West Asia Watch 7rends & Analysis



West Asia Centre



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EDITORIAL

Continuity and Change in the West Asian Region

The West region is at the tipping point, volatility has increased and future continues to be more uncertain. The Iran-U.S spat has become a disruptive factor complicating the regional affairs with global implications. The international community stands divided over the re-imposition of US sanctions on Iran. The European Union along with Russia and China has been trying to save the JCPOA. In this context, the Trump administration came out with an aggressive anti-Iran campaign to inflict maximum punishment through unilateral sanctions on Iran, with the second phase coming to effect on November 4, 2018 with an aim of pressurizing Islamic Republic of Iran to come to the negotiating table for a new nuclear deal. However, what remains to be seen is how effective these new sanctions would be in the light of Europe, China and Russia wanting to come up with proposals to circumvent the sanctions and equally significant steps being taken by countries like India and other regional players.

One of the major issues that attracted attention during July- September was the adoption of law on July 19,2018 by the Israeli Knesset titled "Basic Law: Israel as the Nation-State of the Jewish People" raising eyebrows not only in the Arab world but also within the country. Problems in Yemen and Libya continued, that created an enduring sense of crisis in the region. In the case of the Syrian civil war, some breakthrough were achieved at the meeting in Sochi between Russia and Turkey; however, what remains to be seen is the effective implementation of the proposal on the ground by all sides involved in the conflict. In the light of increasing differences between Turkey and the US, the Turkish economy suffered a major blow in August as its currency, the lira, dropped by a record 40-45 per cent against the US dollar. These financial problems were termed by President Erdogan as "economic war" by the United States. In the global energy market oil prices continued to rise despite Saudi assurances that it will boost its crude oil production in coming months to make up for Iranian oil when US sanctions come into force on November 4, 2018. The Asian giants India and China continued their active engagement with the region to boost their economic and strategic cooperation. Chinese Premier Xi Jinping paid a three-day visit to the UAE with the aim of enhancing ties on multiple fronts – political, security, economic, and oil and gas. The UAE also desired deeper cooperation with China on its Belt and Road Initiative. The Indian leadership opened active diplomatic channels in the region, with India's Foreign Minister paying a visit to Bahrain and signing MoUs in the areas of renewable energy and the health to boost cooperation. New Delhi has also been working on cementing security cooperation with Saudi Arabia by providing training to Saudi army cadets in India's National Defence Academy (NDA). With an objective of providing impetus to India's economic diplomacy with the region, the Confederation of Indian Industry (CII) organized a visit of a business delegation to Syria and Lebanon from September 7-14, 2018. In August, India entered into an agreement with Egypt to boost cooperation in the maritime cable domain.

Against such a backdrop, the current edition of the newsletter has tried to capture various dimensions and complexities of the geo-political developments as they continue to unfold with wide ranging implications for the region. This issue includes four analytical pieces on Israel, Iraq, Iran and India-Bahrain ties with an article in its guest column on recent development in Syria by the former Ambassador of India to Syria, V.P.Haran. A distinctive feature which makes this edition special is the 3rd West Asia conference on *Changing* Security Paradigm in West Asia: Regional and International Responses organised by the Institute on September 5-6, 2018. This International conference has now become a major calendar event and attracts a number of eminent experts and practioners from the West Asian region, Europe, Russia, China and the United States. The summary of the debate discussion during the conference be and can accessed at https://idsa.in/system/files/Rapporteur-Report-3rd-wac.pdf

Decoding Iran-US Conundrum

Meena Singh Roy

Escalating tension between Iran and the United States with regard to the nuclear deal has been a noticeable feature of their deteriorating ties since July 2018. Growing confrontation between the two countries continues to be a disruptive factor in regional and global affairs. While the US appears less committed to regional security than it used to be in the past, Iran remains a key factor in its West Asia policy. Unlike the Obama administration's policy of engaging Iran through diplomacy, the Trump administration has adopted a confrontationist, hardline approach towards the Islamic Republic. To contain Iran, it has boosted ties with the Saudi Kingdom, as supporting it strongly, well as its long-time ally, Israel. President Trump's decision to withdraw from the Joint Comprehensive Plan of Action (JCPOA) did not come as a surprise in August 2018 because of his continued criticism of the US-Iran nuclear deal. Much before his election as President, he was extremely critical of the 2015 nuclear deal signed by the Obama administration, labeling it as a bad and disastrous deal. According to him "this was a horrible, one-sided deal that should have never, ever been made. It didn't bring calm, it didn't bring peace, and it never will." He has called for a new and better deal, and to achieve this, the Trump administration is all set to re-impose crippling sanctions against Iran to bring the Islamic Republic to the negotiating table and to surrender to US demands.

At the UN General Assembly on September 25, 2018, President Trump termed the

Islamic Republic as "brutal", "dictatorial" and "corrupt". He said : " We cannot allow the world's leading sponsor of terrorism to possess the planet's most dangerous weapons". The first phase of the reinstated sanctions came into effect on August 7, 2018 with a second set of sanctions to come into force on November 4, 2018. In mid-August, the US set up an "Iran Action Group". With the aim to punish Iran and increasing pressure on the Islamic Republic, Secretary of State Mike Pompeo outlined a <u>list of 12 demands</u> which the new revised deal must contain. The Trump administration has carried on an aggressive campaign against Iran and has urged all its allies and friends to bring down their oil imports from Iran to zero or be ready to face punitive sanctions beginning November 4, 2018.

Iran has responded to these increasing American pressure tactics by asserting its continued commitment to the JCPOA. Its leadership has emphasized the Islamic Republic's ability to survive through the hardship imposed on the country by the sanctions. President Rohani in his statement in the UN General Assembly accused the U.S of pressurizing other countries to supporting the new U.S sanctions against Iran. He rejected the offer by the United States to re-negotiate any new deal. President Rouhani termed the new US sanctions as "economic terrorism" and "economic war" causing great economic miserv people. to its has Simultaneously, Tehran been negotiating with Europe, Russia, China,

India and other Asian partners to find ways to save the 2015 deal. With the aim of mitigating the external criticism Tehran's financial support to various Shia groups and growing public anger within the country, Iran's parliament has approved legislation against funding terrorism. This measure is likely to help Iran move closer to global norms and attract investments, as it faces renewed sanctions on November 4, 2018. It remains to be seen if Tehran's efforts implement international to standards against money laundering and the funding of terrorism set by the Financial Action Task Force (FATF) would bring some relief at this critical juncture of economic hardship and the threat of greater isolation pushed by the Trump administration.

How Effective Can the New Sanctions Be?

With November 4 approaching, the US appears to be looking for a high-compliance outcome in its effort to push the Iran to re-negotiate the nuclear deal as per the terms and conditions put up by the Trump administration. However, the effectiveness of these new sanctions would depend on the actions taken by Iran's major oil importers and trading partners in particular. In this respect, one can observe that China, Russia, and the European Union (EU) have come out openly to save the deal.

What is important to note is that Russia and China along with the EU have been working on ways to save the JCPOA after US withdrawal from the deal. The <u>Special Purpose Vehicle (SPV)</u> is an important measure that has recently been proposed

by the EU in Brussels. As explained by the EU external affairs chief, Federica Mogherini, the SPV will facilitate payments related to Iran's imports and exports including oil, so long as the firms are doing legitimate business under EU laws. This mechanism is envisioned not only to help European firms but others as well. It is suggested that the SPV could strengthen the sophisticated barter system that can help circumvent US Treasury sanctions. Expressing his views on this mechanism, Jarrett Blanc, former Obama staffer for the Iran deal said "The payment mechanism move opens the door to a longer-term degradation of US sanctions power." While the SPV has generated some hope of continuing business with Iran, the real success of the mechanism remains to be tested. At the same time, the response from the US officials has been critical. The US Secretary of State Mike Pompeo opposed the creation of SPV. He said that "vehicle sends the wrong message at the wrong time. We believe that the US and the EU should be working together to find enduring solutions that truly support the Iranian people."

Since India and China are major oil importers of Iranian oil, their response to the US sanctions will in many ways decide the effectiveness of the implementation of new sanctions as envisaged by Washington. The Indian official position has been that it will abide by the UN sanctions and not the new unilateral sanctions imposed by the US administration. Simultaneously, New Delhi has been working on alternative mechanisms for payments for the Iranian oil imports to circumvent dollardenominated trade. In the past, India paid in rupees for its oil imports from Iran through UCO Bank. This option is available to India. Oil companies can use UCO or IDBI Bank to route oil payments to Iran. As both banks don't have dealings in the US, this could be a possible option. Iran can use the rupee to settle its imports of goods from India. New Delhi is also in consultations with its European partners to find a way to make payments for its Iranian oil imports.

Additionally, Indian officials have been seeking waiver from the Trump administration. During Mike Pompeo's visit there were some signals indicating that the US may consider the waiver in the case of India. "There will be a handful of countries that come to the US and ask for relief from that. We'll consider it," Pompeo said in an indication that the Trump administration is willing to show some flexibility to countries like India. But he made it very clear that these would be timelimited, if granted. Therefore, to what extent India will be able to achieve this goal remains to be seen. However, in the past few months India has reduced its oil imports from Iran. After the Indian oil ministry requested refiners to prepare for a "drastic reduction or zero" imports from Iran, Indian companies - Nayaro Energy, IndianOil Corporation, Hindustan PetroleumCorporation Ltd (HPCL) have started looking for alternative supplies. What is important to note is that Iran is India's third largest supplier of oil after Iraq and Saudi Arabia. More importantly, buying Iranian oil is more lucrative for Indian refiners, as Iran provides 60 days of credit purchases. This is an offer not provided by other substitute suppliers – Iraq, Kuwait, Saudi Arabia, Nigeria and the

US. India's oil Minister Dharmendra Pradhan has recently informed that India's state refiners have placed orders for crude oil from importing November. Indianoil Corporation, and Mangalore Refinery and Petrochemicals (MRPL) have together placed orders for 1.25 million tonnes of crude oil from Iran. While India is keen to maintain its oil supply from Iran, it will have to navigate its trade and energy ties with Iran without inviting any negative fallout of the US sanctions. China on the other hand, despite its stand to save the JCPOA, has also reduced its oil imports from Iran but is unlikely to bring its oil imports to zero.

Is There a Path of Mitigating Iran-US Hostility?

Given the growing hostility between the Trump administration and the Islamic Republic of Iran, one cannot be very hopeful of any immediate improvement in their bilateral ties. However, the question that merits some attention is about the possibility of mitigating this growing hostility. While some would completely reject any possibility of moderation, others may argue for some ways of finding a middle path depending on flexibility on the part of both Iran and the US.

American experts like Jon B Alterman are of the opinion that the Trump administration "has a set of policies to punish Iran and a set of ambitious goals for changes in Iranian behaviour" but lacks an Iran strategy. It is argued that neither side is able to find a clear way to solve the longstanding problem which has led both the countries to a confrontationist path and that they need to realize that a course of

mitigating hostility is likely to deliver better results not only for the US and Iran but provide greater benefits for the larger international and regional community as well. Given the current volatile situation in the West Asian region with growing sectarian conflicts supported by Iran and Saudi Arabia, the mounting threat of extremism, the precarious situation in Yemen and Libya combined with major uncertainty in Iraq and Syria, it is extremely important to engage Iran to find long-term solutions to the regional problems through smart, balanced diplomacy and dialogue.

(Dr Meena Singh Roy is Research Fellow at the IDSA and heads its West Asia Centre.)

New Controversy as Israel Declares Itself 'Jewish State'

Adil Rasheed and Jatin Kumar

On July 19, 2018, the Israeli Knesset adopted a declarative law defining the country as the nation-state of the Jewish people, which has since sparked a major controversy.

