestinian conflict. An initiative of the Trump Administration, the proposed peace plan [offers](#) a “comprehensive peace agreement between Israel and the Palestinians.” The plan provides for major economic benefits to the Palestinians but strengthens Israel’s politico-security control while remaining committed to the “Two-State Solution.” According to the document, “This Vision [Deal of the Century] is security-focused, and provides both self-determination and significant economic opportunity for Palestinians.” Understandably, the plan was reviled by the Palestinian leadership and also received disparaging responses from Iran, Qatar and Turkey. The Palestinian Authority (PA) rejected the deal as terminated its security cooperation with Israel.

### **Abraham Accords**

In August, the UAE announced the [normalisation](#) of relations with Israel, followed by similar announcements by Bahrain, Sudan (in October) and Morocco (in December). The signing ceremony took place at the [White House](#) on September 15 with the US President Donald Trump, Bahraini Foreign Affairs Minister Abdullatif bin Rashid Al Zayani, Israeli Prime Minister Benjamin Netanyahu and the UAE Minister of Foreign Affairs Abdullah bin Zayed Al Nahyan signing what is now known as the “Abraham

Accords,” a reference to inter-faith reconciliation. The Abraham Accords will significantly impact the regional geopolitics in West Asia with the normalising Israel-Arab relations. It is also expected to provide an economic boost to Israel, as well as, the Arab countries. It may allow the Arab Gulf countries to get increased access to military technology from Washington along with the access to the Israeli technology. However, at the same time, it comes as a blow for the Palestinian efforts towards a separate statehood. Ankara took a condemning position on Abraham Accords, which was similar in the stand taken by Doha and Tehran. All three countries have been united in their opposition to the Accords and their support for the Palestinian issue.

### **GCC crisis**

There has been some headway in resolving the GCC crisis since the isolation of Qatar in June 2017. In December 2020, it was [reported](#) that Qatar and Saudi Arabia are close to striking a preliminary agreement, as the President Trump’s adviser Jared Kushner visited Saudi Arabia and Qatar in an effort to reach a negotiated settlement of the crisis. In Doha, Kushner met with country’s Qatari Emir Sheikh Tamim bin Hamad Al Thani and Saudi Crown Prince Mohammed bin Salman in Riyadh. Saudi Foreign Minister Faisal bin Farhan Al Saud [stated](#) that “We are in full coordination with our partners in this process and the prospects that we see are very positive towards a final agreement”, indicating progress in the



talks. Similarly, Qatar's Foreign Minister Sheikh Mohammed bin Abdulrahman Al Thani [stated](#) that "Right now there are some movements that we hope will put an end to this crisis," adding that, "We believe that Gulf unity is very important for the security of the region. This needless crisis needs to end based on mutual respect."

### **Continuing Protests: Egypt, Syria & Lebanon**

The trends of protests against the corruption, poor governance and economic mismanagement continued notably in Iraq, Lebanon and Egypt. In Egypt, the Sisi government had trouble assuaging the public over the failure to [address](#) the economic problems, particularly the high food prices and rising unemployment. Largely, the protests [remained](#) "small but widespread street protests...in some of the poorest and most remote areas in the country." However, in the key cities like Cairo and Alexandria, the protestors chanted anti-government slogans, including "[Don't fear, Sisi must walk.](#)" A report by the Egyptian Commission for Rights and Freedoms [suggests](#) that around 400 people were arrested/detained in the wake of the September protests.

In June, the Syrian government of Bashar Al Assad faced remonstrations in [Suweida](#) province in the South. This Druze-majority province had been supportive of Assad's regime during the civil war, but the rising food prices, unemployment, low wages and absence of essential items pushed people on the

streets. The protests soon escalated, and as a result of mismanagement, President Assad sacked the country's Prime Minister [Imad Khamis](#). The protests also occurred in other territories under government control with almost similar grievances of economic hardship and food prices. Although the civil war is close to an end, the situation of the Syrian economy may again push the country in the direction of the conflict. In June, the [Syrian Lira](#) fell to the record low of 3000 against the US dollar, which at the beginning of the conflict was equal to US\$ 47 in the open market.

Another critical centre of protests and demonstrations was Lebanon, where the people from all segments of the society protested against the government. The protests had continued since October 2019, when Prime Minister Saad Hariri resigned paving the way for the formation of an expert's government. [Hassan Diab](#) succeeded Hariri whose term witnessed massive protests, owing to deprecating value of Lebanese pound and rising inflation. The protestors took to streets, in front of government offices, Prime Minister's residence and Lebanese Central Bank to protest. The situation worsened when on August 04, a massive explosion on [Beirut's port](#) took place, which killed more than 200 people and injured another 6,500. Identified as one of the biggest non-nuclear explosion in history, the experts have estimated the explosion yield to be around 1.1 [Kilo Tonnes](#) (KT). The ghastly explosion also resulted in a massive loss to property nearing US\$[15](#)

[billion](#) and 3,00,000 people left homeless. The [2,750 tonnes](#) of ammonium nitrate is identified as the principal cause for the explosion, which had been lying in the port warehouse for years without proper safety measures. The initial enquiries have revealed that despite explicit [warnings](#), the substance was not moved to safety. In essence, the blast contributed to the existing protests, and as a result, the cabinet of [Hassan Diab](#) resigned *en masse* on August 10, a week after the attack. This followed a failed attempt by [Mustapha Adib](#), a seasoned diplomat at creating a cabinet. Later, in October, [Saad Hariri](#) was declared as the Prime Minister-designate by President Aoun, who vowed to create a government of “nonpartisan experts.” Given the structural challenges that Lebanon face today, Hariri is certainly is going to face a difficult political and economic situation in the country. Thus, until the major structural issues remain unaddressed, the protests are likely to continue into the next year.

## **Terrorism**

Despite the Iraqi government’s claim of defeating the ISIS, the ISIS continued to succeed in reorganising itself and launching terrorist attacks in the country. The remnants of the ISIS, especially the sleeper cells, launched attacks on security forces and civilians. According to a [report](#), in August alone, the ISIS launched more than 100 terrorist attacks. Similarly, the ISIS has also launched several [terrorist attacks](#) in Syria. In August 2020, the UN [declared](#) that over 10,000 ISIS fighters

are active in Iraq and Syria ‘moving freely’ between these two countries. Vladimir Voronkov, Under-Secretary-General of the United Nations Office of Counter-Terrorism, further [cautioned](#), “The global threat from ISIL is likely to increase if the international community fails to address pressing challenges.” It is trying to gain a foothold in conflict-ridden Yemen by taking advantage of the continuing civil war and weak central authority. The ISIS has [claimed](#) terrorist attacks in Libya as well.

In 2020, two prominent terrorist leaders were eliminated. In January, [Qasim Al-Raymi](#), one of the founders and former-emir of Al-Qaeda in Arabian Peninsula (AQAP) was killed in a US airstrike. Later, Israel claimed responsibility for neutralising Al Qaeda’s second-in-command, [Abu Muhammad Al-Masri](#) in Tehran. Additionally, there were unconfirmed reports about the death of [Ayman Al Zawahiri](#), Al-Qaeda’s chief due to liver cancer. The death of Raymi and his senior aid, Abu Al-Baraa Al-Ibbi had proved detrimental to AQAP’s activities in Yemen. Hitherto, AQAP maintains a cadre of [7,000 fighters](#), but its hold has remained restricted to southern and central governorates. Although, the territorial hold in Southern governorate of Mukayras is shrinking. In the past, the group had fought long battle with the Islamic State Yemen for dominance, but the hostilities ceased in February 2020, as per the [ACLED](#) reports. However, this year, the AQAP’s focus has shifted to protect its held territories in Al-Bayda governorate, where it has faced severe challenges from the

Houthis. As such, the AQAP in Yemen appears to be retrenching, while directing its engagements predominantly against the Houthis. For instance, from January to November, 50 per cent of the AQAP's attacks were aimed at the [Houthis](#). In sum, this year, the group suffered unprecedented setback in loss of leadership, which may provoke competition for leadership within the ranks of al-Qaeda.

In Syria, the Al Qaeda's affiliate Hurras ad Din carried two notable attacks. First, in March, a [strike](#) against the Turkish soldiers in Syria, and second, in May, the group [attacked](#) the government's garrison in Hama province that killed 18 soldiers.

