

West Asia Watch

Trends & Analysis



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EDITORIAL

West Asia in 2018: Trends and Analysis

Situated at the intersection of major continents and experiencing geostrategic upheavals, West Asia is critical for peace and stability in the world. The region witnessed new situations and realignments in 2018. While some events brought new problems to the fore, others led to revisiting some of the existing issues. In 2018, the Iran-Saudi Arabia rivalry intensified, the Israeli-Palestinian conflict regained some attention, sanctions on Iran were reinstated, the tiff between Saudi Arabia and Turkey became prominent due to Jamal Khashoggi's killing at the Saudi consulate in Istanbul and the humanitarian crisis in Syria and Yemen continued amidst slow progress toward resolution.

The present issue of *West Asia Watch* is an attempt to look into developments during 2018 covering developments in the GCC, Iran, and Iraq; major trends in the regional hotspots – Yemen, Syria and analysing major issues related to Israel, Jordan, Lebanon and Palestine. In addition, the role of the external powers in the region has been examined with focus on the US, Russia and China. Given India's stakes and its increasing engagement with the WANA region, the issue looks at India's engagement with the region while analysing the current challenges and opportunities which this region offers for India to convert the existing partnership into a more meaningful one in the future.

Developments in GCC, Iran, Iraq and Turkey

Editorial Team

The Persian Gulf comprising the six Gulf Cooperation Council (GCC) States, namely, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE) and Iran, Iraq and Yemen is significant for India as its 'extended neighbourhood,' primary source of energy imports, and as host to nearly 8.5 million Indian citizens. In the last decade, the region has acquired further significance with the strengthening of security partnerships with countries of the region and the growing two-way flow of investments. Turkey, though geographically distanced from India, has expanded its involvements in West Asian and Persian Gulf affairs, and hence acquires greater significance for New Delhi than usually recognised. Political, economic and geopolitical developments in 2018 have reinforced the challenges facing these countries, but have also posed new questions about security and stability of the entire region, which makes it all the more important to map crucial developments during the year for a better and rounded understanding.

GCC

The internal crisis in the GCC, which began in June 2017 due to the boycott of Qatar by Saudi Arabia, the UAE, Bahrain and Egypt, continues to linger without any end in sight. Mediation efforts by Oman and Kuwait have so far failed to

achieve any major progress. The continuance of the crisis is causing further erosion of trust among the GCC member-states. Instead of a dedicated effort towards normalization, parties to the conflict have often indulged in mudslinging and unpleasant statements, curtailing the space for reconciliation.

The persistence of the crisis has led to an increased sense of insecurity among the countries forcing them to look for new partnerships in the region. In the face of the boycott imposed by its Arab neighbours, Qatar has looked up to Iran and Turkey – two non-Arab countries in the region. On the other hand, Saudi Arabia, the UAE and Bahrain along with Egypt have looked to strengthen their alliance by extending political, security and financial support to countries such as Jordan, Iraq, Lebanon, Libya, Algeria and Morocco. With its position in the GCC weakened, Qatar expressed its interest to join the North Atlantic Treaty Organisation (NATO), but it was turned down by NATO on the ground that only European countries can be members. Doha signed [security agreement with NATO in January 2018](#) during the visit of Emir Tamim bin Hamad al-Thani to Belgium in March 2018.

Qatar is also keen to buy Russian S-400 missile systems. The Emir of Qatar, during his visit to Russia in March 2018, discussed this with President Vladimir

Putin. Further, engagements with the US have been going on at the highest level. The inaugural United States-Qatar Strategic Dialogue was held in Washington D.C. in January 2018 and both the countries discussed issues such as defence, counterterrorism, combating extremism, and trade and investment. Importantly, the US expressed its readiness [“to deter and confront any external threat to Qatar’s territorial integrity that is inconsistent with the United Nations Charter”](#) which is significant in view of the geopolitical and security situation in the Gulf region.

On the other hand, Saudi Arabia and the UAE have formed a Joint Cooperation Committee in December 2017. The Committee is [“assigned to cooperate and coordinate between the UAE and Saudi Arabia in all military, political, economic, trade and cultural fields, as well as others, in the interest of the two countries.”](#) The formation of such a committee separate from the GCC is an indication of the widening rift among the GCC member-states that further challenges the relevance of the organisation in the present situation.

With the US withdrawing from the Joint Comprehensive Plan of Action (JCPOA), and President Trump choosing to impose harsher sanctions to further isolate Iran, the US believes that a united GCC would be more effective to counter the “Iranian threat.” Thus, in September 2018, US Secretary of State Michael Pompeo met with the foreign ministers of the GCC countries, Jordan and Egypt in New York called as the ‘GCC+2’ and discussed the establishment of a Middle East Strategic

Alliance intended to fight terrorism and Iranian influence . Nonetheless, member-states of the GCC have a different approach to Iran and this poses a serious challenge for the US. It has compelled the Donald Trump administration to intensify its efforts to bring down the wedge among the GCC members but without much success thus far.