The law assumes its importance from its title: "Basic Law: Israel as the Nation-State of the Jewish People". As <u>Israel does not have a formally written constitution</u>, Israel's legal system holds a 'Basic Law' as its guide and is more difficult to repeal than regular laws.

It is in this context that an Israeli 'Basic Law' has for the first time declared the state to be "the national home of the Jewish people" and that the "The right to exercise national self-determination in the State of Israel is *unique* to the Jewish people".

Although Israeli Prime Minister Benjamin Netanyahu and his supporters hailed the passing of the bill as a "defining moment in the history of Zionism", its Arab detractors went to the extent of planning the subsequent anniversaries of the legislation as "International Israeli Apartheid Day".

For his part, Israeli President Reuven Rivlin criticized the law, by calling it "a weapon in the hands of Israel's enemies", while the country's attorney general, Avichai Mandelblit, warned about the "international ramifications". Meanwhile, many members of the Israeli Jewish community held protests alongside their fellow Israeli Araband Druze citizens

against the new law, claiming it legitimizes discrimination.

Contentious debate

Tabled by Likud legislator Avi Dichter in 2014, the draft law was rejected outright by both his party and opposition members. Several revisions later, it was passed by 62-55 votes, with two abstentions on July 19, 2018.

The fundamental criticism of the law has been its supposed "exclusionary content and tone" directed at non-Jewish citizens of Israel, when it states that the state of Israel is the "national home of the Jewish people" and that "national self-determination" will be "unique" only to them.

Critics of the provision claim that the law is contravention of Israel's Declaration of Independence, the text that founded Israel in 1948, which though a Jewish state vowed to ensure "complete equality of social and political rights to all its inhabitants irrespective of religion, race or sex."

In an Op-Ed article to the New York Times, Israeli philosopher Omri Boehm said the aforementioned provisions also ran contrary to democratic values. "... Defending the state's Jewishness in this manner runs roughshod over people's equal right to democratic representation. It implies that Israel's Jewish identity trumps its democratic character".

The other criticism of the law was that it downgrades Arabic —the language of the minority population of Israel's Arab citizens, to a "special status" instead of an official language alongside Hebrew. Arabic is spoken by 20 per cent of the population, including the Druze community (a distinct ethno-religious group).

The law also categorically states that "Jerusalem, complete and united, is the capital of Israel," which former *Haaretz* correspondent and spokesman for Americans for Peace Now <u>Ori Nir says</u> quells the prospect of East Jerusalem becoming the capital of the future <u>Palestinian state</u>, and opines "by outlawing de-facto the possibility of a compromise agreement over Jerusalem, the Knesset has added yet another legislative roadblock on the way to peace".

Perhaps, the most debated stipulation in the law is that "the state views the development of Jewish settlement as a national value and will act to encourage promote its establishment and consolidation." This clause has drawn criticism from various quarters, for as Ori Nir puts it: "The law gives a further push to annexationist trends that characterize this actions and legislation. government's Worse, it gives further legal coverage to the settlers' insatiable appetite for expansion with the stated goal of denying a future Palestinian state".

Reaction within Israel

As mentioned above, President Reuven Rivlin sent a letter on July 10, 2018 to Knesset members urging them to amend the controversial bill, saying that changing Israel's Jewish character in the law "could"

harm the Jewish people, Jews throughout the world and the State of Israel."

Responding to Rivlin's letter, Likud legislator Miki Zohar criticized the Israeli President by saying, "<u>Unfortunately, President Rivlin has lost it</u> ... His efforts to connect to the general public in the State of Israel has made him forget his DNA and the principles on which he was educated. It pains me that time and time again the President chooses to attack the basic principles of the right-wing government and Prime Minister Benjamin Netanyahu."

The controversy grew even bigger when Justice Minister Ayelet Shaked addressed for the first time the possibility that even the High Court of Justice in Israel could not overturn the nation-state law, saying, "Such a move would be an earthquake, a war between the authorities." In response, former Israeli Chief Justice Dorit Beinisch, said that "there is a misunderstanding about what democracy is. Have we become a people's democracy that turned to dictatorship? The hallmark of democracy," she continued, "is not the people's rule." Shaked's speech, she concluded demagogic and a threat to democracy.

Meanwhile, former Israeli Prime Minister Ehud Barak went to the extent of calling the justice minister "ignorant and protofascist", an insult which is considered most damning in Israel, as he compared the justice minister to leaders of Nazi Germany who killed six million Jews in the Holocaust.

For their part, Israeli Arab legislators in parliament tore up the printed text of the law in the Knesset and showed black flags by shouting "apartheid". Outside the parliament, more than 50,000 Israeli nationals protested in Tel Aviv's iconic Rabin Square on August 4, 2018 against the new "Nation-State" law. The law even surprised the ethnic Druze citizenry of Israel (who have a population of 1,50,000 and whose men serve in the Israeli army).

On August 11, 2018 around 30,000 Arab citizens of Israel again demonstrated at Rabin Square. Unlike the Druze protest, the Arabs didn't bring Israeli flags along with them. This was a big change that highlighted the impact of law on the Israeli Arabs. Activists from the Arab Knesset party Balad were seen waving Palestinian flags at the demonstration.

Then on August 19, 2018, two dozen Israeli Druze, led by Daliat al-Carmel Mayor Rafik Halabi, filed a High Court of Justice petition against the nation-state law. It was the seventh such challenge to the law.

According to Brig. Gen. Imad Fares (Israeli soldier from Druze community), he felt years of progress towards more equality is being eroded. "Going to the army is our duty as the citizens of this country. However, I expect the country to treat me as I treat it."

International Reaction

On August 1, 2018, the US administration reportedly asked Israel for clarifications over the controversial law.

In response, the Israeli PMO informed the White House that the law would not affect the rights of any citizen in Israel or lead to discrimination against minority groups.

However, these assurances did not satisfy the European Union. "We are concerned. We have expressed this concern and we will continue to engage with Israeli authorities in this context," EU foreign affairs chief Federica Mogherini told a news briefing. "We've been very clear when it comes to the two-state solution. We believe it is the only way forward, and any step that would further complicate or prevent this solution of becoming a reality should be avoided."

For its part, <u>The American Jewish</u> Committee also felt "deeply disappointed" by the bill's passage, complaining specifically about the Arabic clause and the statement that "the state views the development of Jewish settlement as a national value and will act to encourage and promote its establishment and consolidation."

As is evident from the incidents above, the shock waves emanating from the new Israeli law have not only convulsed the Arab world and the larger international community, they have proven equally contentious within Israel itself, and are even causing a clash between members of the legislature, executive and judiciary.

The question about Israel's claim of being democratic is being debated as much as the adverse impact on the peace process, which lies in shambles with little hope of reviving in the near future.

(Dr. Adil Rasheed is Research Fellow at the IDSA)

(Jatin Kumar is Research Analyst at West Asia Centre in the IDSA)

Fresh Impetus to India-Bahrain Relations Recount

Lakshmi Priya

India's Minister of External Affairs Sushma Swaraj paid a two-day visit to Bahrain (July 14-15) to explore multiple facets of India-Bahrain relations and strengthen the growing ties between the two countries.

During her visit, she discussed a range of issues with the King of Bahrain, Hamad bin Isa Al-Khalifa, Prime Minister, Prince Khalifa bin Salman Al Khalifa and Deputy Supreme Commander of Bahrain's Defense Forces, Crown Prince Salman bin Hamad Al Khalifa.

She also co-chaired the second meeting of the High Joint Commission with H. E. Shaikh Khalid Bin Mohamed Al Khalifa, Minister of Foreign Affairs Bahrain. During the visit, MoUs were signed on renewable energy and healthcare, in addition to an agreement on exemption from short-stay visas for holders of diplomatic and official passports,

The Minister inaugurated the new chancery-cum-residential building complex of the Indian embassy in

Manama, where she addressed members of the Indian community. Bahrain is home to 0.3 million Indians and accounts for a fourth of that country's population. Their contribution to development of Bahrain was duly acknowledged by Bahrain's foreign minister.

In February 2014, the India-Bahrain High Joint Commission was established following the signing of a MoU during the visit of Bahrain's King to India. The first meeting of the Commission was hosted by India in February 2015, during which a MoU on water resources development and management was signed. The ground work for the second meeting was prepared by the fourth round of foreign office consultations held at Manama in November 2016. The next round of consultations will be held in New Delhi in the first half of 2019.

Historical Relations

The India-Bahrain High Joint Commission reflects the depth and strength of bilateral ties. It provides an important opportunity to exchange views on regional and internal issues of mutual interest, including recent developments in the region.

The roots of India-Bahrain ties can be traced back to the age of the Indus Valley Civilization and the Dilmun Civilization, dating back to at least the second millennium BC. Archaeological studies suggest that commercial and cultural links existed between India and Bahrain.

Pearls from Bahrain were traded for Indian spices when the economy of Bahrain was dependent on pearl fishing, from as early as the 17th century. Bahrain's government has maintained a liberal approach towards Indians living there as a result of which they have been able to make temples, churches and gurudwaras in the country. Smt. Swaraj was accompanied by the Foreign Minister of Bahrain to the Shrinath temple in the 'Little India' area of Manama, during her visit to Bahrain in 2016, to

attend the first ministerial meeting of the India-Arab League Cooperation Forum. In 2015, Bahrain launched the 'Little India in Bahrain' project to acknowledge and appreciate the contribution of the Indian community, to the development of Bahrain. During the visit, the Minister gifted a box of books called 'Bharat ek Pariychay' to the National Library in Manama.

Trade Relations

There has been an increase in the number of state visits between heads of state, ministers and senior officials of India and Bahrain in recent years. India is the fifth largest trading partner of Bahrain and exports cereals, nuclear equipment, electrical machinery, iron & steel and plastic. Its imports from Bahrain include aluminum, minerals, fertilizers, inorganic chemicals, paper, sulphur, copper and glass. India's balance of trade (as on February 2018) with Bahrain is in surplus, as Indian exports account for \$499.23 million and Indian import total \$376.24 million. India's total investment in Bahrain between January 2003 and March 2018 is estimated at around \$1.69 billion.

India has high investment value in financial services, real estate and the hospitality sector. The cumulative FDI inflow from Bahrain in December 2017 stood at \$163.66 million. Indians in Bahrain are engaged in skilled as well as unskilled labour.

Diversified Ties

India and Bahrain have signed a number of MoUs spanning various sectors. They range from air services, judicial cooperation, extradition and media, to labour, taxation, information and communication technology, sports, economy, water resources, terrorism and crime. During a recent visit, a MoU for cooperation in the field of healthcare was signed to facilitate the exchange of information including publications and research outcomes; to exchange visits by government officials, academic staff, scholars, teachers, experts students; participation for workshops and training courses; and to encourage health and medical research activities at both the private-sector and the academic level. It saw pharmaceuticals a key area of cooperation.

Similarly, another MoU was signed for cooperation in the field of renewable energy. In addition, an agreement was signed on exemption from short-stay visas holders for of diplomatic and official/special passports. and India Bahrain proposed a MoU between the Isa Cultural Center of Bahrain and the Indian Council of Cultural Relations (ICCR) to enhance people-to-people contact and cultural exchanges. India and Bahrain agreed to work towards integration of the e-migrate system with the work permit issuance system of Bahrain.

The two sides discussed ways and means to expand cooperation in education, housing, tourism, women's empowerment, petrochemicals, security, defence, intelligence training, food security, cyberspace and energy. They welcomed the establishment of a Confederation of Indian Industries (CII) office in Manama along with the holding of the Bahrain-India Week Forum 2017. They also reaffirmed their desire to provide a favourable environment to public and private investors.