## **Conclusion**

Throughout the year, the geopolitical situation in the region has remained tensed. The tension between the US and Iran continues to remain high. Violence and armed conflict also continued in the conflict zones like Libya, Syria and Yemen for the most parts of the year. The civil unrest in Egypt and Lebanon also created a disconcerting atmosphere in these countries. But despite the ongoing tensions and the spread of the COVID-19 pandemic, efforts to reach solutions to the crises have continued. The announcement of the 'Deal of the Century' and Israel's normalisation agreements are two important initiatives towards achieving regional peace and stability in the region. The headway in the Qatar crisis, ceasefire agreement among the warring groups in Libya and the Riyadh Agreement between the Hadi

government, and the STC in Yemen are some key negotiations that have taken place during the year. But given the volatility of the region's situation and the past trends of violation of the ceasefires and agreements, it remains to be seen how long the current ceasefires and agreements hold in the region.

(Dr. Prasanta Kumar Pradhan is an Associate Fellow and Coordinator, West Asia Centre, MP-IDSA.)

(Mr. Prabhat Jawla is a Research Intern at the West Asia Centre, MP-IDSA.)

# *External Powers and WANA*

*Dr. Md. Muddassir Quamar*

As a geopolitical space, the West Asia and North Africa (WANA) region has long attracted global powers because of its strategic location, connecting the three continents of Africa, Europe and Asia, and for its hydrocarbon and mineral resources. The region was a theatre for power struggle between the US and USSR during the Cold War. With the changing nature of international politics and its impact on global order towards multipolarity in the twenty-first century, the competition for dominance and influence in WANA intensified further. The rise of ambitious regional actors together with a scramble among the global powers to pursue their interests created a complex web of alignments, realignments and partnerships that are increasingly becoming more fluid and hard to decipher. Policies pursued by big and small regional actors of Multialignment and strategic hedging have made the choices for the external actors difficult.

In the current geopolitical scenario, there are four leading powers, namely the United States (US), Russia, China and the European Union (EU), which are competing and cooperating with multiple middle powers, including India, Japan, South Korea, Indonesia, Malaysia, Australia, Brazil, South Africa and after Brexit, the United Kingdom (UK), that

have been engaging with the regional actors to maximize their interests creating a web of geopolitical developments. This becomes more complicated when looked within the context of important regional actors, namely, Saudi Arabia, Iran, Israel, Turkey, Egypt, the UAE and Qatar, which have engaged with the aforementioned external actors through various bilateral and multilateral mechanisms to pursue their interests.

This essay aims to look at the important developments vis-à-vis policies pursued by the US, China, Russia and the EU towards WANA in 2020, and the broader trends that are of significance for Indian foreign policy. The essay suggests that from an Indian viewpoint, five broad trends need to be taken into account. One, shifting US foreign policy priority to the Indo-Pacific; two, Russia's re-entry in regional politics; three, China's growing inroads in WANA; four, the declining influence of the EU as a block; and finally, multi-alignment and hedging strategy followed by regional actors. Broadly, in 2020, despite the disruptions caused by the COVID-19, in terms of physical movement of people, halting of supply-chain networks and logistics, and the rise of the new trend of remote diplomacy through the use of technology and social media, these geopolitical

trends continued, and to an extent intensified.

## The US

The US foreign policy under President Donald Trump became erratic and compulsive without any regard for due process and expert advice, which was normally the hallmark of US foreign policy decisions in the past. Decisions to withdraw from multilateral agreements, such as the Joint Comprehensive Plan of Action (JCPOA) and the Paris Climate Agreement both signed in 2015, and a [tirade against multilateral organisations](#) including, but not limited to, the World Trade Organisation (WTO), the United Nations (UN) and the World Health Organisation (WHO) in the wake of COVID-19 underlined the compulsive style of Trump's foreign policy. In the Middle East, decisions to intensify pressure on Iran after withdrawal from JCPOA, cheering, or perhaps even provoking, a split within the Gulf Cooperation Council (GCC), decisions to break from the precedent on Israeli claims to sovereignty over Jerusalem and Golan Heights and the announcement of complete withdrawal (eventually it was only a significant reduction) in troops in Syria ruffled many feathers both in the region and beyond.

However, 2020 will be remembered for the targeted killing of Iranian General Qassem Soleimani and the signing of the Abraham Accords between Israel, United Arab Emirates (UAE) and Bahrain. The first was a [continuation of the "maximum pressure" campaign](#) and aimed to limit

Iran's growing regional military expansionism. In many ways, the US foreign policy under Trump has come to focus on the Islamic Republic, its nuclear program and the defiance of the clergy-led regime in Tehran to become part of the US-led order in the Middle East. The [US-Iran tensions](#) have a long history going back to the 1979 Islamic revolution, but in recent times, it is the Iranian nuclear program and the Iranian regional expansionism that has become a bone of contention. Both are a threat to the US foreign policy, but more so a security threat to its regional allies in Israel and Saudi Arabia.

The second, the signing of the [Abraham Accords](#) is truly a breakthrough moment in the history of Israel-Arab relations and a significant departure from the “three Nos – no peace, no recognition and no negotiations” agreed in the 1967 Arab League summit in Khartoum. That [Sudan joined the lead](#) of the UAE and Bahrain was indeed a symbolic victory for Israel. The three were in December joined by [Morocco in announcing the normalisation](#) of ties with the Jewish state. The Accords are indeed a result of the Trump Administration's tireless campaign chasing a “Deal of the Century” to resolve the Israeli-Palestinian conflict. Indeed, the Administration finally presented a roadmap in January, which was expectedly rejected by Palestinians and did not evoke much hope among the international community. Nonetheless, [Trump was able to convince friends in Abu Dhabi and Manama](#) to take a leap of faith to publicly and formally do what

was already going on behind the scene, and as such, this could well be the biggest achievement of his Administration.

Besides these two significant developments, 2020 continued to witness a shift in US foreign policy towards the Indo-Pacific, not so much as declining interest in the Middle East, as some would like to argue, but to [contain a rising and assertive China](#). A concern that the US shares with India and which has led to growing Indo-US cooperation in the Indo-Pacific through both bilateral and multilateral mechanisms. For India, however, the question of reconciling its West Asia policy with its broader interest of balancing China poses a serious challenge. Within this perspective, Iran poses a challenge for New Delhi. While India's relations with Saudi Arabia and Israel have witnessed significant growth, its multi-alignment policy followed in West Asia has been disrupted because of the US factor. New Delhi might expect for the US-Iran hostilities to become less acute under the Democratic Administration of Joseph Biden, but the Iran challenge in India's West Asia policy will remain, especially since both Riyadh and Tel Aviv will keenly observe New Delhi's position vis-à-vis Tehran.

## **China**

China has over the past decades constantly enhanced its political, economic and strategic engagements in the WANA region. While trade, commerce and investments dominate the Chinese policies in the region, it is the institutionalisation of the ties [within the](#)

[framework of the Belt and Road Initiative \(BRI\)](#) that has alarmed the world. China's ability to incorporate its trade and connectivity projects with various regional countries in South, West and Central Asia has reminded the world that Beijing is moving to prepare the ground to expand its dominance outside its immediate neighbourhood, and looking to emerge as the sole Asian giant dominating the whole of Asia, while making significant strategic inroads in Africa and Europe. In WANA, China has emerged as the leading [trade partner for a majority of the Gulf and Middle Eastern countries](#) simultaneously with Beijing undertaking huge developmental and infrastructure projects of building international transportation corridors, constructing ports, and developing new cities, thus making the regional countries increasingly dependent on Beijing. In addition to trade and commerce, China has moved to develop security cooperation with regional countries and is taking more interest in the political developments in the region, [making its engagement more strategic](#).

Though the COVID-19 disrupted trade and commerce, it did not seriously affect the growing Chinese diplomatic and political engagement with WANA. Although the origins of the pandemic were traced to China, Beijing managed to enhance bilateral engagement with the regional countries by [engaging in pandemic diplomacy](#). It extended medical, logistics and training aides to the regional countries that were not only vulnerable but also lacked any prior

experience of handling such a massive outbreak of disease. While in the beginning when the pandemic broke out in Wuhan, it was China that received support from the Gulf countries, later when COVID-19 started to spread to the region, the role was reversed. China used the pandemic to continue with its active diplomatic engagement with the region and this had led many to believe that [China's engagement with the region will grow even faster](#) in the future.

Besides, one of the major concerns as far as India and global powers are concerned is [China's growing strategic footprints in the Western Indian Ocean](#). Chinese maritime and naval presence has grown significantly in the region stretching beyond Southeast Asia to Sri Lanka, Seychelles, Oman, Djibouti and the eastern coast of Africa. China's building of port and land infrastructure in Myanmar (CMEC) and Pakistan (CPEC) has made India doubt Beijing's intentions in South Asia, and this has led India to seek the strengthening of ties with the US, at the bilateral level and [engage with the US, Japan and Australia, at the level of Quad](#). China's growing strategic inroads in WANA, taken together with its growing footprints in the Western Indian Ocean and India's immediate neighbourhood in South Asia, is bound to concern New Delhi.