While the Qatar crisis has refused to die down, the news about the killing of Saudi journalist Jamal Khashoggi inside the Saudi Consulate in Istanbul on October 2, 2018 created another political storm. Persistent Turkish effort to go to the root of the murder and the Saudi reaction created a serious wedge between the two regional powerhouses. Pressure mounted on Riyadh from several quarters for an impartial enquiry into the incident, which eventually led to joint-investigation by Saudi-Turkish authorities that remained inconclusive about the whereabouts of the remains of the slain journalist. As indications of the culpability of the Crown Prince in the incident became obvious leading to a serious international uproar about his domestic and foreign policy behaviour, this forced the King to come out of hiatus in support of his favourite son. Nonetheless, as far as the international image of the Crown Prince and the Saudi royal family is concerned, the damage was already done.

While President Erdogan used the Khashoggi murder to raise his international profile and gain some bargain with the US president in the process, President Trump did not yield to

serious domestic and international pressures to sanction Saudi Arabia. Despite a number of US Senators convinced of Muhammad bin Salman's being complicit in Khashoggi murder, and a senate resolution on the issue, the US-Saudi relationship does not seem to be negatively affected. Secretary of State Michael Pompeo and Secretary of Defence James Mattis, in their briefing to the US Congress, stated that the administration is not looking to downgrade ties with al-Saud. Amidst the growing pressure on the Saudi ruling family, a number of its neighbours such as the UAE and Bahrain have come forward to support the Saudi government. King Salman and Crown Prince Muhammad bin Salman are making all the possible political and diplomatic efforts to do the damage control.

It was in this background that the 39th GCC summit was held in December 2018 in Riyadh. King Salman, as host and chair for the GCC summit for 2018, invited Emir Tamim to attend the GCC summit. The Emir, however, chose not to visit Riyadh, and sent two of his ministers to participate in the summit. The absence of Qatar at the summit would have drawn allegations from the neighbours regarding Qatar's seriousness for a dialogue to resolve the issues facing the GCC. By sending his ministers to the summit to represent the Emir, Qatar has evidently expressed its displeasure towards the state of internal affairs in the GCC, and at the same time, deflected the possibility of any criticism by its neighbours. After day-long deliberations, the member-states came up with a [seven-](#)

[point declaration](#) which included among other issues, economic integration, joint defence, security issues, combating terrorism, strengthening strategic partnerships, etc. But despite the summit taking place successfully and a declaration being made, the bitterness on either side does not seem to be subsiding anytime soon.

With the GCC crisis persisting, Qatar has clearly postured to develop ties with Iran and Turkey. In April 2018, Qatar and Iran signed a security agreement to increase joint sea patrols on their maritime boundary. The agreement entails that the border security personnel of both the countries will exchange information between them regarding any security challenges emerging within their maritime boundary. Saudi Arabia, Bahrain and the UAE continue to perceive Iran as a threat to the regional security, but with Oman and Kuwait keeping neutral, the situation has become more complex. Arguably, the Saudi-Emirati zeal to isolate Iran and make it the pariah in the Persian Gulf has boomeranged to drive a serious wedge within the GCC. In December 2018, Qatar announced its plan to quit the Organisation of the Petroleum Exporting Countries (OPEC). This is also a reflection of the state of affairs within the GCC. Qatar's decision to leave the OPEC is further reiterating its independent foreign policy which is discernibly devoid of any influence of Saudi Arabia or the UAE who are heavyweights in the OPEC.

The situation in Yemen remains a major concern for the neighbouring GCC countries. The military operations in

Yemen led by Saudi Arabia and the UAE continue with greater intensity in order to push the Houthis out of the capital Saana. Since the military involvement of the GCC countries, the war in Yemen has further intensified and the clashes between the Houthis and coalition forces have resulted in devastating consequences. Throughout the year, the port city of Hodeidah has been a major area of fighting between the two, primarily for its strategic location on the Red Sea. In June 2018, the coalition forces launched 'Operation Golden Victory', to recapture the city of Hodeidah. As the Yemeni government and the Houthi leaders met in Sweden for a dialogue, the Yemeni government and the Houthis signed a ceasefire agreement to end the violence in the city.

With internal conflicts weakening the GCC in more ways than one, the GCC as it stands today is a divided house. This has reshaped the geopolitics in the West Asian region. A sidelined Qatar has looked up to Turkey and Iran who have been keen to engage with it. This has resulted in the Qatar-Turkey-Iran partnership taking a visible shape in last several months. This would further infuriate Riyadh and Abu Dhabi who have detested the sight of any Arab country coming in close proximity to Iran.