The key takeaways from this meeting were cooperation in space technology and on matters of combating terrorism. India and Bahrain showed keenness to explore areas of collaboration between the National Space Science Agency (NSSA) of Bahrain and the Indian Space Research Organization (ISRO) in training and human resource development.

Bahrain can benefit from India's experience in the use of low-cost space technology in operation and launch of satellites.

Combating Terror

Both countries reiterated condemnation of terrorism in all its forms and manifestations. They urged all countries to reject and abandon the use of terror against other states.

Bahrain is one of the members of the quartet which has isolated Qatar on the issue of its alleged support to terrorism. India and Bahrain agreed to work together for early adoption of India's proposed comprehensive convention on international terrorism at the United Nations.

During Swaraj's visit to attend the first ministerial meeting of the India-Arab League Cooperation Forum in 2016, Secretary East Anil Wadhwa, mentioned that whenever <u>India and Bahrain meet, security and terrorism feature on the agenda without fail.</u>

Two days after the External Affairs Minister's visit to Bahrain, the Indian cabinet, led by Prime Minister Narendra Modi, approved a MoU between the Institute of Chartered Accountants of India (ICAI) and the Bahrain Institute of Banking and Finance (BIBF), to strengthen the accounting, financial and audit knowledge base within Bahrain.

Relations between India and Bahrain are old and time-tested and the visit by Sushma Swaraj has reaffirmed and strengthened these ties.

(Lakshmi Priya is Research Analyst at the IDSA)

Iraq's Worsening Water Woes

Nagapushpa Devendra

In June, a large number of Iraqis, who remain angry at the government's corruption and mismanagement, saw their livelihood in danger, with Iran and Turkey threatening the supply of water into the country.

Turkey's announcement to hold water at its <u>Ilisudam</u>— part of the Southeastern Anatolian Project (GAP)— earlier than its previously stated plan, alarmed Iraqis, who are already grappling with a severe water crisis that shows few signs of abating. Rains have failed for two consecutive years in Iraq.

Meanwhile, Iranian officials have stated that they are close to completing a massive project that would divert water from rivers in the western part of the country to drier eastern regions. The problem is that the waters being diverted are of the little Zab and Sirwan Rivers, both of which flow into Iragi Kurdistan. This project will significantly worsen Iraq's already precarious water shortage, as there are no alternative sources of water commensurate with consumption.

Land between two rivers

Historically, Iraq became the cradle of civilization thanks to the two famous rivers — Tigris and Euphrates, both of which today originate outside the country. These two rivers account for 98 per cent of Iraq's surface water supply. Therefore, their flow is vulnerable to dams and water diversions in Turkey and Iran.

The Euphrates does not receive water from permanent tributaries within Iraqi territory and is fed only by seasonal runoff from the valley (wadis). Historically, the <u>natural annual water flow</u> of the Euphrates at the border to Syrian-Turkey is estimated to be around 30 BCM. The Tigris has a higher water yield than the Euphrates River. The <u>natural annual flow</u> of the Tigris at the Iraqi-Syrian-Turkish border is around 21 BCM. In recent years, the flow of Euphrates and Tigris has fallen to less than a third of their normal flow which is largely the result of upstream activities by Turkey and to a much lesser extent, by Syria and Iran.

In 1946 Turkey and Iraq agreed that the control and management of the Euphrates and Tigris depended to a large extent on flow regulation in the Turkish source areas. Moreover, Turkey agreed to monitor both the rivers and to share related data with Irag. In 1980, Turkey and Irag further specified the nature of the earlier protocol by establishing a joint Technical Committee on regional waters. In the same year, Turkey began its mega water project, known as Southeastern Anatolia Project (GAP), which consists of 22 major dams on the Tigris-Euphrates River and its tributaries.

The project provides water and electricity to eastern Anatolia and parts of the more heavily populated west and is perceived by the Turkish government as key to developing and integrating the majority of Kurdish areas of the country. Ankara also hopes that the economic growth led by these dams will undermine the longrunning ethnic Kurds (PKK) issue in the country. However, the effect of the Turkish mega project has been dramatic on Iraq. Over the last half a century, the flow of water to the Tigris has decreased by around 50 per cent. In the case of the Euphrates, the effect was even greater, as water flow fell by 90 per cent.

Rising salinity

where Basra this year's Iraqi's begun has been demonstration immensely affected the by Turkish project. Basra is the point where the Tigris and Euphrates rivers unite into the Shatt al-Arab that discharges into the Persian Gulf. For past few years, Basra has been facing a serious fresh water shortage due to decreasing water level, which resulted in saltwater intrusion. The salinity levels of the Shatt al-Arab increased more than fivefold as the total dissolved solid (in this case mostly salt), had increased from 1000 to more than 6000. Although there are several causes that led to the salinity of the river, Turkey's large-scale dam project is one of them. Moreover, Erdogan's announcement to fill the Ilisu Dam with water will further reduce the fresh water flow to at least 25 per cent. The impact will be mostly felt downstream, in Basra. Further reduction in fresh water would eventually increase the salinity level in the Shatt al-Arab. Therefore, the impact of Ilisu Dam was most relevant for the city. But, without effective functional an and government in Iraq that has set as its priority, the resolution of reports of fraud, rigging and political interference that took place during the 12 May elections, a

working mechanism to end the water conflicts, was inevitable.

In the post-ISIS era, politics in Iraq has become the livelihood of the Iraqi judiciary, bureaucrats, and the political elites who are thoroughly engaged in the recounting of ballots. A few of them are also insisting on re-election and are willing to go to any such length to secure a few additional seats in parliament. But, none thought of addressing Basra's devastating water crisis. The political infighting is not only delaying formation of the new government but also has proven to be an impediment in the governance of the country. As a result, Iraqis' trust in government and political parties has reached a historical low. It appears that they like the idea democracy but loathe the reality.

Agricultural crisis

These factors became triggers for the recent protests that exploded at a time when the Iraqi government, instead of working towards a common understanding to share water, partially banned farming. This was followed by Iran's initiative to electricity supply to Iraq given the latter's \$1billion in unpaid bills and also to meet domestic energy demand. So this was a matter of basic survival for both countries. On the other hand, Azzam Alwash — a engineer hydraulics who international award in 2013 for his efforts towards restoring southern Iraq's oncelush marshes drained by Saddam Hussein's regime, said that "agriculture is going to dry the land where it was born". This made Iragis furious as they were left with nowhere to go. In urban areas, there was a lack of job opportunities and in rural areas, the government had banned farming.

Hundreds of Iragis took to the streets demanding action against corruption, to bolster the weak economy and to improve the provision of basic services, especially water and energy supply. In fact, Irag's top Shi'a leader, Grand Ayatollah Ali Sistani, recognized the importance of a new functional and effective government. He delivered a sermon that called political factions to get over their differences and form a new government and address these issues. The growing unrest and pressure, forced Hassan al-Janabi, minister of water resources to reach an agreement with Ankara on the speed with which the dam's reservoir will be filled, though Turkey says there's no such agreement. present, Turkev At postponed the filling of dam until November when delegations from both the countries will meet and discuss the issue. Meanwhile, Iran which was growing apprehensive with Saudi Arabia's efforts to make Iraq its soft power again by aiding the country's reconstruction mission signed a deal with Iraq. Both the government have reportedly reached an agreement to construct a dam along the Shatt al-Arab waterway to block heavily polluted and salty water from Iran's Karun River.

While this has helped to bring down the protest for the time being, one must not forget the fact that Iraq is a land-locked country. Unlike Iran or Turkey, Iraq does not have a coast on the Arabian Sea,

Caspian Sea, Mediterranean Sea or Black Sea. Again, Iran and Turkey have not witnessed a civil war, let alone the conflagration that has nearly torn up Iraq. With Euphrates being extensively irrigated by Turkey, Iraqis struggle for survival in the region. Therefore, it is essential for the Iraqi government to urge its neighbouring countries to adhere to the shared water agreement that Turkey signed in 1946 — the treaty of friendship and Good Neighbourly Relations which is also the first legal instrument of cooperation on waters between the two riparian countries.

Most important, the Iraqi government has negotiated, along with the international community, share water agreements with neighbouring countries, especially Turkey, under international law guidelines. It is in the absence of such agreements, that Iraq's neighbours have frequently slowed the flow of water by building dams. This has helped Iraq avoid a new water conflict that is likely to arise with the completion of Iran's massive water project. In addition, the international community must help Turkey and Iran with technologies and other related sources which will help them convert sea water into drinking water, especially since temperatures in West Asia are rising twice as fast as the world average due to the amplifying effects desertification, which could make swathes of the region uninhabitable by the end of the century.

(Nagapushpa Devendra is Research Analyst at IDSA)

GUEST COLUMN

The Idlib Conundrum!

V. P. Haran

Syrian Government forces have successfully established control over Daraa and Quneitra Governorates, with the extremists having been driven out or given safe passage to Idlib. Some others like the White Helmets, implants of Western intelligence masquerading as do-gooders, were extracted and transported to safety with UN and Israeli supervision.

The operation was completed with minimum bloodshed and there were no allegations of use of chemical weapons, thanks to backroom diplomacy between the US and Russia. With Daraa out of the way, Syria's focus is shifting now to Idlib, the last of the major strongholds of the terrorists.

Strategic regions

There are now three areas, constituting a third of the territory of Syria, that are not under the control of the Government: the governorates of Hasake, Raqqa and Deir ez Zor, that is the region to the East of Al Furat [The Euphrates] river, which is under the control of the US-supported and Kurdish-dominated Syrian Democratic Forces, the area around the US camp in Al Tanf, where a large number of extremists including ISIS cadres are believed to have taken refuge, and the governorate of Idlib.

It is beyond the Syrian forces to move into the first two areas as they will come face to face with the US forces. The US is unlikely to leave these areas any time soon as their presence helps in the important Israeli objective of preventing Iran from having an overland communication line with southern Lebanon. Further, their presence will give the US an important say on how the final solution to the Syrian imbroglio unfolds.

With nearly two-thirds of the country under its control, why is the Syrian Government in a hurry to wrest control of Idlib? Apart from its legitimate objective of establishing control over the whole of Syria, there are several reasons for Syria wanting to take back Idlib.

Terrorists from the rest of the country were given safe passage to Idlib in the hope that they would not create trouble in the rest of the country, but the terrorists have continued to breed trouble. They have been frequently intruding into and attacking sensitive targets in the northern areas of the adjoining Hama province and Central Syria.

In a car bomb attack by the rebels in early August 2018, Syria lost a leading scientist Dr. Aziz Isber, Head of the Centre for Scientific Research, said to be the official who was driving Syria's missile programme. The rebels were most likely used by Israel to carry out this operation. It is clear that so long as the rebels are entrenched in Idlib and receive support from across the northern border, peace would elude the rest of the country.

The arterial M4 motorway connecting the capital, Damascus and the major cities of Homs and Hama to the northern city of Aleppo, passes through the eastern part of Idlib governorate. Control of the motorway is essential for maintaining road and rail link with Aleppo, Syria's largest city and commercial centre. This would be difficult

if the rebels are present in the vicinity of the motorway. The rebels have been launching drones from Idlib towards the Khmeimim Russian airbase near Latakia, probably with a longer term agenda in mind. The rebels, who have procured antiaircraft missiles from their overseas patrons, can pose serious threats to the Russian aircraft flying in the area.

In February 2018, terrorists had shot down a Russian SU-25 and captured and brutally killed the pilot who had ejected to safety. This makes it essential to drive away the rebels from Idlib. Of the fertile and densely populated regions of Syria only Idlib is out of the Government's reach. Taking back Idlib would reinstate Government control over population centres and facilitate return of refugees. The control of the vast area to the east of Al Furat and Al Tanf by the US will not influence the return of the refugees.