In WANA, China's strategic partnership with Iran is a major cause of concern as India's relations with the Islamic Republic has been seriously affected because of the US factor, but this has not deterred Beijing to continue its

engagement. This was reflected in the [Iranian announcement that the two have agreed to a draft agreement](#) that envisages a 25-year comprehensive strategic partnership with billions of dollars in investments in the struggling Iranian economy. While the fine prints of the agreement are yet to become public, there is no doubt that China is interested in continuing its economic and strategic engagement with Iran. For India, this was a sign that [it cannot completely abandon its bilateral engagements with Iran](#) that will push Iran into Chinese sphere of influence.

## **Russia**

Russia under Vladimir Putin, despite lacking the economic and political clout of the Soviet Union, has moved to maximise its global presence and influence wherever an opportunity arises. The Arab Spring presented an opportunity for [Russian re-entry in Middle East geopolitics](#). Moscow, without any significant political or economic commitment has gained a foothold in the region through its military intervention in Syria. This has given Russia an extraordinary position to maximise its interests in the region by engaging with all major regional powers and play a significant role in the regional geopolitics. Though Moscow might not be interested in prolonging its significant military presence in Syria, this has provided Russia a chance to showcase an [ability to challenge the US dominance in WANA](#).

Russia provides an alternative to regional powers for seeking military and strategic support, in case, it does not come from the US. This has led the regional powers to engage in strategic hedging vis-à-vis Washington and Moscow. Egypt, Israel, Turkey and Iran as well as the Gulf States have looked to engage Moscow more vigorously in the recent years, and Russia has obliged without actually making any commitments on the ground, except in Syria.

The trend has continued in 2020 with continued diplomatic, trade and political engagements between regional powers and Russia despite the disruptions caused by the COVID-19. At the level of regional geopolitics, Russia though is not aligned with any regional or external powers, the signs of it siding with forces that can challenge the US hegemony are clear. It has thus [been critical of the US policies](#) vis-à-vis Iran, the Persian Gulf and Israel-Palestine. From this perspective, cooperation between Russia, China and Iran might not be completely ruled out, and this will pose a serious challenge for India that will see this as another sign of Chinese intentions of dominating Asia, drawing New Delhi closer to the US. This will, however, mean that India and Russia will find themselves in opposing camps making the bilateral relations complicated.

## EU

In addition to the policies pursued by the US, China and Russia, the EU is an important external actor with significant engagement in WANA. After Brexit, the

EU as a block has become weaker and most EU members have begun to take rather individualistic positions on regional issues. This was seen more profoundly in the civil war in Libya and the dispute in Eastern Mediterranean wherein the [EU has failed to come to a consensus decision](#). While the differences are not unresolvable and eventually the EU has joined forces to condemn Turkey and its actions, this was more a reaction to aggressive Turkish postures than a reflection of cohesion among the members. Even in Turkey, the differences between Germany and Italy on one side, and France, Greece and Cyprus on the other have remained serious. The EU also has been [seriously divided on the US policies in the region](#), especially on Iran and the Israeli-Palestinian conflict where the block is more at ease with the Democratic position than the Republicans. Hence, for the EU, the failure of Trump's re-election bid has come as a sigh of relief.

India's positions on the regional matters including Iran, the Israeli-Palestinian conflict and other issues are closer to the EU which advocates a rule-based order and solution based on amicable negotiations. On [Iran, for example, both the EU and India](#) wish to engage it diplomatically to convince it to abandon its nuclear program due to their position on nuclear non-proliferation while simultaneously continuing with trade and business relations. Their choices, however, get complicated because of the US that both cannot afford to ignore.



## **Prognosis**

The broad trends vis-à-vis the external powers' engagement in WANA continued in 2020, and are likely to remain so in the immediate future. However, the US policy on Iran are likely to see a departure under the Democratic Administration. Biden during his campaign trail has said that he will re-join the JCPOA but this will be dependent on the legacy left by the President Trump during his final days in the White House that can permanently jeopardise the possibilities of reviving the international agreement on the nuclear program.

India, though can deal with the situation either way, it would prefer a less hawkish US administration on Iran that will make

the bilateral relations with Iran less complicated. On other issues too, the incoming Biden Administration is likely to take a more nuanced position compared to the Trump Administration, and this will be more favourable to India. Broadly, however, the changes are unlikely to alter the five broader regional trends recounted earlier that pose both challenges and opportunities for India. The COVID-19 has altered the nature of diplomacy and created newer opportunities for India to engage with the countries in WANA, especially in terms of extending help to equip them to fight the crisis better, and as this provides newer opportunities for India in WANA.

(Dr. Md. Muddassir Quamar is an Associate Fellow at the West Asia Centre, MP-IDSA.)

# *The Abraham Accords: Implications for the Region and India*

*Dr. Jatin Kumar*

The geopolitics of the West Asian region witnessed a significant change with the signing of the 'Abraham Accords' between Israel, UAE and Bahrain at the White House on 15 September 2020. The historic agreements were brokered by the US President Donald Trump and signed by Benjamin Netanyahu, Israeli Prime Minister, Sheikh Abdullah Bin Zayed, the UAE's Minister of Foreign Affairs and International Cooperation and Abdullatif Al Zayani, Bahrain's Minister of Foreign Affairs. Prior to this, only three Arab countries-Egypt (1979), Jordan (1994) and Mauritania (1999)-recognised Israel. However, the relations with Mauritania sustained only until 2009-10 and ruptured due to Operation Cast Lead (2008-09). Indeed, the accords signify a momentous [breakthrough in terms of Israel's regional](#) status.

The Accords were largely an outcome of two factors. The first one stemmed from the rising [Iranian threat, which created a feeling](#) of insecurity among Israel and the Gulf countries within the region. From a geopolitical viewpoint, the Gulf countries believed that relations with Israel will [strengthen their deterrence against a potentially nuclear Iran](#). The second factor relates to the conducive environment provided by the Trump Administration's close relations with the two parties. According to [Shnuel Sandler \(Researcher at the Begin Sadat Centre for](#)

[Strategic Studies\)](#), another factor which [has](#) pushed the Gulf states to go public about the relations with Israel, is the lukewarm response of the US to the security challenges faced by the Gulf countries [such as the Saudi oil fields attack and the ongoing war in Yemen between](#) the Iran-backed Houthi rebels and Saudi-backed Hadi-led government.

The Accords came at a time when Israel was facing severe international and domestic criticism over the issue of the West Bank annexation. The right and far right political parties in Israel criticised the suspension of annexation whereas the centrist constituencies supported it. Later, Prime Minister stated that the plan to annex parts of West bank was only [suspended, not discarded](#).

The agreements have triggered a domino effect, wherein, other Arab and Asian countries have followed suit, including Sudan, [Morocco](#) and [Bhutan](#) to normalise relations with Israel. Speculations are rife about which other countries will join the normalisation drive as the reports about [Saudi Arabia and Oman](#), being in talks with Israeli leadership have emerged.

## **Key Provisions of the Accords**

The agreement with UAE described the relations between the [parties under 12 key points](#), ranging from normalization

of relations to peaceful settlement of dispute. Other important provisions included cooperation and friendly relations to bring peace and stability in the region, strengthening bilateral relations in [fields such as healthcare, energy, tourism, and so on, people-to-people exchanges](#) and establishment of embassies. The cornerstone of the deal was the principle of tolerance and interfaith coexistence which was mentioned in the beginning of the text. The text also underlined that all parties agreed on working with the US to launch “a [‘Strategic Agenda for the Middle East’](#) in order to expand regional diplomatic, trade, stability and other cooperation”, which will indeed open the door to wider engagements. On the issue of Palestine, the text advocates the importance of negotiated settlement. However, it did not discuss the key roadblocks in the Israel-Palestinian conflict such as issue of Jerusalem, partial annexation of West Bank and problem of refugees.

The provisions of [the agreement with Bahrain](#) were on similar lines as that of the UAE encompassing peace, stability and mutual cooperation in the region as the major tenants. However, the document was a little less elaborate and extensive as compared to the one between Israel and the UAE. With respect to Morocco, its signing of the Joint Declaration was [conditional on the recognition of its sovereignty over Western Sahara](#). In light of this, the US has proposed to facilitate economic and social development of Morocco along with the Western Sahara region.