Iran

Iran witnessed major internal and external challenges during 2018. Internally, the Islamic Republic had to deal with public discontent led by protests in the city of Mashhad at the end of December 2017 that soon spread to

over 40 other cities of the country. This was the major challenge for the Iranian regime, posing a serious political threat since the unsuccessful Green Movement of 2009. The unrest was mainly against the economic hardship, increasing food prices, increasing inflation and government's failure to address and neutralise the negative impact of the economic sanctions on Iran's economy together with its foreign policy difficulties and bringing the benefits back home after the signing of the Joint Comprehensive Plan of Action (JCPOA). The Iranian officials are of the opinion that the main problem faced by the country is economic structural reforms and these are unpopular among the public despite the fact that in the long term these structural reforms will be beneficial. In this context, the structural reforms in the country's budget for the next year have been criticised. From the Iranian point of view, these protests were being coordinated by Western groups based in Europe and the United States. More importantly, the protests were also highlighted by the Western media. Therefore, the main challenge for the Rouhani government has been about providing subsidies. Despite the fact that slogans were raised against the regime including the Supreme Leader, the response from the Iranian government was much more conciliatory. Protesters were treated by police with great tolerance without letting the situation getting out of control. Although there were arrests, social media was blocked, and about 21 people died, the government was able to bring the situation under control. The Rouhani

government also witnessed the shutting down of Tehran's Grand Bazar amidst protests by its businessmen against falling Iranian currency, on June 27, 2018.

Throughout the year, [Iranian economy](#) was exposed to serious challenges despite the fact that the country had managed to see some growth in its GDP after signing the JCPOA. The GDP is expected to experience a decline in the current Iranian year. The World Bank estimates a negative GDP growth of -1.5 per cent. The recent devaluation of the Rial has already generated an inflationary impact and the inflation is likely to be double-digit – the World Bank projects an inflation of 23.8 per cent in 2018 and 31.2 per cent in 2019-2020. A higher than expected oil price is generating more revenues, but there is a lot of uncertainty due to the US' withdrawal from the nuclear deal. Nonetheless, if the EU continues its trade and investment in Iran, the economy can recover within two years. However, the country's young demography will continue to put pressure on the job market – there will be some 800,000 new entrants into the job market every year. This is going to be a major issue for the Iranian government. The other significant trend in the country is the impact of the re-imposition of US secondary sanctions. As a result of the re-imposition of US secondary sanctions and the recent devaluation of the Rial, the Iranian economy is expected to decline in 2018 by 1.5 per cent and by about 3 per cent in 2019. Despite the economic challenges, it is important to note that Iran has a very diverse economy (the most diverse OPEC economy) – 53 per

cent of the economy consists of services; the petroleum sector is the most important hard currency earner but non-crude oil exports including petrochemicals and products of gas-based industries are on the rise. It is expected that uncertainties will continue in Iran's overall development, but given the country's familiarity with uncertain conditions, it is expected to wriggle out of it in the future.

According to Iranian expert Bijan Khajehpour, there could be three game changers for economic development and job creation: (1) The devaluation of the Rial has made Iranian exports more competitive, hence there will be an impetus from growing non-oil exports; (2) Tourism (including health tourism) which will generate jobs and also provide economic impetus in provincial areas; and (3) IT start-ups that would offer new opportunities to the educated youth. Job creation and efficient growth depend on the successful promotion of the private sector and the attraction of foreign investment into the country. Iranian agriculture has contributed 12.9 per cent to its GDP and this is where both India and Europe can help Iran. Consequently, the government will have to invest in the improvement of the business climate where it is facing a major push back from its opponents. At present, political and economic developments are paving the way for closer Iran-EU relations, though the biggest beneficiaries of US policies will be Russia and China. Apart from creating SPVs for trade with Iran, the EU's plans will potentially also include the creation of investment funds that could facilitate foreign investment into

Iranian projects. However, such investments will not be sufficient for Iranian agriculture to create the needed jobs.

In the context of Iran's changing external relations, the major development that merits attention has been the change in the US policy towards Iran. 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. The first phase of the reinstated sanctions came into effect on August 7, 2018 followed by the second set of sanctions on November 4, 2018. Growing confrontation between the two countries continues to be a disruptive factor in regional and global affairs. 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, supporting it strongly, well as its long-time ally, Israel. President Trump's decision to withdraw from the 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, labelling it as a bad and disastrous deal.

On the external front, Tehran continued its focus on "Look to the East" policy to manage its isolation spearheaded by President Trump and his anti-Iran policy. Iran's "Look to the East" policy has

mainly three components: 'East but not West' – this means that it would look more towards Russia and China; second, this is about creating balance between the East and the West and third – this is more about cooperation with the East than the West – developing stronger ties with the East to counter-balance the negative impact of the US sanctions on Iran. However, going to the East does not mean cutting ties with the European countries but to have engagement with countries that can help Iran manage its isolation. In fact the main debate within Iran on building close cooperation with the East is based on the US withdrawal from the JCPOA and Europe's inability to bring economic benefits to Iran after signing the JCPOA. It appears that within this framework, Iran's short-term goal is to play East against West, strengthening bilateral cooperation and also enhancing cooperation in forums like the SCO at the regional level.