Rebel's lair

Idlib province, which is on the border with Turkey has been an important centre of rebel activity since 2011, when troubles started in Syria. By late 2011 there were about 8,000 militants, mostly Syrians, in the hills of the province.

The population of Idlib province in 2011 was around 1.5 million and today the number is estimated at around 3.0 million because of the influx of rebels and their supporters from all over Syria to this 'safe' place, which can get supplies easily from Turkey. Over the last two years, rebels from the rest of the country who were given safe passage under agreement with the Syrian Government were moved to Idlib.

The number of terrorists in Idlib is estimated to be between 70,000 and 100,000. Another estimate puts their

number significantly higher at 200,000. Among the rebels are a sizeable number of foreigners, including from the West. The number of rebels from the West is estimated at between 5,000 and 10,000. Their home countries do not want them back, which complicates the problem.

The largest rebel group in Idlib is Hayat Tahrir al Sham [HTS], earlier known by the name, Jabhat al Nusra. Turkey doesn't have much of a control over this group. In May 2018, Turkey succeeded in bringing together a large number of rebel groups under the umbrella of the National Liberation Front [NLF]. Turkey hopes that this will minimize inter-group rivalries and attacks. While groups like the Syrian National Army are close to Turkey and receive monetary and military support from Turkey, the others have their own ideology, foreign sponsors and sources of finance.

Their association with the NLF may be a tactical move or part of survival strategy in view of the impending offensive by the Syrian Army. HTS has refused to join this front. The Sunni groups Ahrar al Sham and Nour al Din al Zenki, which had joined hands in February '18 to form the Syrian Liberation Front have affiliated themselves with NLF in August '18. Some other groups have also joined the NLF in August '18.

Thus, there are two main rebel forces on the ground in Idlib: HTS and the NLF. There are a few other groups as well. There are unconfirmed reports that all the rebel groups have formed a joint command to take on the Syrian Army.

The battle for Idlib is going to be tougher and more violent than the one for Eastern Aleppo in 2016. The well- entrenched rebels are receiving active support from Turkey and the Gulf. Further, Turkish troops are present in numbers in Northern Idlib and Turkey has recently fortified its 12 observation posts along the periphery of Idlib governorate that were established following agreement in the Astana process, in anticipation of an all-out offensive by Syrian troops. It has reportedly moved anti-aircraft weapons to the posts signaling readiness to target Russian jets, should they be used. Rebels' supply lines from Turkey maintained easily.

Turkey's current economic woes are unlikely to impede fulfilment of its commitments to the terrorists. Possible operations in Idlib by Syrian Armed Forces, with the support of Russia and Iran, are likely to result in huge casualties of terrorists and civilians. This will give the West a reason to get more active. The West which has chosen to remain out of the Astana process, and is not directly involved in the diplomatic activity on Idlib, would make every effort to deny Russia and Syria an easy run as otherwise, they would not retain a say in the Syrian denouement.

Diplomatic parleys

While both sides are preparing for the battle for Idlib, feverish diplomatic efforts are being made to avert a major crisis. Russia and Turkey are in frequent contact on the situation in Syria to find a way out for the problem in Idlib.

A full-scale offensive by Syrian regime will result in bloodshed and exodus of refugees and terrorists to Turkey, a prospect that Turkey would like to avoid. Russian Foreign Minister Sergei Lavrov had made it clear in a press conference in Ankara, after his meeting with his Turkish counterpart on August 2014, that 'de-escalation

agreement in Idlib doesn't apply to terrorist groups and the Syrian Army has the right to eliminate terrorism in all Syrian territory'. He stressed that Russia will continue to support the Syrian Army in the fight against terrorists.

Lavrov's statement was a clear message to Turkey, which is already under economic and political pressure from the US and has to protect its territory from the US-supported Kurdish SDF, along most of its border with Syria. Russia has been focusing on a political settlement with simultaneous solution to the issue of the terrorists in Idlib.

Realizing that Syrian action against the rebels may become inevitable, Turkish Foreign Minister Mevlüt Çavuşoğlu argued that it is necessary to differentiate between moderate rebels and radicals. How this can be done on the ground is not clear, unless Turkey intends to move the 'moderate rebels'-who presumably are the ones supported by Turkey - to the region around Turkish-controlled Afrin, north of Aleppo, which Turkey captured from the ISIS in March 2017. Turkish President Erdogan said on 27th August that Turkey is cooperating with Russia and Iran to avoid a catastrophe in Idlib, indicating keenness to work for a less violent solution to the Idlib solution.

In an interview to RT on 1st September, Syrian Dy. PM and FM made it clear that liberating Idlib from terrorism is a priority whether this is done via reconciliation, which the Syrian Government prefers or via military action.

Responding to signals emanating from Washington, Russian FM Lavrov noted in an interview to Russian 1 TV on 4th September that the US behavior towards the situation in Idlib indicates that

Washington wants to protect the terrorist organization Jabhat al Nusra.

Diplomatic efforts have been stepped up over the past month by Russia to work out a political understanding with Turkey, which is the only way to avoid enormous bloodshed, particularly if it addresses the problem of 'radicals'also. Russia is also cautious keeping in view possible direct involvement of the US in Idlib on some pretext or the other.

Amidst hectic diplomatic activity, the two sides are warning each other about possible use of chemical weapons. The US NSA John Bolton has said that the US will act strongly if Syria uses chemical arms. Latest reports indicate that the US has strengthened its offensive capability in the region around Syria.

The US, the UK and France have threatened strong action should Syria use chemical weapons. Syria on the other hand has accused Turkey, the white helmets and the terrorists of having brought in chlorine to the interiors of Idlib, for preparing chemical weapons. Condemning statement of the US and others, Syria said that the objective of the statement is to justify terrorist use of chemical weapons and to use it as a pretext for aggression against Syria, as has happened in the past. Against this background, the Presidents of Russia, Turkey and Iran met in Tehran on 7th September.

Differences persisted on how to move forward in Idlib, with Turkey reluctant to back an all-out offensive on Idlib. Finally it was agreed to call on all armed forces to surrender their weapons.

Sochi Breakthrough?

Breakthrough of sorts was achieved at the Sochi meeting between the Presidents of Russia and Turkey. Briefing the press on 17th September on the outcome of the meeting President Putin said an agreement has been reached on establishing a 15 kms deep demilitarized zone in Idlib region by 15th October. Heavy weapons and terrorists will be withdrawn from the region. Russian and Turkish forces will monitor the demilitarized zone. Putin added that the agreement has Syria's nod.

It remains to be seen how effectively the Sochi understanding can be implemented on ground. Turkey will find it difficult to make HTS see reason and implement what has been agreed to. Russia has bought a month in the process to find a more complete solution to the deadlock. If the proposal on demilitarized zone is implemented in good faith by all sides, further steps can be worked out to avoid a showdown and prevent a humanitarian catastrophe.

Mr V.P. Haran is former Indian Ambassador to Syria (2009–2012) and Bhutan (2013–2014)

WEST ASIA NEWS SURVEY

POLITICAL

1. Saudi Arabia memo against Iran to UN

NEWYORK (July 10): Saudi Arabia has submitted a 'memorandum of protest' against Iran to the UN and has accused Iranian boats and vessels of <u>infringing into restricted oilfields area within its territorial waters</u>.

The Permanent Representative of the Kingdom to the United Nations, Ambassador Abdullah Bin Yahya Al-Muallimi has said that despite the protest notes addressed to the Iranian government and to the UN Secretary-General, Iran continues with its violations and abuses.

The Saudi government holds Iran responsible for any damage occurring as a consequence of such actions.

The ambassador has requested the Secretary General to circulate the memorandum and ensure its publication in the next edition of the Law of the Sea Journal. - Saudi Gazette

2. US-Iran in Twitter War

TEHRAN (July 23): US President Donald Trump, in a tweet to Iranian President Hassan Rouhani, told him to "Never, ever threaten the united states again or you will suffer consequences the likes of which few throughout history have ever suffered before. We

are no longer a country that will stand for your demented words of violence and death. Be cautious! "

In response, Iranian Foreign Minister Mohammad Javad Zarif <u>tweeted</u> that "Unimpressed: The world heard even harsher bluster a few months ago. And Iranians have heard them —albeit more civilized ones—for 40 yrs. We've been around for millennia & seen fall of empires, including our own, which lasted more than the life of some countries. Be cautious!"

On the other hand, Iranian Brigadier General Gholam Hossein Gheibparvar, commander of the Basij paramilitary force, <u>interpreted Trump</u>'s tweet as "psychological warfare," while others called it a "war of words" between Trump and Iranian President Hassan Rouhani, whose warnings about a war with Iran appear to have been what set Trump off in the first place. — *Press TV*, *Al Monitor*

3. Israel-Hamas moving towards peace

TEL AVIV (August 17): A deal negotiated between Israel and Hamas via UN and Egyptian mediation, whose first stage went into effect on August 15, 2018.

Israeli Defence Force (IDF) officials told *Haaretz* that the understanding comprises six main clauses to be implemented gradually, provided that

fully is maintained: peace a comprehensive cease-fire; the reopening of Gaza's border crossings and expansion of the permitted fishing medical zone: and humanitarian assistance: a resolution to the issue of captive soldiers, missing civilians and prisoners; a broad reconstruction of Gaza's infrastructure, with foreign funding; and discussions about sea and air ports in Gaza.

The information was also confirmed by Hamas' Salah Arouri, the deputy head of Hamas's political bureau.

However, the possibility of peace between Israel and Hamas rests on the Hamas's decision to recognize the existence of Israel. Initially, Fatah is kept out from the negotiations but in the absence of Fatah-led PA, it would be very difficult to reach a comprehensive agreement. – *Haaretz*

4. Abbas blasts Israel-Hamas deal

TEL AVIV (August 18): Palestinian President Mahmoud Abbas criticized an emerging agreement between Israel and Hamas, stating that any aid to the Gaza Strip must go through the West Bank-based Palestinian Authority.

The possible agreement comprised efforts to improve Gaza's infrastructure, but according to Abbas, the Palestinian government is solely authorized to grant funds to the impoverished coastal enclave.

According to *Al-Hayat* newspaper, "the announcement of a deal would come soon after the Muslim holiday of

Eid al-Adha, which ends on the evening of August 25". The developments between Israel and Hamas have left the Abbas-led PA abandoned, raising questions over its significance. — *Haaretz*

5. Bahrain stops issuing visa to Qataris

MANAMA (21August): The government in Manama announced that Bahrain will stop issuing visas to Qatari nationals following the hostile behavior of Qatar.

According to the Bahraini News Agency, the Ministry of Interior declared that "in response to hostile behaviour against the Kingdom of Bahrain, it was decided to stop issuing visas to Qatari nationals", except for Qatari students studying in the kingdom.

The statement said that the move is to stop the actions of Qatari authorities that was acting irresponsibly and does not intends to target the Qatari people with whom Bahrain shares fraternal brotherly relations.

Citzens of GCC member states just need an ID to visit the six member countries. However in November 2017, in response to Qatar announcing visa-free travel for Lebanese nationals, made visa mandatory for Qatari nationals, citing instances of people travelling from terror sponsoring countries entering the kingdom using Qatari documents.—*The National*

6. Saudi eager to strengthen Arab League

JEDDAH (11 September): Saudi Foreign Minister Adel Al-Jubeir has reasserted the Kingdom's eagerness to strengthen the Arab stance during the opening of the 150th ordinary session of the Arab League (AL) Council in Cairo.