## **Post-Accords Bilateral Developments**

Since the Accords have been signed, political, economic and business activities between Israel, the UAE and Bahrain have been progressing speedily. Seventeen days after the Joint Statement of the United States, Israel and the UAE, Israeli carrier *EL-Al* made its first commercial [flight to Abu Dhabi on August 31, 2020](#). This was the first time when an Israeli flight was approved to fly over the Saudi Arabian airspace, which significantly reduced the travel time and operational cost of the flight. The Saudi decision strengthened the speculations that Saudi Arabia may normalise relations with Israel in the near future.

This was followed by a series of Memorandum of Understandings (MoUs) and agreements between the Israeli and the Emirati institutions to develop cooperation in various fields. On September 12, 2020, UAE’s Mohamed bin Zayed University of Artificial Intelligence and Israel’s Weizmann Institute of Science signed a [MoU](#) to expand cooperation in the domain of Artificial Intelligence. On October 12, 2020, Prime Minister Netanyahu spoke with the UAE Crown Prince Mohammed bin Zayed and agreed on working [together to defeat the coronavirus pandemic](#). On October 19, 2020, a [cargo ship](#) from the UAE docked at Haifa port, carrying washing machines, electronic devices and food. A marked improvement in connectivity between Israel and the UAE was registered with [FlyDubai starting direct flight](#) between

Tel Aviv and Dubai on November 26, 2020.

On December 8, 2020, [Gulf Information Technology Exhibition \(GITEx\)](#) Technology Week, one of the world's largest annual tech summits, saw the participation of an economic delegation from Israel which included senior government officials and private sector companies. The participation of the delegation was a step towards engaging in a comprehensive economic initiative following normalisation of ties between Israel and the UAE.

The pace of improvement in relations between Israel and Bahrain have also accelerated. On September 22, 2020, Netanyahu [spoke](#) with Salman bin Hamad Al-Khalifa of Bahrain regarding the quick implementation of the content of “agreements between Bahrain and Israel and turning this peace into economic peace, [technological peace](#), [tourist peace](#), [peace in all of these fields.](#)”

During the Israeli delegation's visit to Bahrain, led by the head of National Security Council, Meir Ben-Shabbat on October 18, 2020, both the countries signed seven MoUs and one agreement, related to the establishment of peaceful relations, economic and trade cooperation, civil aviation, cooperation between the ministries of finance, MoUs in the fields of telecommunications, information technologies and postal services and agriculture. Furthermore, the cooperation between the Ministries of Foreign Affairs for the [exemption](#) of Visa Requirements for Holders of

Diplomatic, Special or Service Passports was agreed upon. On November 18, 2020, Abdullatif bin Rashid Al-Zayani (Minister of Foreign Affairs of Bahrain) submitted a [MoU to its Israeli counterpart, Gabi Ashkenazi](#) to open embassies in respective countries, during his first visit to Israel. He also participated in a trilateral meeting with Netanyahu and the US Secretary of State, Mike Pompeo.

Similarly, on December 1, 2020, the first *Gulf Air* flight from Bahrain arrived at David Ben-Gurion Airport, carrying a delegation of [important members from the tourism industry](#), led by the Minister of Economy and Tourism, Zayed Bin Rashed Al-Zayani. On December 2, a MoU in the field of tourism was signed between the two countries, comprising agreements “on bilateral cooperation [between the governments and private sector](#)”. In addition, a joint committee headed by respective ministers was instituted, with the objective of promoting joint-ventures among travel agents, airlines, tour operators and industry representatives.

With respect to Morocco, the developments include a visit by [National Security Adviser, Meir Ben-Shabbat on December 22, 2020](#) to Rabat, as part of a joint Israeli-American delegation. The meeting with King of Morocco Mohammed VI culminated in signing of bilateral agreements and trilateral declarations as a move to strengthen the normalisation agreement. The same day, Morocco's Tourism Minister, Fettah Alaoui said at a tourism conference that

direct flights between Israel and Morocco [will be operational within two or three months](#).

### **Implications for the Region**

The agreement has left the Palestinian leadership in a state of shock, as they were not expecting any improvement in relations between the Arab countries and Israel without addressing the Palestinian issue first. Since, Israel did not fulfil the pre-condition of withdrawing from the occupied territories (the West Bank, the Gaza Strip and Golan Heights) before signing these agreements, the change in equations between the Arab world and Israel tend to overlook the Palestinian concerns. Furthermore, the texts of the agreements left the position on Palestine, [rather ambiguous, with the use of repetitive](#) lines, saying the parties are “committing to continue their efforts to achieve a just, comprehensive, realistic and enduring [solution to the Israeli-Palestinian conflict](#).”

The inclination of the Gulf countries towards establishing robust relations with Israel while leaving the Palestinian issue unaddressed, [can be attributed to the persistent threat](#) faced by them from Iran, Turkey and the Muslim Brotherhood. Furthermore, the common economic and security issues have also brought Israel and the Gulf monarchies together, thereby side-lining Palestinian question and making the latter feel alienated. This could push the Palestinians towards further radicalisation and further intensify the Israel-Palestine conflict.

According to Massimiliano Fiore, a more conducive [solution to address the aforementioned problem would be for the regional](#) players to instil faith in the Palestinian government and people of the possibility of peace, stability and development in the region. This could be through investments in the West Bank and [Gaza Strip as well as mediation by the Gulf](#) countries between Israel and Palestine, thereby sending a signal to the Palestines that their cause is not completely neglected.

Though the text of the agreement defined it as a peace deal, as such, there was no military confrontation between Israel, Bahrain and the UAE. The Gulf countries, such as Saudi Arabia, the UAE and Bahrain have, for a long time, maintained [“backroom contacts with Israel”](#) and never been a frontline state in the Arab-Israel conflict. Although the countries did not recognise Israel or established diplomatic relations with Tel Aviv, however, they engaged in secret exchange of intelligence and defence technology, as well as some indirect trade. These ties between Israel and the Gulf countries became increasingly an [open secret](#), in the last one decade.

First and foremost, the Accords have changed the [conventional alignment of Arab States](#) in the region. The fact that agreements were signed without a permanent solution to the Palestinian issue, underlines shifting position of the Arab nations which were previously strong supporters of the Palestinian cause. This is also indicative of the change in outlook wherein Land for

Peace has been replaced by Peace for Peace. But this change is so far limited to the countries who actually did not have military conflict with Israel.

Secondly, [the agreements can potentially spark](#) a new arms race in the region. Steps in this direction are reflected in the major arms deal between UAE and the US. Similarly, Israel is also planning to buy [weapons from the US worth \\$8 billion](#) which includes stealth jets, bunker-busting missiles and tiltrotor aircraft. According to Hannah Neumann (Member of the European Parliament), [the agreements only serve to build](#) alliances against other neighbours and intensifies the arms race in the region. Therefore, it would be interesting to see how far it brings peace to the region which has been suffering from conflict and confrontation for decades.

Thirdly, the agreements would deepen the existing divide between [Iran and anti-Iran camp](#) (Israel, Saudi Arabia, the UAE and Bahrain), further fuelling polarisation of the regional geopolitics. Though the accords provide strategic and economic advantages to the Iran, UAE and Bahrain, it will make Iran feel more isolated than before.

Nonetheless, it presents a much wider range of opportunities for Israel and the Gulf countries in the realm of economic, defence and people-to-people contacts. The partnership is also important for Israel, since it lacks friendly neighbours in the region. Therefore, on the one hand, it has strengthened the anti-Iran camp, while on the other hand, it has generated

business opportunities for Israel, the UAE and Bahrain.

## **India and Abraham Accords**

India shares robust ties with Israel and the Gulf countries (especially the UAE and Saudi Arabia) in economic, cultural and defence areas. Therefore, any minor or major changes in the regional equations would impact India's strategic interests in the region. India has always supported peace and stability in West Asia, and it has welcomed the normalisation of Israel's relations with the UAE and Bahrain. However, an analysis of India's official response highlights its cautious position. The statement by the Ministry of External Affairs described the agreements as a move towards peace and stability in the ["extended neighbourhood."](#) However, it reiterated India's unchanged traditional position on the Palestinian issue and [its support for a viable 'two-state' solution.](#)

India's External Affairs Minister, Dr. S. Jaishankar's speech on November 27, 2020 during his six-day visit to three-nations—Bahrain, the UAE and Seychelles—hinted that the accords will create positive opportunities for India and the region. In his speech he [said](#) that "the Abraham Accords between Israel, [UAE and Bahrain will impact the entire world](#), not the region only". He further [added](#) that "it will bring new economic combinations and create new logistical opportunities for the countries in the region and beyond."