Tehran's policy of looking to East should be seen as part of its sub-regional policy, which is not at its cost to ties with Europe. This is new regionalism; traditionally Iran has been in isolation and therefore it has relied more on tactical and issue-based partnerships but not strategic partnerships. During 2018, Iran tried to cement its ties with its Asian partners both India and China through important high-level bilateral visits and signing of many important agreements. In this context, President Hassan Rouhani's visit to India from February 15-17, 2018 is a case in point for re-energizing the bilateral partnership between India and Iran, particularly in promoting regional connectivity projects like Chabahar.

While nine agreements were signed during this visit in addition to four MoUs between the trade bodies on the sidelines of the visit, what clearly stood out was the heightened cooperation in the areas of connectivity, trade and investment. The changing regional security situation in West Asia offered a major opportunity to Iran to enhance its ties with Qatar and Turkey and increase its influence in Syria and Iraq. One also witnessed the new evolving equation between Iran, Russia, Turkey, France and Germany to find solutions to the regional conflicts in Syria. The proxy war continued between Iran and the Saudi Arabia-led coalition without any solution during 2018. Overall, despite being confronted with isolation, economic problems and security challenges, Iran was able to manage both its internal and external challenges in reasonably modest way.

Iraq

After the ‘defeat’ of the ISIS, Iraq staggered through several endemic socio-political, institutional, infrastructural and environmental crises in 2018, just as a geopolitical maelstrom brewed in the region. Iraq’s journey through yet another tumultuous year began with highly contentious elections leading to a complete manual recounting of votes and protracted negotiations over government formation that spanned across several months. There were also popular protests in several cities against the breakdown of civic services in the summer months even as a resurgent ISIS started reclaiming lost territory.

In fact, it was embarrassing that celebrations on the first anniversary of

‘victory’ over ISIS on December 8, 2018 were marred by reports that the terrorist group was staging a comeback with its distinctive guerrilla attacks, bombings, murders, kidnappings and road blockages reported across various governorates. Claiming that international and Iraqi forces may have only scorched the serpent and not killed it, veteran leader of the Kurdish Democratic Party Masoud Barzani issued a [warning](#) in early December: “Da’esh (ISIS) has returned to a lot of the areas, much worse than before,” especially in Nineveh, Diyala and Salahuddin. Even the leader of the largest political bloc in parliament, Shiite cleric Moqtada Al-Sadr [cautioned](#) on Twitter: “Mosul is in danger and terrorist cells remain active there”. He added that the deteriorating situation is the result of the misrule of corrupt politicians. The cause behind the apparent revival of ISIS has been linked to the inability of the Iraqi state to bring normalcy to areas liberated from terrorist control. Over tens of thousands of families that had fled cities and villages during the war against ISIS are still living in camps as order has not been fully restored in the war-ravaged areas. Reconstruction efforts are stalled in many places following accusations against government officials for swindling money, in collusion with contractors that were supposed to carry out the rebuilding process.

The problem of corruption in the country is not limited to the reconstruction project, but is an endemic malaise facing every sector of the administrative machinery. In July, thousands of Iraqis demonstrated in Baghdad, Basra, Najaf,

Maysan, DhiQar and Karbala, against acute corruption, poor governance, lack of civic amenities including electricity, water and rising unemployment. Slogans were also raised against the perceived Iranian interference in Iraq's domestic affairs. Security forces clamped down heavily to bring the situation under control, even using live ammunition that [killed at least 14 people](#) and reportedly injured as many as 600. Hundreds more were arrested. The centre of the unrest was Basra city, which has been facing acute shortage of electricity, drinking water, and pollution and sanitary crisis.

Expressing dissatisfaction with the corruption-ridden administration, [protesters held placards](#) reading 'No, no, no to parties'. Surprisingly, even in Shiite-dominated areas like Basra, protestors burnt pictures of the leader of the Iranian Revolution Ayatollah Khomeini, as they blamed Iran's theocratic regime for supporting failed governments in Iraq. In fact, the protests broke out after Iran — that provides 1,400 megawatts of electricity to Iraq — decreased its electricity supply, exacerbating the problem of heat wave facing Iraqis in the summer months. Protests have been linked to a series of similar social protest movements that began since mid-July 2015, emerging "against the [deterioration of public services, particularly electricity](#), at the peak of Basra's summer heat and humidity."

The public unrest soon dovetailed into the political violence that typically occurs during election campaigns. In the run-up to the polls, several candidates were

killed such as Faruq Zarzur al-Juburi in Mosul and six members of a pro-government tribal force in Kirkuk. Two offices linked to Muqtada al-Sadr [were also bombed](#) in Maysar, but there were no casualties. Elections were held on May 12, 2018 for the 329-member unicameral legislature or the Council of Representatives. However, controversy over reported irregularities and electoral rigging took months to resolve.