He also emphasized that Saudi Arabia is keen to promote the performance of the Arab League and revamp a Pan-Arab joint action system. He also mentioned that the Palestinian cause is a top priority for Saudi Arabia and it endeavors to secure the Palestinian people their legitimate rights based on the Arab Peace Initiative.

He stated that Saudi Arabia seeks to achieve stability in Yemen and Syria andis committed to maintain their sovereignty and territorial integrity. He also emphasized that Saudi Arabia supports the unity and independence of Libya. —*Arab News*

7. Egypt law curtails Internet use

CAIRO (August 18): The President of Egypt, Abdel Fattah al-Sisi, has signed a new law that tightens controls over the internet. The legislation on "cybercrime" would allow the blocking of websites in Egypt if deemed to constitute a threat to national security or the economy, the BBC reported. Anyone found guilty of running, or just visiting such sites could face prison or a fine.

Authorities say that the change is necessary for dealing with instability and terrorism. But human rights groups accuse the government of trying to crush all political dissent in the country. Last month, another bill was passed by parliament, pending approval by President Sisi, which would allow social media accounts with more than 5,000 followers to be placed under supervision. — BBC

8. Israel evacuates 422 Syrians

JERUSALEM (July 22): In extraordinary operation, the Israel Defense Forces (IDF) evacuated 422 Syrians to neighbouring Jordan at the request of the United States and European countries. Israel described move an "exceptional as humanitarian gesture", adding that it "continues to maintain intervention[ist] policy regarding the Syrian conflict". IDF informed the media that, "Following an Israeli government directive and at request of the United States and additional European countries, the **IDF** recently completed a humanitarian effort to rescue members of a Syrian civil organization and their families". — i24News and CNN

9. Houthi rebels meet Nasrallah

TEL AVIV (August 20): A group of rebels met Hezbollah Houthi Secretary-General Hassan Nasrallah in Lebanon to discuss latest developments in Yemen's civil war. The group was led by Houthi spokesman Mohamed Abdelsalam and discussed the political and humanitarian situation in the war-torn country, according to Hezbollah's AlManar TV. According to Israeli Defense Minister, Avigdor Lieberman, Iran is giving funds to the Iranian Revolutionary Guard Corps' Quds Forces in Syria, to Hezbollah in Yemen and Lebanon, Shi'ite militias in Iraq, Houthi militias in Yemen and to Hamas and Islamic Jihad in Gaza, at a cost of \$2.5 billion a year.

While commenting on the presence of Hezbollah commanders in Yemen, Saudi Prince Khalid bin Salman, "confirms the Iranian regime has subcontracted the Houthi militia to another one of its proxies: Hezbollah. It proves the regime's proxies work in tandem to undermine regional stability and prolong the suffering of countries they are involved in." – The Jerusalem Post

10. French Relief in Syria with UN Support

DAMASCUS (July 26): The UN office for the Coordination of Humanitarian Affairs has <u>agreed</u> that it will support a relief effort in Ghouta, the Damascus suburb that until recently was being pounded by Syrian and Russian airstrikes. The relief plan has come as a result of talks between <u>Russian President Vladimir Putin</u> and French President Emmanuel Macron, and will deliver medical aid and basic needs like tents and clothing to areas under the direction of the Syrian Arab Red Crescent.

However, it is unclear as to what role the UN will play. French authorities said that the UN would supervise the aid distribution, but the <u>UN denied</u> this earlier only to later release a statement saying that it would provide "support" for the effort. — France24.com, Middle East Eye, Reuters

Russia-West scuffle on Syrian reconstruction

UNITED NATIONS (July 29): In the United Nations Security Council, both Russia and France <u>argued over the reconstruction of Syria</u>. French envoy François Delattre said that the European Union refuses to contribute to any reconstruction effort unless the Syrian government accepts a political transition roadmap that the Security Council drew in 2012.

While the roadmap wants Assad out of power, in reality he has almost won the war against the rebels and would rather prefer to rule than to step down. Nevertheless, deputy Russian ambassador Dmitry Polyansky argued that international reconstruction aid should be tied to humanitarian needs rather than political conditions.

Recently, the US has <u>also stated that it</u> <u>will suspend \$200 million in funds</u> allocated for rebuilding Syrian infrastructure. — *Gulf News, New York Times*

12. Lebanon Struggles to Form Government

BEIRUT (August 14): Lebanese Prime Minister Saad al-Hariri <u>says</u> that the country's political parties "need more time to arrive at a final formula" so that he can form a government. Lebanon has been under a caretaker administration since its May 6 election, which proved to be fairly inconclusive. Hariri wants to form a national unity government but some parties are apparently striking a hard bargain in talks.

The delay in the formation of the government has prompted recrimination between rival parties were the situation is further sliding towards an escalation. — Lebanese News

13. Turkish President Erdogan sworn in with new powers

ANKARA (July 9): Recep Tayyip Erdogan was sworn in as the President for a new term with sweeping powers after the constitutional change. On July 9, he vowed that his <u>new</u> government will be "more efficient."

On the other hand, the state media has apparently been twisting itself into knots in trying to explain how a country that vested most of its government's powers in one man could actually be freer and more democratic as a result.

For all his defiant rhetoric, Erdogan still seeks global legitimacy and in his inaugural speech stated: "In the new era, Turkey will further advance in all areas, including democracy, fundamental rights and freedoms and economy."

Meanwhile, Erdogan appointed BeratAlbayrak, his son-in-law as the finance minister, who is also the apparent heir. He also <u>ended the state</u> of emergency, as promised in his election campaign. — *Al Monitor, Amnesty. Org*

14. Turkey rejects US sanctions on Iran

ANKARA (July 24): Turkish Foreign Minister Mevlüt Çavuşoğlu said that Turkey has no intention of abiding by the re-imposed US sanctions against Iran.

He told reporters in Baku, Azerbaijan, that, "We (Turkey) do not have to adhere to the sanctions imposed on a country by another country. We don't find the sanctions right either".

He further stated that "we go along with UN sanctions like every country, but we do not necessarily need to go along with sanctions imposed by the US or UK against Iran". — *Rudaw*

15. US-Turkey spat over pastor's detention

ANKARA (July 26): In a tweet, US President Donald Trump threatened to impose sanctions against Turkey over the long-term detention of Pastor Andrew Brunson, who is accused by Turkey of being part of the Gullenist movement and for his involvement in activities for the espionage Following Trump's tweet, US Vice-President Mike Pence said that the Pastor should be released immediately Turkey would face serious consequences. For its part, the Turkish government responded by saying by saying that "no one can give orders to Turkey and threaten our country." Erdogan further vowed not to bowbefore the threat of US sanctions.

In response, the Trump administration blacklisted Turkish Justice Minister Abdulhamit Gül and Interior Minister Süleyman Soylu. The rift between US and Turkey has further worsened after Trump <u>authorized</u> the doubling of tariffs on steel and aluminum imports. For his part, Erdogan has placed a boycott on US goods and electronics. — *Business Insider*, *Hurriyet Daily*

16. Protest in Iraq against government corruption

BAGHDAD (July 08): After Iran decided to cut its electricity supply to Iraq due to \$1 billion in unpaid bills, Iraqis expressed their ire at government corruption and mismanagement, by taking to the streets.

Iraqi protests ranged from seeking improved electricity and water supply to better employment opportunities.

Protesters blocked a road leading to the oil field, and would not allow workers through. The spontaneous protests were held in many cities and towns, including the capital.

An electricity tower serving the West Qurna oilfield was blown up by an IED. There were protests in several areas of DhiQar that included the main highway to Baghdad being shut down with burning tires, one in Karbala city, one in Muthanna, and one in Najaf where people tried to storm a Badr office.

While the caretaker government used security forces to crack down on most

of the protesters, the leader of Iraq's largest party in parliament following the May general elections, Muqtada al-Sadr, expressed support for the protesters.

Meanwhile, Iraq's top Shi'a leader, Grand Ayatollah Ali Sistani called for Iraq's political factions to overcome their differences and form a new government as soon as possible to address endemic corruption that has driven recent protests across the country. — Alforanet.com, Almirabad, Al Sumaria TV, The Bagdad Post

17. Khamenei calls for unity in Iran following US sanctions

TEHRAN (July 15): In a speech, Iranian Supreme Leader Ayatollah Ali Khamenei called for unity behind President Hassan Rouhani's government in order to "overcome problems and defeat the conspiracy" against Iran. He also called for legal action against those accused of economic crimes, including profiteering.

Khamenei-supporting hardliners have frequently been critical of Rouhani. Thus, this speech is seen as a sign that the country's political establishment is coming together in response to US aggression. — *The Daily Star*

18. Iran faces power shortages

TEHRAN (July 17): Iran's electricity consumption peaked on June 26 at 55,443 megawatts (MW) at 4:38 p.m. local time, which is 1,200 MW higher than the previous record.

This resulted in widespread blackouts due to "overheating" of the power grids. Various districts in Tehran experience two-three hours electricity cuts.

The <u>hour-long power outages</u>, which have repeatedly occurred in many cities, including the capital city of Tehran, have affected many businesses and citizens. A manager of a workshop in central Tehran told *Al-Monitor*, "The power cuts are costing us money. Each day we rush to complete our work thinking the power may cut off at a moment's notice. This is bad for morale."

The extra demand for power created when everybody has to fire up their air conditioners is exacerbated by the fact that Iran's water tableis falling thereby reducing the country's hydroelectric output. These conditions are contributing to the climate of protest and anti-government sentiment that's rippled across Iran in recent weeks. – *Iran Focus*

19. Iran Sunni complains against 'discrimination'

TEHRAN (July Abdolhamid 29): Ismaeelzahi, a preacher in the city of Zahedan, considered a spiritual leader of Iran's Sunni community, has appealed to Iraqi Grand Ayatollah Ali Sistani for help in getting the Iranian government to repression of Iranian Sunnis.In a letter, Abdulhamid wrote that Sunnis in Iran are facing "extreme sectarian discrimination" amid "the absence of religious freedom," caused by lack of "Sunni elites in public positions" and "imbalances between Shiites and Sunnis in Sunni areas".

He further stated that they are also prevented from holding Friday and Eid prayers in building mosques in Tehran and other cities. For decades now, Sunnis have been calling for the construction of a Sunni mosque in Tehran. However, Iranian authorities are impeding such a move, as they fear a Sunni mosque would turn into a political centre opposed to the Shiiteled Islamic republic.

Abdul Hamid called on Sistani to use his influence to help end the suffering of Sunnis in Iran, which his letter indicated has been festering for four decades.— *Abdolhamid.net*

20. China not abiding by US sanctions on Iran

TEHRAN (August 03): According to news reports, China <u>has refused to cut</u> its oil imports from Iran after US sanctions go into effect (non-oil sanctions will begin to go back into effect next week), despite pressure from the Trump administration.

The US wants all countries to stop buying Iranian oil altogether by November 4.

Beijing has apparently agreed not to increase its imports of Iranian oil after that date, but they've already started increasing them in advance of that date. And even if China just maintains its current level of oil purchases it would still be a boon to Iranians and a blow to the US sanctions regime.— *Bloomberg.com*

21. Sino-Saudi 'BRIties'

JEDDAH (July 10): A Saudi delegation led by Foreign Minister Adel Al-Jubeir attended the eighth ministerial meeting of <u>China-Arab States</u> <u>Cooperation Forum</u> held in Beijing.

While delivering a lecture at Middle East Studies Association Al-Jubeir said that "Saudi-Chinese relations have been deepened by both countries' belief in key principles, notably "respecting the sovereignty of states and non-interference in their affairs."