Indeed, the accords provide greater opportunities for India considering its special relations with the UAE and Israel. Lately, Israel has been a major source of India's defence procurement, and the two countries are now collaborating [to accelerate India's defence](#) production. Similarly, India is among the UAE's largest trading partners and the UAE also plays an important [role in India's energy security](#). While bilaterally India's ties with the two countries are robust in their respective domains, the accords present an opportunity to explore various trilateral and multilateral possibilities.

Cooperation between countries will [strengthen economic integration](#) in the region and open new possibilities for India, in terms of trade and investment. Counterterrorism and security cooperation present another possible area for collaboration, especially against the threats posed by the regional and global and terror groups. Since the three countries share the common goal of eliminating these threats, association with and use of Israel's [counterterrorism practices can prove](#) to be a game changer. In addition, there could even be collaboration in joint-defence production, training and exercises and research and development.

## **Conclusion**

The Abraham Accords have set the tone for improving bilateral and multilateral cooperation between Israel and the Gulf countries. The Accords will also strengthen Israel's security posture in the region and result in improved economic, cultural and defence ties. The accords have not addressed the root cause of the Arab-Israel conflict, which is the Palestinian issue thereby breaking the traditional Arab consensus that peace with Israel cannot be reached without addressing the Palestinian issue. At the same time, it has resulted in a shift of the conventional support base for the Palestinian cause from the Arab countries to non-Arab Muslim powers, namely Iran, Turkey and their allies. The accords also changed the equations between various regional players, especially with respect to deepening the divide between Iran, on the one hand and, Israel, UAE and Bahrain, on the other. India has supported the signing of the Abraham Accords and looks for further opportunities to further expand its ties with these countries.

(Dr. Jatin Kumar is a Research Analyst at the West Asia Centre, MP-IDSA.)

# ***COVID-19 and its Economic Impacts in West Asia***

*Ms. Nagapushpa Devendra*

The outbreak of COVID-19 severely affected the West Asia region, especially in domains of health and economy. The regional economies, like in other parts of the globe, struggled to cope with the disruption caused by the global pandemic. There is a significant reduction in income, rise in inflation, devaluation of the currency, increase in fiscal deficit, rise in market inequalities and unemployment as sectors including tourism, hospitality, transportation services and manufacturing industries—major segments of revenue and income generation in the region—came to a screeching halt. According to international Monetary Fund ([IMF](#)), the region's economy has been heavily impacted, as growth depreciated by 5.7 per cent in 2020.

## **The Gulf Cooperation Council (GCC) Countries**

The pandemic has caused turbulence in the GCC economies. For Saudi Arabia, a world-wide lockdown led to a slump in global oil consumption, resulting in increasing budget deficit that could rise to a [record](#) US\$ 112 billion US dollars. The oil revenue declined due to halts in production, labour shortage, investment freezing etc. In fact, the [Kingdom's](#) crude production stood on an average of 9.2 million barrels per day (bpd) in 2020, as compared with 9.8 million bpd last year.

Even the non-oil sector like energy, aviation, food and beverage, chemical, retail and e-commerce, construction, travel and tourism, among others were impacted. The tourism sector was severely affected due to the shutdown of pilgrimage. Annual income from pilgrimages and religious tourism runs to US\$ 20 billion, which amounts to about 20 per cent of the government revenues besides the oil sector. The Kingdom's GDP contracted by 3.7 per cent in 2020.

In the UAE, the second largest economy in the Gulf, the virus weighed heavily on exports and supply chains. Its oil revenue dropped by 30 per cent. The tourism, a key pillar in the UAE's non-oil economy, accounting about 16 per cent of its GDP, was severely affected due to 60 per cent fall in number of visitors in 2020. The aviation sector, particularly the Emirates Group, which runs the world's largest airline, recorded a [net loss](#) of US\$ 3.8 billion in the first half 2020. The UAE's GDP [declined](#) by at least 5 to 6 per cent in 2020. However, experts believe that unlike Bahrain and Oman, Saudi Arabia and the UAE have ample assets in their sovereign wealth fund, which will help them weather the low oil-prices and the COVID-19 impacts on their economy.

Qatar's swift [policy response](#) to contain the spread of virus prevented the collapse of the health sector and economy. Doha's



economic stimulus package accounted US\$ 20.5 billion. Qatar Central Bank facilitated ample liquidity in the banking system, which together with low policy rates supported credit to the private sector. In addition, a credit guarantee scheme providing direct support to small and medium enterprises helped Qatar prevent a rise in unemployment ratio. Qatar also allowed its nationals to defer loan repayment, until the end of 2020. Qatar is also investing in infrastructure for the FIFA World Cup in 2022, along with other initiatives like continued expansion of the LNG capacity, and fiscal accommodation. The GDP of Qatar [accelerated](#) to 1.5 per cent in 2020, and is projected to increase in 2021 by 3.2 per cent.

## **Iran**

In West Asia, Iran was the first country to be affected by the COVID-19. The delayed response to contain the spread of the virus made it a regional hub of the outbreak. It created a severe health crisis in the country demonstrating Iran's fragile healthcare system. Initially, government officials rejected the idea of the lockdown of cities, markets, shops, and enforcing social distancing. However, on 8 March 2020, Tehran [announced](#) remedial measures like partial lockdown of cities, financial assistance for affected families and businesses, temporary release of political prisoners from jails, and a ban on exports, particularly of the medical goods-services due to the domestic shortage.

The outbreak undermined the Iranian economy, which was already facing severe challenges, posed by the US sanctions. The Rial [lost](#) 50 per cent of its value against dollar, hitting an all-time low of 300,000 to US\$ 1 in October 2020. The inflation ratio spiked to 34.4 per cent by the end of September. The lockdown restrictions severely affected non-oil international trade. Iran exports most of its agro-based products like saffron, kiwi and pistachios to the neighbouring countries, as well as, Europe. Iran's industry and service sector employs at least 80 per cent of its population.

To manage the economy, Tehran was forced to approach the IMF [requesting](#) US\$ 5 billion in loans, for the first time since the 1979 Islamic Revolution. The European Union [donated](#) US\$ 20 million in humanitarian aid while Japan sent [assistance](#) worth US\$ 23.5 million. The Iranian Central Bank instructed all the commercial banks in to extend [low-interest](#) loans to businesses affected by the COVID-19.

## **Turkey**

Turkey was also seriously affected. As the cases began to spike, Ankara [announced](#) recruitment of additional 32,000 health workers, production of mass ventilators, and assistance worth US\$ 940,000 to small and medium enterprises producing required medical equipment. Other economic [measures](#) included a decrease in tax, postponement of debt payment, and US\$ 15 billion aid package to various sectors like

automobile, textile, malls, insurance, etc. The government [established](#) field hospitals at its border gates with Iran and Iraq, and established an operations centre and a scientific committee, under the Ministry of Health to monitor the situation. To mitigate economic impact of pandemic, the [central bank](#) cut its key interest rate by 100 basis points and took steps to support volatile financial markets.

### **Iraq**

Iraq reported its [first](#) confirmed case of COVID-19 on February 22 in Najaf. Subsequently, it implemented stringent measures including [suspension](#) of training exercises with the US-led coalition forces and establishment of a crisis unit to develop a comprehensive programme to deal with pandemic. The measures affected the small and medium enterprises, [import](#) of essential goods and services especially from China, Iran, Turkey, South Korea and Brazil.

The crash in international oil-prices depleted the government's ability to spend and did not have enough money to pay the public sector employees. The 2020 budget had a deficit of around US\$ 40 billion, based on the oil-selling price of US\$ 56 per barrel. As of December 2020, Iraqi crude oil price continues to idle near US \$46 per barrel.

### **Syria, Lebanon and Jordan**

In Syria, the situation is even worse as the pandemic has hit at a time when the country is facing a humanitarian emergency as the civil war continues.

Hospital beds are at full capacity in several governorates due to civil war and dire humanitarian situation. The economic crisis that has left subsidised bread and diesel in short supply, despite the doubling of price since September. More than [80 per cent](#) of families across Syria does not have access to basic goods and services, and that they are facing weakening purchasing power.

In [Lebanon](#), the COVID-19 led to the closure of borders and airports, public and private sector. For some time, the outbreak simmered down anti-government protests that had engulfed the country since October 2019. Lebanon is suffering from one of the worst economic and fiscal crisis, since its independence in 1943. It is officially one of the most [indebted](#) nations in the world. Lebanon debt has [reached](#) US\$ 90 billion or 170 per cent of its GDP. The ongoing economic crisis has led to [devaluation](#) of national currency. The country is [teetering](#) on the edge of bankruptcy, with spiked inflation as thousands having lost their jobs or had their wages slashed.