The announcement of election results by the Independent High Electoral Commission (IHEC) were met with complaints of blatant irregularities and rampant fraud committed in the electronic counting of votes. After an emergency meeting by the outgoing legislators [an amendment to the electoral law](#) was passed in early June that annulled the votes of all internally displaced and overseas voters and a full manual recount of all other votes was mandated. However on June 21, Iraq's Supreme Court [struck down](#) the annulment of internally displaced and overseas voters, but upheld the full manual recount. The [final results were eventually released on 9 August](#), which hardly changed the earlier tally, with only minor changes affecting five candidates and two parties.

In the end, populist Shiite cleric and leader of the Saairun (Forward) Alliance, [Muqtada al-Sadr retained his lead](#) and remained triumphant after the recount, with 54 seats in the 329 seat Council of Representatives. It was followed by Hadial-Amiri's Fatah (Conquest) Alliance with 48 seats and Haideral-

Abidi's Nasr (Victory) Alliance gaining 42 seats.

However, protracted negotiations between various political blocs for government formation continued from June until late September. The Iraqi parliament managed to elect Muhammad al-Hubusi, a Sunni known for his pro-Iranian stance, as its new speaker on September 15. On October 2, the veteran Kurdish politician Barham Salih was [elected president](#). Salih then named veteran Shia politician Adel Abdul-Mahdi as prime minister-designate and [tasked him](#) with forming a new government. The 76-year-old Abdul-Mahdi was nominated by both the rival blocs, one led by Muqtada al-Sadr and outgoing premier Haider al-Abadi, and the other by pro-Iranian political bloc leader Hadi al-Amiri and Nouri al-Maliki. Finally, five months after the election the Iraqi parliament approved Abdul-Mahdi-led cabinet to take over the [government on October 25](#). The legislature voted to confirm 14 of Abdul-Mahdi's 22 cabinet nominees, enough to ratify a government. But lawmakers failed to vote on ministers of defence, justice, and interior, among other key appointments.

As late as December 18, the parliament could confirm only three more ministers to Abdul-Mahdi's government but left other key posts, including ministers of defence and interior, vacant in the wake of a political impasse over the posts among the ruling coalition that stretched into its third month. In addition to the fractured mandate, Iraq's [ethno-sectarian quota system or 'Al-Muhassa'](#) (Arabic word for apportionment) has

been blamed for much of the political wrangling over appointment of competent officials in government. The quota system was [initially established by the US-led Coalition Provisional Authority](#) (Iraq's post-invasion interim government) under Paul Bremmer in 2004. Under this system, the concept of inclusivity was introduced wherein the post of president was reserved for a Kurd, that of prime minister for a Shia, and that of Parliament Speaker for a Sunni. The same sectarian consideration applies to the appointment of other positions in the government. The detractors of the system contend that this superficial inclusivity has been used to marginalize and discriminate certain sections of the population. Many of Iraq's political groups, such as Iyad Allawi's Al-Wataniya Bloc and Muqtada al-Sadr have opposed Al-Muhassa for causing sectarianism, corruption and inefficiency in the administrative machinery. However, the system continues to stymie political processes, even government formation, till date.

Iraq's close relations with both the US and Iran has put its diplomacy under serious strain following President Trump's re-imposition of economic sanctions against Iran. Iraq has attempted to tow an independent line with its leaders continuing their trade relations with Iran and its leaders frequently exchanging visits with their Iranian counterparts. In November, when the US had imposed the debilitating second round of sanctions, Iraqi President [Barham Salih visited Tehran](#), where he pledged to boost economic ties. Later, Prime Minister

Abdul-Mahdi said Baghdad would not respect US sanctions on Iran, which he described as not being an international decision as it was without UN approval. It is remarkable that the US did not openly criticize the statements of these top Iraqi leaders. In fact, the US has given a 90-day extension to Iraq, [exempting it from re-imposed sanctions](#) on Iran to keep on importing energy. This extension comes after the US had given Iraq a 45-day waiver to continue buying electricity and natural gas from Iran after re-imposing sanctions on Iran's oil and financial sectors on November 5, 2018.

It is important to note here that Iraq heavily relies on Iran to meet its energy needs. Even though it is rich in oil and gas reserves, wars have wreaked havoc on Iraq's energy infrastructure and Iran provides a significant portion of its energy needs. In fact, natural gas from Iran accounts for 45 per cent of Iraq's electricity consumption. In addition, Iraq has a substantial non-oil trade with Iran, and from March to October of 2018 it imported US [\\$6 billion worth of non-oil goods from Iran](#). Iran's growing influence is even resented by some sections of Iraqi Shiite community as was expressed in many Shiite-dominated protests in Basra this year.