He mentioned that Saudi Arabia considers itself an essential partner in China's Belt and Road Initiative (BRI). Al Jubeir also added that Saudi Arabia is keen to intensify scientific exchanges. —*Arab News*

22. Chinese president concludes visit to the UAE

DUBAI (July 21): Chinese President Xi Jinping wrapped up a three-day visit to UAE after both countries committed to enhancing relations on multiple fronts: politics, economy, oil, gas and security.

According to the <u>UAE's official WAM</u> news agency, the visit would "contribute to cementing and intensifying cooperation, boost joint development and prosperity, which is consistent with the common interest of both countries and their peoples."

The countries agreed to joint military training and signed a number of economic agreements. The joint statement mentioned that UAE is keen to deepen cooperation with China's "One Belt, One Road" infrastructure plan. A strategic cooperation framework was signed between stateowned Abu Dhabi National Oil Co. (ADNOC) and China National Petroleum Company. – *Arab News*

23. Jordanian, Palestinian premier's meet

AMMAN (17 September)- The Prime Minister of Jordan ,Omar al-Razzaz met his Palestinian counterpart Rami al-Hamdallah to discuss recent developments pertaining to Jerusalem and the Palestinian cause.

The meeting was held in Jordanian capital Amman. During the meeting, al-Razzaz reiterated Jordan's long-lasting support for the Palestinian quest for statehood, according to the official Petra news agency.

Petra quoted al-Razzaz as saying that Jordan's stance on the issue "has not - and will not -change". He noted that Jordan's stance, "is based on the principle of a two-state solution; an end to the Israeli occupation; and the establishment of an independent Palestinian state with East Jerusalem as its capital". Jordan, the prime minister went on to assert, "continues to put Palestine at the top of its <u>list of priorities</u>". — Petra News

SECURITY

24. Netanyahu warns Iran against closing Bab al-Mandab strait

JERUSALEM (August 1): Israeli Prime Minister Benjamin Netanyahu threatened Iran of a military response if it attempts to close the key Bab al-Mandab Strait on the Red Sea. While addressing the naval officers at the graduation ceremony in Haifa, Netanyahu said "If Iran tries to close Bab al-Mandab, I'm sure it will face a strong coalition which will prevent it".

He further noted that "Israel will be in that coalition too", but did not specify the other countries that would be part of it.

The development in the region underlines that the Prime Minister was hinting towards forming a coalition with Iran because in the month of July, "Saudi Arabia suspended crude oil shipments through the strategic Bab al-Mandab Strait after two of its oil tankers were allegedly attacked by Iran-backed Houthi rebels off Yemen's coast". — Reuters

25. Syria accidently shoots down Russian IL-20

TEL AVIV (17 September) — Syria accidentally shot down a Russian reconnaissance plane, when its air defences got activated against Israeli strike on Latakia. The accident killed all the 15 Russian soldiers on board.

On September 17, Russian reconnaissance plane Il-20 disappeared from the radar screens, while on its way back to the aviabase Khmeimim, which lies 35 kilometers away from the Mediterranean shore.

Initially, defence ministry of Russia blamed Israel, saying the IAF jets used the Russian plane as cover.

However, the President of Russia, Vladimir Putin later informed reporters that the downing of the plane by Syrian air defences was the result of "chain of tragic accidental circumstances." Putin also stated that "the Israeli jet didn't down our aircraft". — Times of Israel and Sputnik

26. Israel air force chief to visit Russia amid Syria row

TEL AVIV (20 September) — An Israeli delegation led by Air Force (IAF) Commander Amikan Norkan is set to visit Moscow to discuss the issue of the downing of a Russian military plane by Syrian air defence forces, the Israeli army has said.

According to an army statement, Norkan and members of his delegation will present an extensive report on the incident, including pre-mission data and the findings of an Israeli army inquiry.

"The IAF commander will be joined by the head of the International Cooperation Unit, Brigadier-General Erez Maisel, along with officers of the Intelligence Directorate, the IAF and the Operations Directorate," the statement read.

Members of the delegation, planned to present the Russian counterpart the evidence of what the army described as "continuous Iranian attempts to transfer strategic weapons to the Hezbollah terror organisation and establish an Iranian <u>military presence</u> in Syria". -Middle East Monitor

27. US releases \$1.2b in military aid to Egypt

CAIRO (8 September) — The US Secretary of State Mike Pompeo signed off on the release of \$US 1.2 billion in foreign military assistance to Egypt, reported the Associated Press.

According to a statement provided to the Associated Press, the State Department announced that Pompeo authorized the release by signing the necessary national security waivers allowing the money to be spent. The US Congress now has 15 days to provide its comments on Pompeo's authorization before steps will be taken to send the money to Egypt.

The authorization comes after months the US announced it would be releasing \$US 195 million in military assistance to Egypt that had been stopped in 2017 by the US State Department over human rights concerns. — Egyptian Street

28. Israel orders evacuation of families

TEL AVIV (August 2): Israeli Defence Forces handed over eviction notices to four Palestinian families near the village of Khirbet al-Yirza, east of Tubas in the Jordan Valley.

All the families told that the reason behind such a move is security of the people, as IDF was going to conduct military operations in the areas. The notices had a schedule for the planned

military operations by Israeli forces. — *MAANNEWS*

29. US' \$550m gift to Israel

TEL AVIV (August 2): The US Senate easily passed a \$716.3 billion defence authorization bill, which included funding for Israel to defend itself against Hezbollah and Hamas. The National Defence Authorization Act (NDAA) was passed 87 to 10 in the Senate a week after clearing the House of Representatives and now heads to White House for Trump's signature. The bill included "the quantity and type of precision-guided munitions that are necessary for Israel to combat Hezbollah in the event of a sustained confrontation armed between Israel and Hezbollah," and "other armed groups and terrorist organizations such as Hamas."

The bill was praised by the American **Public Affairs** Israel Committee (AIPAC). According to AIPAC, the bill "authorizes funding for both R&D and procurement for the Iron Dome, David's Sling, Arrow-2 and Arrow-3 missile defense systems. These programs enable Israel to defend its citizens while advancing America's own missile defence capabilities."

Furthermore, the bill authorizes the government to provide counter-tunnel technology. The bill prohibits delivery of F-35 Joint Strike Fighter aircraft to Turkey, until it confirms that it will not buy Russia's S-400 anti-aircraft missile system. — The Times of Israel

30. Iraq, Jordan sign security agreement

AMMAN (August 14): Iraq and Jordan signed a security and military cooperation agreement on August 5, 2018, in Amman. The agreement was signed between Iraqi Minister of Defence Arfan al-Hayali and Jordanian Chairman of the Joint Chiefs of Staff Mahmoud Abdul Halim Freihat.

According to a statement on the official website of the Iraqi Ministry of Defence, the agreement aims to "exchange intelligence and expertise in the field of border protection and enhance intelligence capabilities and joint military exercises, as well as technology development, combat terrorism in its different forms, hold joint training sessions and enhance capabilities in the field."

According to the agreement, trade between the two sides resumed on August 8, 2018, as the Iraqi Ministry of Transport revealed that the agreement would also restore <u>truck movement</u> <u>between Iraq and Jordan.</u> –*Al-Monitor*

31. Hezbollah stronger than Israeli army: Nasrallah

BEIRUT (August 14): Hezbollah General Sayyed Hassan Secretary Nasrallah said that the group is now stronger than the Israeli army. statement was made in a televised speech on the occasion of the 12th anniversary of winning the 34-day war launched by Israel against Lebanon in July 2006. "Today we are more confident than ever before, and we are stronger than the Israeli army," said Nasrallah. He further noted that "Israel has been threatening us for 12 years since the end of the July 2006 war, but at the same time, it has been watching and talking about our growing military <u>capabilities</u>. – *Xinhua*

32. Egyptian forces kill 12 militants in Sinai

CAIRO (August 12): Egyptian security forces in Egypt killed at least 12 Islamist militants in a shootout in the northern Sinai Peninsula. The Middle East News Agency (MENA) said the fighting erupted when forces raided a suspected militant hideout in the city of al-Arish.

The information regarding the timing of raids and casualties of Egyptian security forces were not made public. Egypt has fought militants for years but the <u>Sinai-based insurgency</u> became a headache for Egypt after the 2013 overthrow of the country's elected president, Mohammed Morsi. — *Middle East Monitor*

33. Syrian rebels, Iran reach deal to evacuate villages

DAMASCUS(July 18): Iran's Islamic Revolutionary Guard Corps and the Hayat Tahrir al-Sham (HTS) militant group may have reached a <u>deal to evacuate</u> civilians from two predominantly Shia towns that HTS has been besieging since 2015.

Around 7000 civilians remain in the towns of Fu'ah and Kefraya after a 2017 agreement saw most of the towns' residents evacuated. As per the reports, if the deal works out well, the Syrian government in exchange will

release 1500 rebels affiliated to their group. The deal also includes the release of 34 prisoners captured by the Hezbollah during its siege of Madaya and Zabadani. — *The Bagdad Post*

34. Israel rebuffs Russia's plan to keep Iran near Golan

DAMASCUS (July 23): Israeli Prime Minister Benjamin Netanyahu dismissed the Russian proposal to keep Iranian-Hezbollah forces 100 kilometres away from the Golan Heights and their border. Israel's ambassador, Anatoly Viktorov said that Russia doesn't have enough leverage to force Iran to leave Syria as the Israelis and the US would prefer.

Viktorov added that Russia will not attempt to stop Israel from launching its periodic airstrikes in Syria. As a result, Israel continues shooting down Syrian warplanes accusing them to have entered airspace above the Golan Heights as the internal fighting across the border has intensified during past few months. — Daily Star.com, Iran Daily, Haaretz.com

35. Turkey wary of US-Russia deal over Syria

ANKARA (July 12): According to various reports, Turkey is deeply concerned that the <u>US and Russia are working on a plan to bring together their respective Syrian proxies</u> (the Kurds and Bashar al-Assad).

If true, it will be problematic for Turkey's goal to clear the Kurds out of northern Syria and expand its presence along the border. However, Ankara would have been pleased to see that nothing of substance came out of Donald Trump's meeting with Vladimir Putin at the summit. — Al Monitor, Whitehouse.gov

36. Kurds attempt pact with Syrian government

DAMASCUS (July 27): The Syrian Democratic Council, which is the political arm of the Syrian Democratic Forces (SDF), a YPG-run military group that has been serving as a US proxy in Syria for a couple of years had <u>sent</u> a <u>delegation</u> to now, to meet with Damascus Syrian President Bashar Al-Assad. It seems that Kurds are tired of being used by the US and also want some sort of assistance in driving Turkey out of the northeast.

The purpose of the talks was to negotiate the re-establishment of autonomy and some basic services to northeastern Syria, which is mostly under Kurdish/SDF control. However, Kurdish leaders said that they worked out an agreement to "chart a roadmap to a democratic and decentralized Syria".— Kurdistan24, Middle East Eye, IbShaqana

37. UN, WHO warn of health risks in Yemen war

SANAA (August 03): The United Nations Population Fund and the World Health Organization has warned of ongoing health risks posed by war in Yemen.

The <u>UNFPA says that as many as 90,000 pregnant women in Hudaydah</u> are at "extreme risk" of death due to the coalition attack on that city, with maternal death rates upwards of perhaps 800 per 100,000 live births.

The fighting has displaced thousands and destroyed medical facilities for those still in the city. Some estimates say that over 50,000 people have died in Yemen since January 2016.