Economically, the self-employed and informal workers, general and luxury retail businesses, and the hospitality and transportation sectors were worst affected. Tourism which is one of the mainstays of the economy was seriously disrupted due to the pandemic and cycle of protests. The industrial sector that [contributes](#) nearly 8.3 per cent of GDP and The agro-based food sector that is a major contributor to Lebanese exports incurred heavy losses due to shut down.

In Jordan, first case of virus was [detected](#) on March 2, 2020. King Abdullah, first time in Jordanian history, activated 1992 Defence Law, giving government sweeping powers to enforce a “state of emergency.” The government [announced](#) an aid package of US\$ 22 million for its citizens in form of food and medicines. The government had [approached](#) IMF for loan worth US\$ 139.2 million, as it explored ways and means to help farmers.

Jordan is already facing economic challenges due to rampant poverty and high unemployment and the pandemic-induced lockdown added pressure on country’s fragile economy. Jordan took several [measures](#) including a US\$ 775 million economic package, dropping main policy rate by 150 basis point, and reducing cash reserves requirement from 7 to 5 per cent. It has decreased the social security [subscription ration](#) for institutions and employees from 21.75 to 5.25 per cent. More than 53 per cent of country’s workforce is engaged in informal sectors and is not covered by any of social security schemes.

Jordan’s oil trade, tourism and pharmaceutical industry are affected. The recent drop in oil price means that country’s energy trade may decrease by about 50 per cent or US \$16 billion in 2020. Jordan is the only Arab country that leads in pharmacy sector, a signature export industry that has contributed tens of millions of dollars to country’s economy. Jordan [uses](#) 25 to 30 per cent of its manufactured medicines, while exporting almost 75 per cent to at

least 60 countries. These sectors were affected due to lockdown restrictions.

## Israel and Palestine

In Palestine, [UNCTAD predicted](#) Palestine economic growth to decrease by 3 per cent. Due to impact of the pandemic, it is now [projected](#) to contract by at least 12 per cent. High poverty, unemployment, decreases in international aid and donors and poor healthcare have caused serious dilemmas for the Palestinian population in Gaza and West Bank

[Israel](#), on other hand, was effective in controlling the situation by deploying early lockdown measures and rapid response teams. In addition, timely and decisive measures introduced by Bank of Israel at the outset of the pandemic helped preserve market, financial stability and access to credit. Fiscal support to health system, households, and businesses have helped soften the economic fallouts of the pandemic. The IMF [concludes](#) that Israel has been less hard hit than other countries by the pandemic. Its economy should recover in 2021.

## Conclusion

The pandemic is causing significant economic turmoil in the region. There is an increase in inflation, unemployment, particularly among the youths, a rise in fiscal deficit that remains worse, in case of Lebanon and Bahrain due to the debt crisis. The major oil exporters also faced the additional shocks of plummeting oil prices and the absence of a new

production agreement among OPEC+ members. These intertwined shocks were a severe blow to economic activity in the region, at least in the first half 2020, with potentially lasting consequences for another few years.

(Ms. Nagapushpa Devendra is a Research Analyst at the West Asia Centre, MP-IDSA.)

# *India and the WANA: Cooperation Amidst the Pandemic*

*Dr. Lakshmi Priya*

The Year 2020 will be remembered by the COVID-19, a health crisis impacting major aspects of life worldwide, apart from bearing testimony to global cooperation in fight against the deadly virus. The crisis revealed unforeseen issues for India and the West Asia and North Africa (WANA) region. Overall, the year witnessed lesser number of visits from both sides, due to the spread of the coronavirus and subsequent flights bans. However, the virtual meetings and telephonic conversations were used to fill the gap.

The visit of Iran's Foreign Affairs Minister to India in January marked the only high-level visit to India from the region, whereas, from Indian side, few visits in latter half of the year were made. In September, Indian Defence Minister Rajnath Singh and External Affairs Minister (EAM) S. Jaishankar visited Iran; and a month later Minister of Petroleum & Natural Gas, Shri Dharmendra Pradhan visited Kuwait. Towards the end of 2020, EAM, S. Jaishankar visited the three GCC countries including Bahrain, the UAE and Qatar. The Minister of State for External Affairs and Parliamentary Affairs, V. Muralidharan visited Oman and the Chief of the Army Staff General Manoj Naravane made a maiden visit to Saudi Arabia and the UAE, in December.

Clearly it reflects the significance of the Gulf countries for India.

## **India's ties with the Gulf countries**

Gulf countries form the backbone of India's ties with the region. With 8.5 million Indians staying in the Gulf countries and contributing more than half of the total remittances received by India, these countries are utmost priority for New Delhi. For years, India and the gulf region have been fostering ties to enhance cooperation in defence, security, science and technology, as well as, countering global threats emanating from terrorism.

India-UAE ties seem to have grown stronger in 2020, as the two countries have maintained close high-level contacts, during the COVID-19. Prime Minister Shri Narendra Modi has been communicating with the Crown Prince of Abu Dhabi, HH Sheikh Mohamed bin Zayed Al-Nahyan on regular basis. In November, External Affairs Minister Dr. S. Jaishankar visited the UAE, where he appreciated the leadership for taking care of Indians during the COVID-19 pandemic. Both the countries reviewed their cooperation on various facets of their comprehensive strategic partnership, including trade, investment, infrastructure, energy, food security and defence. The Indian minister also

discussed ways for Indian workers to resume their jobs in the UAE, in the post-COVID scenario, as more than 3 million Indians live and work in UAE. The EAM has also spoken to the UAE Foreign Minister, several times, in the past few months, along with co-chairing the India-UAE Joint Commission Meeting, in September 2020. Further, a meeting of the High-Level Task Force on Investments (HLTFI) was co-chaired by Indian Minister of Commerce and Industry & Railways and Chairman of Abu Dhabi Investment Authority (ADIA), in early November.

India welcomed the UAE and Bahrain's decision to normalise ties with Israel, while reiterating its call for direct negotiations between Israel and the Palestinians for a "two-state solution." The historic Abraham Accords signed between Israel, the UAE and Bahrain, mediated by the USA in September 2020 remained the second defining event of 2020 for the region. The US President Donald Trump said that the accords mark the dawn of a new [Middle East](#). Meanwhile, Morocco, Sudan and Bhutan have also formalised ties with Israel, and await the fate of ties, as Biden administration is to take charge in January 2021. For India, the accords signify a changing geopolitics in the region, and India will have to tread carefully, so as not to ruffle any feathers. Increasing acceptance of Israel provides India more space to manoeuvre in strengthening ties with Israel, however, it also demands caution, so as not to offend countries outside the accord.

Dr. S. Jaishankar paid a condolence visit to the Bahrain, after the death of the Bahraini Prime Minister Prince Khalifa bin Salman Al-Khalifa, who passed away in November. During his maiden visit to the Bahrain, he also expressed his gratitude to the leadership of Bahrain for taking exceptional care of the more than 300,000 Indian community, during the COVID-19 pandemic. Bahrain has also appreciated the assistance provided by India during the pandemic in the form of supply of medicines, medical equipment and medical professionals. Both sides affirmed to further strengthen their COVID-related cooperation, as the '[Air Bubble](#)' arrangement between the two countries along with UAE and Qatar became operational. Both the countries also agreed to further strengthen the historic India-Bahrain ties, including in areas of defence and maritime security, space technology, trade and investment, infrastructure, IT, FinTech, health, hydrocarbon and renewable energy.

Energy rich gulf countries have strategic significance for India, and it is apparent from the significance that India attributes to these countries. Minister of Petroleum & Natural Gas Shri Dharmendra Pradhan visited Kuwait in October 2020 and invited Kuwait to invest in India, as it is India's important and trusted partner in achieving energy security. He offered condolences on behalf of the Government of India to the Kuwaiti leadership on the sad demise of His Highness Sheikh Sabah Al-Ahmed Al-Jaber Al-Sabah, the former Amir of the State of Kuwait. Honouring the Amir,

India observed a day of national mourning on October 4, 2020. Further, New Delhi congratulated His Highness Sheikh Nawaf Al-Ahmed Al-Jaber Al-Sabah on assuming responsibilities as the new Amir of the State of Kuwait and His Highness Sheikh Mishal Al-Ahmed Al-Jaber Al-Sabah as the Crown Prince. India and Kuwait had maintained close and friendly relations under the leadership of the late Amir, and both countries continue to take forward their historic relationship in diverse areas.