Iraq has also been facing aggressive interventionism from Turkey. Baghdad is extremely upset over Turkey's [repeated airstrikes against PKK targets "with increasing intensity"](#) in the northern part of the Kurdistan Region over "the last several months". The Turkish attacks have reportedly spread even to the Ninveh province. In spite of the Iraqi

government's continuous protests, Ankara has continued to bomb Iraq's Kurdistan Region, particularly in Mount Sinjar and Makhmour areas.

Since the 2003 US attack and the collapse of Saddam Hussein's Baathist regime, Iraq has witnessed civil war across sectarian and ethnic lines and has turned into an arena for various regional, international and violent non-state actors to carve out their own areas of influence. The inherent brittleness of state institutions, endemic nepotism and corruption, the frailty of national and democratic sensibilities such as rule of law, due process, personal freedoms, and property rights are impeding the reconstitution and development of a very important country located at the heart of West Asia.

Turkey

For Turkey 2018 proved to be another turbulent year, with the country facing serious political, economic, security and foreign policy challenges. The domestic political situation remained tense throughout the year due to the continued [crackdown](#) on the Opposition, the media and civil society. The Kurdish insurgency re-emerged as a major security problem in the southeast with the Kurdistan Workers Party (PKK) intensifying its struggle for greater rights. The economic crisis continued to be a major challenge throughout the year with the Turkish Lira falling sharply against the US Dollar and a rising inflation adding to the economic problems. While Turkey improved relations with some of its neighbours including Iran, Qatar and Iraq and global powers such as Russia and China, its

relations with the European Union, the US, Saudi Arabia, Egypt and Israel remained tense or further deteriorated. The killing of Saudi journalist Jamal Khashoggi in October inside the Saudi consulate in Istanbul caused serious tensions between Riyadh and Ankara. However, the most important political development in the year was the re-election of President Recep Tayyip Erdogan and the commencement of the newly-adopted presidential system.

The re-election of President Erdogan and his Justice and Development Party (AKP) in the June 2018 elections was crucial for the future of Turkey and its role in the Middle East. Erdogan who first became prime minister in 2003 and was elected president in the first direct presidential elections in 2014 took the gamble of snap elections to consolidate power. Though a united Opposition put up stiff resistance, Erdogan sailed through in the first round of polls crossing the required threshold of 50 per cent votes. At the same time, the AKP, along with its ally the Nationalist Movement Party (MHP), easily gained the required majority in the Grand National Assembly retaining control of the parliament. It meant that President Erdogan became the first head of the state as well as the head of government in Turkish history. The change in the date of election was not entirely unexpected as the economic situation was expected to further deteriorate.

The [election results](#) did not come as a surprise. President Erdogan gained 52.59 per cent of the votes, and the main opposition candidate and Republican People's Party (CHP) leader, Muharrem

Ince, came a distance second with 30.64 per cent of the polled votes. Selahittin Demirtas of the People's Democratic Party (HDP), a pro-Kurdish secular group, and Meral Aksener of the Good Party received 8.4 per cent and 7.29 per cent the votes respectively. In the parliamentary elections, the AKP which had formed an alliance with the ultra-nationalist MHP won 53.66 per cent of votes, thus getting 344 seats in the 600-member parliament. The opposition alliance of CHP, the Good Party and the Felicity Party received a total of 33.94 per cent of votes getting 189 seats in the Grand National Assembly. The remaining 67 seats went to the pro-Kurdish HDP which received 11.7 per cent of the popular votes.

The elections were held in a highly polarized environment with continued crackdown on Kurdish leaders, [media and civil society](#) and accusations of serious [human rights violations](#) by government agencies and security forces. With the presidential system coming into effect, Erdogan now has significant power over the executive and judiciary, and controls the legislature as head of the ruling party. In the new system, the post of prime minister has been abolished, the president chooses his own cabinet and appoints civil servants and judges to the highest court of the country. The president also has the [power to issue decrees with effect of law](#), although it would be subject to parliamentary approvals.

Under the new system, the [parliamentary control over the cabinet has been reduced](#), which according to analysts

undermines the legislature. For example, law makers will have to write to the vice-president or the ministers in case of a parliamentary inquiry and for referring an impeachment motion against the president to the judiciary, a two-third majority will be required. The president has the power to call for fresh elections. More importantly, the president can retain the leadership of the ruling party. This will effectively mean that dissent within the party and from the parliament will be difficult. The AKP with 295 seats does not have a majority in the parliament as it fought elections in alliance with the MHP which has 49 seats.