Meanwhile, the WHO is <u>still</u> warning of the potential for another cholera outbreak that could be exacerbated by the country's rampant hunger problem. It's asking for a ceasefire in order to allow health workers to vaccinate the population. – *Iran Daily, Petra.gov.jo*

38. UN bid for ceasefire to save Hudaydah port

SANAA (July 04): UN envoy Martin Griffiths is still <u>working on a ceasefire</u> between Houthi and coalition forces in time to save Hudaydah's seaport and the humanitarian access it affords.

The coalition has put on hold its Hudaydah offensive to allow time for diplomacy. It's still hard to get a read on civilian casualties in Hudaydah but the UN estimates that about 121,000 people have been displaced by the fighting there.

The Yemeni government stated that the ongoing campaign to take Hudayah from the Houthis has claimed 165 lives on both sides of the conflict. On the one hand, the Saudi-led coalition in Yemen has been saying that it now controls Hudaydah's airport, The Houthis claim it is exaggerating its gains.

Houthis leader Mohammed Ali al-Houthis told Reuters that the coalition never gained absolute control of the airport that spreads over 20km (12 miles). Nevertheless, the Houthis have reportedly agreed to hand over control of Hudaydah seaport to the UN, but the coalition is insisting that they surrender the entire city and withdraw from the Yemeni coast. — Saudi Gazette, Watch List, Daily Sabha, the National

39. ISIS still making presence felt in central Iraq

BAGHDAD (July 17): Over the past two months, dozens of people, including local government officials, tribal elders and village chiefs have been abducted and killed by fighters claiming affiliation with the Islamic State. Electricity infrastructure and oil pipelines have been destroyed.

Armed men dressed as security guards and manning fake checkpoints have hijacked trucks and robbed travellers, rendering the main Baghdad-Kirkuk highway unsafe for a period of weeks.

In one of the most sinister attacks, six members of the Iraqi security forces were captured at one of the fake checkpoints and forced to appear in a wobbly video. Kneeling before the black-and-white Islamic State flag and flanked by two heavily bearded figures, the men took turns warning they

would be killed if the Iraqi government did not release Sunni women prisoners.

Days later, the bullet ridden bodies of the men were found in the area. – FaceIraq.Com

40. Chlorine Possible at Douma Attack Site: OPCW

DAMASCUS (July 07): An "interim report" from the Organization for the Prohibition of Chemical Weapons (OPCW) says that they found evidence of "chlorinated organic "chemicals" at the site of the alleged chemical weapons attack in Douma on 7 April.

The OPCW further states that they found no evidence that any nerve gas, like sarin, was used at that site.

Chlorine occupies a grey area in terms of international law on chemical agents. Its use as a weapon is prohibited, but its possession is not, since chlorine has many non-military uses. — OPCW

41. US, Jordan and Israel plan operation against ISIS

DAMASCUS(August 2): The US and its Syrian Democratic proxies <u>say</u> that they are preparing an operation to oust ISIS from the city of Hajin, near the Iraqi border in Deir Ezzor province.

There are an estimated 1,000 ISIS fighters in the city, who are left with nowhere to go but to fight. Hajin is believed to be the last ISIS stronghold in the east of the Euphrates River and they still control some stretches of desert west of the river.

On the other side, the Israelis <u>say</u> that they have conducted airstrikes in the Golan Heights, killing seven suspected ISIS members who were moving through intending to attack an Israeli target.

Meanwhile, the Jordanian government reported that its militaries had engaged in an extended battle with a group of ISIS fighters who keep approaching their border. — Rudaw.net, Times of Israel, Modern Diplomacy

42. China to support Syria against terrorists

DAMASCUS (August 10): China, which has mostly stayed away from the several conflicts in West Asia, might directly get involved in Syria.

On August 1, Chinese Ambassador Qi Qianjin told Syrian pro-regime news outlet *Al-Watan* that China's "military is willing to participate in some way alongside the Syrian army that's fighting the terrorists in Idlib and in any other part of Syria."

Qi also praised the China-Syria military cooperation. The <u>Chinese military attaché</u> in Syria, Wong Roy Chang said that cooperation between the Syrian and Chinese militaries was "ongoing," adding, "We – China and its military – wish to develop our relations with the Syrian army. As for participating in the Idlib operation, it requires a political decision." – *Syrian Arab News Agency*

43. GCC military chiefs meet

KUWAIT (17 September): 15th meeting of the Supreme Military Committee of GCC chiefs of staff took place in Kuwait on 16 September and it aimed to achieve more coordination between the armed forces of the GCC states.

Chief of Staff of the Kuwaiti Army Lt Gen Mohammed Al-Khudher stated that "Exchanging knowledge and academic experience between member states has resulted in plans to establish the GCC Academy for Strategic and Security Studies".

A Kuwaiti defense ministry official said that the committee of GCC chiefs of staff along with their counterparts from Egypt and Jordan would meet representatives of the US Central Command tomorrow. A week prior to this Pentagon chief James Mattis and Centcom head General Joseph Votel held talks in the Gulf. – *Kuwait Times*

ECONOMY

44. Bahrain foreign reserves fast depleting

DUBAI (June Gulf 26): **States** including Saudi Arabia, UAE and Kuwait have announced support to the Bahrain Public finances. The three states in a joint statement said that they will soon announce an integrated program Bahrain's to support economic reforms and its fiscal stability.

They mentioned that they are in talks with Bahraini authorities to enhance the financial stability of the Kingdom. Bahrain's finances were hit hard by the slump in oil prices in 2014. It projected a state budget gap of \$3.5 billion in 2018.

It is feared that Bahrain's foreign reserves may be completely depleted by September-November this year. The decline is due to slow progress of fiscal reforms including delayed implementation of the value added tax.

Alexander Perjessy, an analyst at Moody's, said that unless there are credible and significant fiscal measures announced, Bahrain will remain vulnerable to currency tradevagaries. – Gulf News, Al Arabiya, Reuters

45. Turkish economy in 'fragile' state

ANKARA (13 August): The Turkish lira has dropped by a record 40-45 per cent against the US dollar in recent months. The stock market has fallen by around 17 per cent, or if one measures it in dollars as some foreign investors do, the decline amounts to as much as 40 per cent.

Another measure often watched in the markets is government borrowing costs. Borrowing for 10 years in its own currency now costs 18 per cent a year.

Even borrowing in dollars is expensive for Turkey and stands at a cost of around 7 per cent.

This has led President Erdogan to urge Turks to use their foreign currency and gold to purchase lira in an effort to prop the currency against what he termed wasan "economic war" by the United States, while assuring that he has plans to take necessary measures to calm global financial markets. — Financial Times, Business Standard, Daily Sabah

46. Erdogan for strong economic ties with BRICS, Qatar

ANKARA (August 13): While tourists find a silver lining in Turkey's lira crash, Erdogan is talking about deepening economic relations with the BRICS nations (Brazil, China, India, Russia, and South Africa) as well as with Africa and Southeast Asia.

Additionally, Qatar has decided to aid Turkey by pledging to <u>invest 15billion</u> <u>dollars</u> in the country to help it ride out of currency crisis. The offer came as Turkish president Erdoğan hosted Sheikh Tamim bin Hamad Al-Thani, Emir of the Gulf state.

Most analysts believe that the move will help Turkey ride out the crisis — with the money committed to helping the financial sector. In the long run, though, many investors are looking for conventional measures such as an interest rate hike. — Zawya.com, Daily Sabah, Al Jazeera

47. Qatar-Jordan body plans 10,000 jobs

DOHA (July 18): Qatar and Jordan have agreed to form a joint committee to implement the directives of Amir Sheikh Tamim bin Hamad Al Thani to provide 10,000 jobs for Jordanian youth in Qatar. The committee will provide a database for public and private companies in Qatar to choose the desired candidate.

The jobs will be provided in various sectors including health, education, finance, insurance, services, agriculture, animal construction. resources and there will be a focus on 2022 World Cup projects and the specialties that they require. The target is to provide 1,000 jobs for Jordanian youth till September. No third party will be engaged in the process including the labour ministries. -The Peninsular Qatar

48. King Fahad causeway to boost Bahrain-Saudi ties

MANAMA (14 September): Bahrain's King Hamad, Prime Minister Prince Khalifa bin Salman Al Khalifa and Prince Salman bin Hamad Al Khalifa, Crown Prince, Deputy Supreme Commander and First Deputy Premier, met Saudi Minister of Transport Dr Nabil bin Mohammed Al Amoudi and emphasized the importance of King Fahad causeway in boosting Bahrain-Saudi relations.

Saudi Railways Organization president Dr Rumaih Mohammed Al Rumaih was also present during the talks.

The Bahraini king mentioned that both the countries had deep-rooted historic relations and a 'bridge of love' existed between them.

The king hailed Saudi efforts to optimize services for passengers on King Fahad Causeway to ensure the smooth flow of traffic, as well as import and export. –*gdnonline*

49. Oman eases visa norms to attract investors

MUSCAT (June 24): Oman has issued new visa rules to attract foreign investment into the country.

Tourists can now stay in Oman for ten days on payment of OMR 5 (US\$ 12.99) in addition to utilizing the provision for one month and one year visa.

Foreigners staying in other GCC countries and willing to visit Oman can stay in Oman for up to four weeks without a visa. They can also get extension for another week on the condition that they enter Oman one month from the date when the visa is issued. The fine for not exiting the country at the stipulated time is OMR 10 for all visa categories.

The Royal Oman Police has issued a decree (No. 129/2018) that allows expats working in government organizations to act as sponsors. Expats owning a building in a tourist complex can be issued an owner visa as there is a new provision for an owner's visa for the spouse. —*Times of Oman*

50. All expats in Oman to get health insurance

MUSCAT (July 15): Oman's Capital Market Authority (CMA) has released a statement requiring companies to provide health insurance cover for their employees.

The stipulation covers all the residents and citizens in Oman. According to the Minister of Health, Mohammed bin Obaid Al Sa'eedi, the statement is in consonance with a similar announcement about compulsory

health insurance that the government made in September 2017.

These regulations have already been implemented by A-Grade companies and it is expected that others will follow suit.

It is reported that this may cost companies in the short term but in the long term it will secure the health of employees and increase productivity. – *Times of Oman*

51. Oman extends ban on expats for six months

MUSCAT (June 25): The Ministry of Manpower in Oman has extended the ban on employing expats in ten sectors for another six months beginning July 30.

The Ministry stated that, "The period of the ban on permits to bring temporary expatriate manpower into private sector establishments for the professions specified in Ministerial Decision No. 38/2018 shall continue for a period of six months from July 30, 2018".

As per Ministerial Decision No. 38/2018 expats cannot be employed in 87 positions in sectors including information technology, marketing and sales, insurance and engineering.

However, Article 2 of the Decree exempts Omani business owners from the ban if the owner of the company is also the manager. The company should also be registered with the Public Authority for SME Development and registered with social security. The move aims to increase local

participation in the workforce and be part of the 'Omanization' process. - *Al Bawaba*

52. Saudi Arabia may raise oil production to lower prices

LONDON (July 3): Saudi Arabia expressed its willingness to use its spare production capacity in order to help balance the global oil market. The Kingdom produces around 10 million barrels per day and is the only country with spare production capacity in the world. The Saudi cabinet recently released a statement affirming the Kingdom's readiness to use its spare capacity whenever needed to deal with any future changes in oil supply and demand rates in coordination with other producing countries.

The statement came after President Donald Trump tweeted that Saudi Arabia can produce 2 million barrels (presumably per day) to cope with turmoil and dysfunction in Iran and Venezuela.

The UAE energy minister and current OPEC president for 2018, Suhail Al-Mazrouei, on Tuesday said that the UAE stood ready to help tackle any potential oil shortage. – *Arab News*

53. GCC bonds 'poised to recover'

DUBAI (July 7): GCC bonds may recover in the coming months following a selloff across the emerging markets in April and May.