India intends to enhance defence cooperation with the Gulf countries, along with strengthening other areas of cooperation. Indian Army Chief General M. M. Naravane made his maiden visit to Saudi Arabia and the UAE in December, and exchanged views on various defence-related issues, through multiple meetings with senior functionaries of the security establishment. He visited the headquarters of Royal Saudi Land Force, the Joint Force Command Headquarters and King Abdulaziz War College and the National Defence University. The visit is expected to further open fresh avenues for cooperation in defence and security. The visit remains historic in the sense that it is for the first time that an Indian Army Chief has visited the UAE and Kingdom of Saudi Arabia. India has sturdy naval and air force cooperation with these countries and his visit will open room for more cooperation. Additionally, it signifies India's focus on developing joint-partnership in manufacturing of indigenous defence equipment in these countries.

Indian Prime Minister Modi emphasised the importance of international solidarity and information sharing in fight against the COVID-19. The GCC welcomed India's inclusion in the [UNSC](#) as non-permanent member from January 2021, wherein India will focus on promotion of responsible and inclusive solutions to international peace and security, generate effective response to combat international terrorism and emphasise on reform in multilateral systems. To that spirit, India ensured unhindered supply chains to the Gulf, despite COVID-19 related lockdown. India also condemned the missile attack targeting Saudi ARAMCO facility in Jeddah, in November, as well as, the missile and UAVs attack on civilian areas in Riyadh, in June. Saudi Arabia's sovereign Public Investment Fund (PIF) is investing US\$ 1.3 billion to pick 2.04 percent stake in Reliance Retail Ventures Ltd (RRVL), becoming the latest high-profile global fund to purchase stake in India's largest retailer.

Natural gas accounts for 6 percent of the India's energy consumption, however it plans to boost the natural gas market share to 15 percent by 2030 as part of the country's plan to reduce air pollution and use cleaner-burning fuels and would be again looking at its extended neighbourhood, especially Qatar. India and Qatar decided to create a special Task-Force to further facilitate investments by Qatar Investment Authority into India. EAM S. Jaishankar's visited Qatar on 27 December and discussed ways to

strengthen the multifaceted bilateral relationship in areas such as energy, trade, investment, food processing, healthcare, education, culture, defence and security with Deputy Prime Minister and Foreign Minister H.E. Sheikh Mohammad bin Abdulrahman bin Jassim Al Thani. The two ministers agreed to maintain regular consultations and coordination on all issues of mutual interest at multilateral for and the External Affairs Minister extended invitation to Deputy Prime Minister to visit India for the first Joint Commission Meeting in 2021. End of Qatar crisis and smoothening of rift within the GCC is in favour of India that benefits from trade with the region.

India congratulated Haitham bin Tariq al-Said on taking over as Sultan of Oman, as the two countries reviewed cooperation in key areas of India-Oman strategic partnership, including defence and security, economic cooperation, capacity building and training, consular issues and people-to-people ties, while also emphasising the importance of health and food security in the coming times. The two sides reviewed the cooperation on various facets of the strategic partnership including trade, investment and maritime security, during the visit of Minister of State for External Affairs V. Muralidharan in December. India appreciated the support extended to the Indian expatriates by the Omani government, during the pandemic along with lauding the efforts played by the community organisations, social workers and medical

professionals, in coming to the aid of the stranded Indian nationals during the pandemic time.

### **Strengthening ties with Iran**

For Iran, the year was devastating with more than one million confirmed cases and over 50 thousand COVID-related deaths, due to the lack of proper health infrastructure and the inaccessibility to external assistance because of the US-led sanctions. Tehran also witnessed killing of the Revolutionary Guards commander Qassem Soleimani, and the senior nuclear scientist Mohsen Fakhrizadeh, as the country waits for the swearing-in of the Biden Administration that intends to change the US's stand on the Joint Comprehensive Plan of Action (JCPOA).

India extended its support for the implementation of the JCPOA by all the concerned parties and advocated restraint after the killing of Qassem Soleimani. India's partnership with Iran has been a key focus of 2020 with Dr Javad Zarif's visit to India in January, and the visits of the Indian Defence Minister Rajnath Singh and the EAM S Jaishankar's visit to Iran in September. Prime Minister Modi reiterated India's continued commitment to developing strong and friendly relations with Iran and thanked Iranian leadership for the progress on Chabahar project referring to its designation as a Special Economic Zone (SEZ). During the bilateral meeting at the side-lines of the Raisina Dialogue, Indian External Affairs Minister and his counterpart met and emphasised on strengthening bilateral trade and



promotion of connectivity initiative through Chabahar port. In 2018, India and Iran had signed an agreement worth \$85 million to develop the Chabahar port that would provide an alternative route for trade between India and Afghanistan.

Defence Minister Rajnath Singh's transit-visit to Iran after attending the SCO meeting shows the emphasis that India puts on its ties with the Islamic Republic. During the visit, the defence minister discussed regional security issues, including Afghanistan and the issues of bilateral cooperation with his counterpart Brigadier General Amir Hatami. Prior to his visit, the defence minister had voiced [India's deep concern](#) about the situation in the Gulf and called upon the countries in the region to resolve their differences through dialogue based on mutual respect referring to the Iranian navy's seizing control of a Liberian-flagged oil near the Strait of Hormuz. Despite the fact that India stopped importing oil from Iran, both countries expressed their willingness to cooperate on issues of security and connectivity. Both sides also agreed to commemorate the 70<sup>th</sup> anniversary of the 'Bilateral Treaty of Friendship' in 2020. EAM had a productive meeting with Iranian foreign minister Javad Zarif during a stopover in Tehran and discussed means to strengthen bilateral cooperation. The two leaders also reviewed the regional developments.

## **India's growing ties with the Fertile Crescent**

India welcomed the Abraham Accords as it eases India's diplomatic balancing act, while opening new avenues of cooperation in the changed geopolitical scenario. The scope for high-tech collaboration between India and Israel has grown in the fields of defence and cyberspace that can lead the way, not only bilaterally but in securing new markets globally. The two countries joined hands to develop rapid-test kits and cooperated on vaccine research. Moreover, other avenues of cooperation can be explored in start-ups, water conservation, climate change adaptation and energy cooperation. India and Israel signed an agreement in December on cooperation in the fields of Health and Medicine that includes sharing of expertise for facilitating climate resilient infrastructure and expediting cooperation in exchange and training of medical doctors and other health professionals, assistance in development of human resources and setting up of health care facilities. The Agreement will also facilitate the exchange of information regarding regulation of pharmaceuticals, medical devices and cosmetics.

During the [3<sup>rd</sup> Round of India-Palestine Foreign Office Consultations](#), India reaffirmed its principled and consistent support to the Palestinian cause and expressed hope for early resumption of direct negotiations between Israel and Palestine to achieve a sovereign, independent, viable and united state of

Palestine. Palestine expressed gratitude for India's COVID-related medical assistance and repatriation of Palestinians stranded in India through Vande Bharat Mission (VBM) flights.

Apart from that, the conflicts in WANA, including almost a decade old Syrian Crisis and the lingering conflict in Yemen marked the year and upheld the volatile conflict prone nature of the region. Syria reaffirmed its appreciation for [India's unwavering support](#) and continued developmental assistance, during its crisis years, and extended unconditional support to India's candidature for various multilateral and international organisations. [India reiterated hope](#) to see a comprehensive and peaceful resolution of the decade-long Syrian conflict, through a Syrian-led and Syrian-owned dialogue, involving all parties to the conflict that takes into account the legitimate aspirations of the Syrian people while preserving the unity, sovereignty and territorial integrity of the country. Syria also expressed gratitude for the timely gift of 10 MT of medicines in July 2020 to help Syria in fighting the COVID-19 pandemic, apart from the generous provision of 1,000 scholarships to Syrians under the 'Study in India' Program.

New Delhi demonstrated solidarity with the people of Lebanon in the aftermath of the tragic explosions in Beirut and noted the progress in intra-Libyan dialogue facilitated by Morocco. India welcomed the announcement of ceasefire in Yemen and expressed hopes that cessation of hostilities will lead to resumption of

political dialogue leading to peace and stability in Yemen and the region.