Turkey is going through a critical phase in its history. Political polarization is at an all-time high and the old elites have been effectively sidelined and replaced by new elites who adhere to a more orthodox form of Sunni Islam and are fiercely nationalist. This is visible in the electoral politics whereby the ultra-nationalist MHP and moderate Islamist AKP have formed an alliance to secure power. Significantly, electoral victories have emboldened Erdogan to continue on the path of consolidation of power. It has also led to an aggressive foreign policy approach in the Middle East, especially in Syria and Iraq, as well as vis-à-vis the Gulf monarchies such as Saudi Arabia, as was visible during the Qatar crisis and Khashoggi affair.

The Turkish economy remained vulnerable through the year. In August 2018, Turkish Lira witnessed a depreciation in its value against the [US Dollar by 45 percent while inflation has](#)

[been rising at an annual rate of 15 percent](#) in the last five years. Economic volatility and fiscal crisis remains a major concern. According to The World Bank, continued global liquidity problems and macro-level imbalances--[17.9 percent year-on-year inflation, 6.5 percent current account deficit and the depreciation in value of Lira](#)--have created the economic troubles. A slowdown in the market and a downward spiral in growth rate have led to increasing bank debts and rising unemployment to 12.5 per cent. The economic growth rate that had recovered to 7.4 per cent in 2017 reportedly fell below 4 per cent in 2018 and is expected to further come down to 2.5 per cent in 2019, if the current economic and financial trends continue.

Though Turkey has a strong manufacturing and construction sector and the agriculture sector too has been doing well, it is mainly because of its foreign policy problems and troubles in the international market that the Turkish economy has remained vulnerable over the past decade. Ankara's problems with the US and the EU have led to a downfall in external investments. For example, "[In the first quarter of this year, the sum of net foreign direct investment \(FDI\) fell by 28.1 percent, year-on-year, from some \\$3 billion in the same period of 2017.](#)" Together with fiscal problems, this has generated serious economic troubles. On the positive side, Turkey witnessed a significant increase in foreign tourist arrival in 2018. According to the Turkish Ministry of Culture and Tourism, in the first half of 2018, "[Tourist numbers are up over 30 percent, compared to the](#)

same period of 2017,” and are expected to reach an all-time high of 40 million compared to the 32 million in 2017. This has also led to a significant increase in the revenues from the tourism sector.

The security situation in Turkey remained critical mainly due to the rise in Kurdish insurgency and continued problems in Syria. Turkey shares a long border with Syria and has been hosting nearly 2 million Syrian refugees who have fled the country due to the civil war. Ankara has adopted a security-oriented policy towards Syria and this has led to significant tensions between the US and Turkey. While Washington has been supporting and aiding the Kurdish Democratic Union Party (PYD) and its armed wing, the People’s Protection Unit (YPG), to fight the Islamic State (ISIS), Ankara recognises them as a sister organisations of PKK and hence as a terrorist group. This has created serious differences between the US and Turkey over Syria. Turkey, therefore, in the beginning of 2018 undertook a large-scale military operation to take control of the Kurdish corridor of Afrin in northern Syria. It generated [serious problems for the US as well as Russia and Bashar al-Assad regime](#) who were hoping to keep Turkey out of the equation in northern Syria.

Notwithstanding, the troubles in Syria, Turkey’s relations with the US under the Trump administration have not followed the initially euphoric trajectory, and have remained tense, especially due to the Turkish refusal to release the American pastor Andrew Brunson, who was [eventually freed by a Turkish court](#) in October. This came soon after the murder

of Jamal Khashoggi leading to increased interaction between Turkish and US security agencies and contributed to easing of tensions between the two countries. In fact, analysts argue that Turkey was using the Khashoggi issue to ease tensions with the US which were raging due to the insistence of the Trump administration for release of Brunson. On the other hand, President Erdogan was inclined to link his release with the ending of the US support for the PYD-YPG in Syria and to extradition of Fethullah Gulen, founder of Hikmet, which the Turkish government accuses of organising the June 2016 coup attempt in Turkey. While the tensions with the US came down after the release of the pastor, and [agreement on managing the situation in northern Syria](#), the differences over managing the situation in northern Syria continued to affect the ties.

The problem between Ankara and Riyadh after the killing of Khashoggi added to the already fragile relations between the two due to the open support provided by Turkey to Qatar after the announcement of [boycott of Qatar by Saudi Arabia, the UAE, Egypt and Bahrain](#) in June 2017. In fact, one of the conditions put forth by the Saudi-led group for ending the boycott of Qatar was to end its military cooperation with Turkey and close the Turkish military base in Doha. With the situation in Syria and sharpening regional geopolitical competition, Turkey has come closer to Iran– the arch rival of Saudi Arabia – and this has deepened the fault lines between the two. Notably, while relations with the US and Saudi Arabia have been tense, Ankara is

enjoying improved relations with Russia, China and Iran. With Russia, the turnaround in relations was crucial through cooperation in finding a solution for Syria through Astana process. This was instrumental in easing tensions in Syria, establishment of de-escalation zones and [finding a peaceful way to resolve the differences over Idlib](#). In September, Ankara and Moscow agreed to establish de-militarised zones in Idlib to stop the Iran-backed Syrian regime's assault on Idlib, the last territory in Syria under rebel control. It raised hopes for further cooperation between Russia, Iran and Turkey to end the fighting in Syria and look forward to a peace process. This was the main agenda of the trilateral Astana peace talks held in December 2018. Political solutions gave impetus to furthering economic cooperation. Energy is an area where Russia and Turkey have been taking their cooperation forward. In fact, some have argued that US sanctions against Iran have led to a situation where Turkey, Iran and Russia are coming together to cooperate and blunt the impact of the sanctions.