The GCC yields track US treasury yields and are better placed than the emerging markets as there is no local currency debt market in the region and currencies are pegged to the dollar, said <u>Anita Yadav</u>, <u>Senior Director</u> and Head of Fixed Income Research at Emirates NBD.

Trade tensions are unlikely to affect GCC as they are hardly engaged in exporting anything other than oil. The sell- off began across emerging markets due to increasing risk aversion arising from the strengthening dollar. – *Gulf News*

54. Egypt seeks to revive cotton production

CAIRO (August 19): Egypt's Trade and Industry Minister Amr Nassar said that collaboration is in progress between the Agriculture Ministry and the "business sector to expand Egypt's cotton industry further, diversify its uses in the industry and thus improv[e] the quality of products manufactured by Egyptian cotton, making it more appealing to global markets".

During the premiership of Gemal Abdel Nasser, cotton was a key pillar of the Egyptian economy. Current efforts are underway to revive the cotton business. – *The Egypt Independent*

55. Kuwait, Saudi Arabia to help Iraqi economy

BAGHDAD (July 29): The Kuwaiti government is concerned about growing political and economic instability in Iraq that could push refugees from the country to enter Kuwait.

Thus, it has started to send fuel for Iraq's power plants and has expressed its willing to help with desalination efforts to improve Iraq's water supply. Even the Saudi government plans to build a solar power plant and sell its electricity to Baghdad for around a quarter of the money Iran is charging. Iraqis say they are studying the proposals.

The Iraqi caretaker government has also <u>suspended</u> its electricity minister Qassim al-Fahdawi, as government has started investigating corruption in the ministry and the poor state of power supplies in Iraq. — *Iraqtrendolizer, Al-Mirabad*

56. US sanctions on Iran hits Iraqi investors hard

BAGHDAD (August 13): Iraqi Prime Minister Haider al-Abadi is scrambling to make arrangements to observe US sanctions against Iran, in order to avoid alienating Washington.

Meanwhile, the Prime Minister is also trying to placate Iran by enhancing non-economic areas of cooperation. His latest concession involves <u>reducing visa charges</u> for Iranians making the Arbaeen pilgrimage to Karbala.

US sanctions However, have alreadystarted hitting Iragi investors pretty hard. The Trump administration's decision to reimpose sanctions on Iran is rebounding on neighbouring Iraq, hitting investors with dramatic losses at a time when it is already facing unrest because of tough economic conditions. As their country flirted with

economic collapse in 2015 under the weight of the ISIS onslaught, Iraqis poured millions of dollars into Iranian banks that were offering sky-high interest rates following Iran's nuclear accord with the United States.

Many Iraqis used mules to carry thousands of dollars into Iran to bypass laws regulating how much money one could take out of the country. Now, with the United States pulling out of the nuclear deal and renewing trade sanctions on Iran, the value of the Iranian Rial has plummeted to historic lows, hitting Iraqi investors hard.

For its part, the Iranian government cancelled a scheduled visit in August over Abadi's decision to abide by restored US sanctions against Iran. — *Iran Business, The Iran Project.com*

57. Khamenei slams Iran's economic policies

TEHRAN (August 17): Iran's Supreme Leader Ayatollah Ali Khamenei attributed the current <u>economic hardships in the country to "internal issues," citing corruption and imprudent economic policies</u> rather than external sanctions.

Ayatollah Khamenei, who has in the past warned of rising corruption, commended Chief Justice SadeqLarijani for ordering the arrest of 100 officials accused of financial crimes and for banning them from leaving the country.

Perpetrators of economic corruption should "be confronted with no compromise," he said. Fresh claims of corruption came to the fore after currency reforms earlier this year led the Iranian Rial losing half of its value in the black market. — Weekly Middle East Oil and Gas News

58. Iran announces currency rescue plan

TEHRAN (August 10): The Central Bank of Iran (CBI) <u>has announced</u> a new rescue plan for the ailing Iranian Rial, scrapping most foreign exchange controls and allowing forex bureaus to resume their work of providing foreign currency in the open market.

The reversal in foreign exchange regulations came on the eve of the August 7 re-imposition of a slew of US sanctions on Iran, and shortly after the July 25 appointment of Abdolnaser Hemmati as new CBI governor.

The latest developments mark a reversal of the April 9 attempt to wipe out unofficial parallel market currency trade by banning exchange bureaus and making illegal any currency trading other than at an official "unified" rate.

But the initial "unified" rate of \$1=IR42,000 proved impossible to defend.

The Rial has since lost well over half its value, falling to below \$1=IR100,000 amidst an acute shortage of hard currency. — *Iran Business News*

59. Lebanon suffers major power outages

06): BEIRUT (July Lebanon's authority Electricité du electricity Liban (EDL) signed an agreement last month with the Turkish firm Karadeniz Energy to extend its lease for two 203MW powerships for three more years. Reports in the Lebanese media suggest a per-kWh price drop from US¢5.85 to ¢4.95.

Finance Minister Ali Hasan Khalil has publicly criticized the use of pricey powerships, but in the past has disbursed the funds. "The powerships do not represent an ultimate solution to the electricity problem but a three-year temporary solution," politician Gebran Bassil says.

But that was over five years ago, when Bassil, then minister of energy and water (and now foreign minister), assured Lebanese people that the \$370million-a-year powerships were an "emergency" stop-gap to help the country overcome its energy deficit as it reeled from the Syrian refugee crisis.

Now his successor Cesar Abi Khalil—also a member of the Christian Free Patriotic Movement (FPM)—is selling a third 3-year contract for the costly fuel oil-powered ships as crucial to Lebanon's energy future. — Weekly Middle East Oil and Gas News

INDIA AND THE REGION

60. Sushma Swaraj co-chairs Indo-Bahrain meeting

MANAMA (July 15): Minister of External Affairs Sushma Swaraj cochaired the second meeting of <u>India-Bahrain high joint commission</u> in Manama along with her counterpart the Minister of Foreign Affairs, Bahrain, Sheikh Khalid bin Mohamed Al Khalifa. She met the King of Bahrain and other dignitaries during the visit.

The MoUs signed related to renewable energy and the health sector. Pharmaceuticals emerged as a key sector of cooperation. She gifted a box of books called 'Bharat Ek Parichay' to the National Library in Manama.

signed An agreement was on exemption from short-stay visas for holders of diplomatic and official/special passports. She inaugurated the new chancery cum residential building complex of the Indian embassy in Manama addressed the Indian community in Bahrain.

Both countries emphasized on timetested relations they share and hoped for their enhancement. – *Ministry of External Affairs, India*

61. Saudi cadets to get training in India

RIYADH (June 28): The second batch of five Saudi army cadets are set to get three-year training at the National Defence Academy (NDA) in India. The first batch of five cadets is already undergoing training at NDA in India.

The <u>second batch of cadets</u> include Shaya Jabbar Al-Ghamdi, Essam Al-Otaibi, Fahad Al-Qahtani, Nawaf Al-Shahrani and Yasser Al-Farhan. The NDA will focus on sub-unit level training, leadership, physical and mental robustness, camaraderie, language and adaptation skills of the Saudi cadets. The NDA is the joint services academy of the Indian armed forces.

Saudi Arabia conducted precommissioned training for its cadets in India. The move will boost bilateral military cooperation between the two countries. It is a follow up to a defence cooperation agreement signed between India and Saudi Arabia in 2014. –*Gulf Business*

62. CII business delegation to Syria and Lebanon

NEW DELHI (August 16): The Confederation of Indian Industry (CII) is organising a business delegation for a visit to Syria and Lebanon from September 7-14 2018, coinciding with the visit of the Minister of External Affairs, Sushma Swaraj.

The security situation in Syria is rapidly changing. This creates several opportunities for Indian businessmen. The visit is taking place at a time when businessmen from Lebanon are also looking at trade, investment, and joint venture opportunities in India.

According to available information, there is a huge investment and trade opportunity for Indian companies, particularly sphere in the infrastructure development, agriculture food processing, and renewable energy, healthcare, automobiles and auto components, <u>etc.</u>—The Confederation of Indian Industry

63. India-Egypt relations eye fast-paced growth

CAIRO (July 27): India's Ambassador to Egypt Rahul Kulshreshth said that ties with Egypt have been registering fast-paced growth at all levels in recent years.

In a statement, the ambassador said that exchange of visits by officials of both countries underlines the momentum of the ties and eagerness to push forward cooperation at all levels.

The ambassador noted that currently India's investment in Egypt stands The quiz is open for overseas citizens of India and NRIs between 15 to 35 years and there is no entry fee. The quiz would have questions related to Indian Indian democracy, art, economy, geography, personalities in music and dance, science and technology, languages and literature, education, tradition of Indian crafts, Indian cinema and renowned personalities.

Top ten candidates from each category in the second round would be invited for 15 days fully funded Bharat 'yatra' which would include places like Delhi, Agra, and any one state.

Meanwhile, the Indian Ambassador to the UAE, Navdeep Singh Suri announced the opening of Zayed Gandhi travelling museum curated by <u>Birad Rajaram Yajnik</u> in Abu Dhabi by the end of this year. around \$ 3 billion and there are many mega projects being implemented in Egypt, namely the New Administrative Capital and the Suez Canal axis. – Egypt Today

64. Indian embassy in Doha holds quiz

DOHA (June 25): The Indian Embassy in Doha invites Indian expats in Oatar to participate in the 'Bharat ko Janiye' quiz through its website www.bharatkojaniye.in. The quiz part of an initiative by the Ministry of External Affairs to familiarize and motivate overseas youngsters to enhance their knowledge about their native country.

In addition, Bochasanwasi Shri Akshar Purushottam Swaminarayan Sanstha (BAPS), the global religious and civic organization, has announced that it has selected Singapore-based architects Raglan Squire and Partners (RSP) to oversee the design and construction of the first Hindu temple in Abu Dhabi. – *The Peninsula Qatar, Khaleej Times*

65. Indian migrant workers denied salaries in Qatar

DOHA (August 6): More than 600 Indian workers are employed in a football stadium construction site in Doha which is gearing up for 2022 Football World Cup.

They are enduring poor living conditions and are being denied their salaries. Smriti Singh, advocacy manager for <u>Amnesty International</u>, <u>India</u> said that the workers are stuck in

Qatar and they do not have money to return. She called on the Indian government and the international community "to pursue the matter which requires urgent attention."

The collapse of a Qatari firm HKH General Contracting Co. employing 1200 workers has put the welfare of workers at risk. More than 10,000 workers had returned to India because of the "pathetic" working conditions in Qatar as per Patkuri Basanth Reddy, head of the Gulf Migrant Workers' Welfare Association in the southern Indian state of Telangana.

The Indian Prime Minister raised the issue of the abuse of migrant workers on a visit to Qatar in 2016 and was reassured by Qatar. In the meantime, the UAE provided three months amnesty for workers overstaying their visas. – *Arab News*

66. Egypt, India cooperate in maritime cable domain

Cairo (6 August): Telecom Egypt and India's Airtel signed a memo of understanding to boost ties in the maritime cable domain. According to MoU, the Indian company will get IRUs (Indefeasible Right of Use) on Middle East, North Africa Submarine Cable (MENA Cable) and TE North Cable Systems, Telecom Egypt said in a statement. The MoU will allow Airtel to expand its global network to meet growing demands on data services, mainly in emerging markets across South Asia, Africa and Middle East. It will also help the Indian company benefit from the favourable economic solutions presented by Telecom Egypt as regards existing wide cable systems network. – Egypt Today

(Prepared by Dr Lakshmi Priya, Nagapushpa Devendra and Jatin Kumar)