### **Loss of warmth in the India-Turkey relations**

The only hitches in the region have been in India's relations with Turkey, as Erdogan continued emphasising on the Kashmir issue especially in the United Nations resolutions and during his speech at the UNGA in February. India strongly condemned the statement reiterating its opposition to third-party mediation on the Kashmir issue. It emphasised that the recent episode is one more example of a pattern of Turkey interfering in the internal affairs of other countries. In September, Turkish President Erdogan had reiterated his support to Pakistan on Kashmir, and stated in the joint-session of Pakistan's parliament that India's decision to revoke the erstwhile state's special status had exacerbated the troubles of Kashmiri people. In response, MEA spokesperson Raveesh Kumar called upon the Turkish leadership to not to interfere in India's internal affairs. Similarly, India also strongly and categorically rejected the unwarranted references to India criticising the revocation of the Article 370 in Kashmir in resolutions adopted by the Organization of Islamic Conference (OIC) at the 47<sup>th</sup> Council of Foreign Ministers Session in Niger.

### **Repatriation of Indian migrants from the region**

India accomplished a massive task of repatriating more than 2.4 million

Indians from all over world with the cooperation of the host countries. India [appreciates](#) the support of the Arab countries in success of the mission and acknowledges that the largest repatriation exercise, has been possible because of the active support from India's Arab partners. By the middle of September, India had brought back 926,852 workers from the six-GCC countries in one of the largest and most complex evacuation exercise, 'Vande Bharat Mission'. Country wise list of Indians who have repatriated through Vande Bharat Mission by September 2020 is given below.

Table – 1: Repatriation of Indian nationals under the Vande Bharat Mission

Sl. No.	Country	Indians repatriated through Vande Bharat Mission
1.	Algeria	899
2.	Bahrain	23957
3.	Egypt	1890
4.	Iran	4176
5.	Iraq	6661
6.	Israel	438
7.	Jordan	830
8.	Kuwait	87305
9.	Lebanon	893
10.	Libya	-
11.	Morocco	-
12.	Oman	81953
13.	Palestine	-
14.	Qatar	101182
15.	Saudi Arabia	154103
16.	Syria	12
17.	Tunisia	25
18.	Turkey	1184
19.	UAE	435682
20.	Yemen	76

**Source:** [Rajya Sabha unstarred question No.577 Indians repatriated through Vande Bharat Mission.](#)

The mission was led by the Ministry of Civil Aviation, Ministry of Home Affairs, Ministry of Health and Family Welfare and the state governments. India allocated flights, as well as, ships for the humungous mission, and has been able to take care of its population abroad, as well as, instilling confidence among its population. New Delhi prioritised those facing deportation, migrant workers who had been laid off or faced visa expiry, medical emergency, pregnant women, senior citizens, those with family emergencies, tourists stranded abroad and students whose educational institutions/hostels were closed. In continuance to Prime Minister Modi's reference to diaspora as a living bridge for India to the world, India aims to make it more secure to work, travel and live abroad for Indians, be the first responder to those in distress, make it easier for outsiders to travel to India and keep bonds alive between India and the new generation of diaspora. For the benefit of Indian expatriate workforce in the Gulf countries, the [New Emigration Management Bill](#) will consider policy issues pertaining to minimum referral wages, allowing private recruitment agents to send female domestic workers and ensure skill acquisition of emigrants as per demand of work abroad. The return of expatriate workers to India had raised concerns about future of their livelihood and India's capacity to absorb them all in the job market; however, the return of Indian workers and professionals in healthcare, data management, oil, construction and sports to the Gulf region when the Gulf

countries are introducing [labour reforms](#) with aim to nationalise the workforce is a silver lining.

### **COVID-19 and India's Economic ties with the region**

COVID-19 will lead to a cumulative loss of 5.8 to 8.8 trillion to the global economy as IMF predicts a 3 percent contraction of the world economy in 2020. India's trade volume with West Asia and Gulf region is \$170 billion and hydrocarbons still account for the bulk of trade although the basket has diversified over time. Fifty three per cent of India's oil imports and 41 per cent of gas imports come from the region with stakes in oil blocks in Iraq, Syria, Libya, the UAE, Yemen and South Sudan. The nature of the partnership has evolved from hydrocarbon buyer and seller ties to that of participation in upstream & downstream projects, joint ventures in refineries and building of strategic oil reserves and partnerships in renewables.

India's future endeavours will be based on [Aatmanirbhar Bharat](#) that provides a vision, where India goes into the global arena with cards to play and not just to provide a market for other countries. The emphasis in future will be on joint ventures in infrastructure and manufacturing, Arab Sovereign Wealth Funds and integration into supply chains. The focus will also be on innovation and start-ups in IT, e-commerce, hospitality and logistics that can leverage higher growth in India-Arab economic ties. Emerging Technologies in ICT, consultancy, fin-tech, logistics,

edutech, healthtech and others have enormous potential and will promote efficiencies and leverage future growth and development.

With the increased participation of private sector in high-end technology, potential for cooperation is much higher especially in defence sector and space sector. Indian businesses may explore venturing into [less-explored markets](#) for hydrocarbon, construction, medicine, education, defence, manufacturing, FMCG, tourism, mining and energy in Iraq, Syria, Algeria, Morocco, Jordan and Sudan. India believes that greater international cooperation will be needed in post-COVID-19 world, and if full cooperation is difficult to achieve, ad hoc group of nations can cooperate on selective issues. India aims to be the nerve centre of global supply chains in post-COVID-19 era. It also aims to promote itself as an alternative manufacturing hub, and an innovation destination. India intends to project itself as pharmacy of the world for low cost generic drugs, as well as, an alternate manufacturing destination for global investors. It aims to focus on agriculture-based food processing industry, textiles and automobiles along with electronics industry in the near future.

The impact of COVID-19 on the GCC economies have further exacerbated the challenge of managing the labour sector. Apart from easing the pandemic-induced financial burden, GCC countries intend to balance the participation of nationals and the expatriate workforce in the economy. When the GCC countries

intensified their efforts to nationalise their workforces in the wake of the COVID-19, India shared its concern to be reciprocated positively by the destination countries. Kuwait's expat quota bill approved by the National Assembly Committee in July, requiring Indians to constitute merely 15 per cent of the total expatriate workforce, as opposed to their current strength of 37.3 percent, would directly impact around 8 lakhs Indians in Kuwait. India requested Kuwait to consider the impact on Indian community after which Kuwait revised the expats quota bill and limited the number of expats working in a particular job to 20 per cent without affecting their nationality. India's cooperation with the West Asian region is the key to endure the challenges posed by COVID-19.

### **Humanitarian Assistance during COVID-19**

India emerged as the first provider of humanitarian assistance in the wake of the COVID-19 crisis and supplied medicines on commercial and grant basis to 133 countries. It exported HCQ tablets worth US\$ 446 million and paracetamol tablets worth US\$ 1.54 billion, while sharing Ayurvedic home remedies for boosting natural immunity. It also allocated US\$ 10 million to the COVID-19 emergency fund to deliver urgent medical supplies and equipment to the neighbours as part of the humanitarian assistance. India is to focus on developing more adaptive, responsive, affordable and humane healthcare system, as it is to serve as the Chairman of the World Health Organization

(WHO). India has also pledged US\$ 15 million to the Global Alliance for Vaccines and Immunisation.

During these testing times, India and West Asia engaged actively in aid diplomacy. India sent aid to the countries that required support during the pandemic, as well as, received aid from some of the countries from the region. India exported Hydroxychloroquine which was being considered as an effective medicine against COVID-19 to Bahrain. It also deployed a rapid-response team of doctors, nurses and paramedics from the Indian Armed Forces Medical Corps to Kuwait. It sent medical and humanitarian supplies to Lebanon soon after the tragic explosion at the Beirut port and also sent humanitarian assistance to Iraq and Yemen. Indian government also facilitated the travel of 835 healthcare professionals to Saudi Arabia, following a request from Riyadh and sent a group of 88 Indian doctors and healthcare professionals to the UAE.

India received the COVID-aid from countries in the region, including Saudi Arabia, the UAE and Israel. Saudi ARAMCO donated US\$ 500,000 to the Indian Red Cross society. It also received seven metric tons of medical supplies from the UAE to bolster the country's efforts to curb the spread of COVID-19. Finally, Israel sent a high-ranking [MOD R&D](#) team, which has been working with India's DRDO to develop rapid-testing for the COVID-19 that will produce results in under 30 seconds.

The year 2020 was majorly dominated by the COVID-19 and is reflected in India's relations with the region. COVID-19 has exacerbated the volatile nature of the region, as it intensified the political fault-lines and might further lead to more intense changes than anticipated. As

such, and India needs to consider these possibilities, while formulating policies for the region in the near future.

(Dr. Lakshmi Priya is a Research Analyst at the West Asia Centre, MP-IDSA.)