In November, President Vladimir Putin travelled to Istanbul to [jointly inaugurate the sea section of the TurkStream](#), the gas pipeline which will supply natural gas from Turkmenistan to Europe and Turkey through the Black Sea and which is being helmed by the Russian energy giant Gazprom and is expected to be [ready to supply gas to Turkey by end of 2019](#). Turkey has also been improving its commercial relations with China. It has been one of the enthusiastic participants in the Chinese Belt and Road Initiative (BRI) that plans to connect Central Asia,

Europe and the Middle East with China, South and South East Asia to build infrastructure and enhance commercial and economic activities. In addition, bilateral commercial relations between China and Turkey are on the upsurge for the past decade and in 2017, bilateral trade stood at US\$ 28 billion. Regular political interactions and growing economic cooperation has led to [improved bilateral relations between Beijing and Ankara](#).

Another remarkable development during 2018 was the improvement in relations between Turkey and members of the European Union, especially Germany. The relations between Turkey and the EU and its members have witnessed a significant downward spiral since 2013-14 after Turkey started its crackdown on the protestors at Gezi Park and the large-scale purging of the military, civil servants and the crackdown on media and civil society after the failed coup in July 2016. In fact, in July 2017, [Germany had withdrawn its troops](#) from the NATO airbase in Turkey. During the heat of the April 2017 referendum and the presidential and parliamentary elections in 2018, the relations between Germany and Turkey had further deteriorated. However, after the election Erdogan made efforts to revive the relations keeping economic situation in mind and received an enthusiastic response from the German Chancellor Angela Merkel, raising hopes for improvement in relations in the coming year.

Hotspots: Libya, Syria and Yemen

Prasanta Kumar Pradhan and Nagapushpa Devendra

Though talks and negotiations continue among the conflicting parties facilitated and mediated by the UN along with some members of the international community, there has been no visible decrease in violence and conflicts in the major hotspots of Libya, Syria and Yemen. All three countries are grappling with their local political and security dynamics but violence, internal displacement, political instability, economic crisis and terrorism are some of the key challenges that are common to them. In order to reach comprehensive and sustainable solutions, several parleys have taken place and agreements have been signed. But no tangible solution has emerged for any of these countries. While small headways have been made, major challenges remain to be addressed.

Libya

Since the end of Muammar Gaddafi's rule in 2011, the transition process in Libya has been violent, protracted and tumultuous. Political and societal polarization on tribal and regional lines and unregulated violence have created major hindrances in achieving peace and stability. Transitional and interim governments have not been able to establish a stable central authority, capable of managing different political factions, the national economy and military. Fighting among different political and military factions continues with blatant disregard for domestic or international laws. Given the

deteriorating political and security situation, the key issues of drafting a constitution, holding elections, government formation, national economy, and security remain unsettled. Though elections to parliament have been conducted in 2012 and 2014, the transition of power has not been smooth. It has been marred by skirmishes between the political parties and armed non-state actors having vested interests. On December 17, 2015, all the warring factions signed the Libyan Political Agreement mediated by the UNSC, under which the Government of National Accord (GNA), was formed. But despite all such efforts there are two major factions who hold parallel power centres in the country today. One is the UN-recognised GNA government led by Prime Minister Fayez Mustafa Al-Sarraj based in the capital Tripoli, and the other is the Libyan House of Representatives (HoR) based in the eastern city of Tobruk which is supported by military strongman General Khalifa Haftar.

Continuing political instability over the years has provided fertile ground for terrorists and other militia groups. Terrorist organisations have grown in numbers and their activities have also expanded. Lack of a strong and united military has allowed them to not only survive but also expand their activities. In Libya, the Al-Qaeda and the Islamic State (ISIS) have deeply entrenched themselves in large parts of the country.

In May 2018, ISIS attacked the national election commission offices in Tripoli. In November, the group laid claim to the attacked on Tazirbu town that killed nine policemen and kidnapped eleven others. Al-Qaeda is present in several parts of the country. Libya's National Oil Corporation was attacked by a local militia group and the Sharara oil field was forced to shut down on December 9. Use of force by the militias against private as well as government properties and institutions continues to create insecurity and instability in the country. With the situation deteriorating amid continuing violence perpetrated by the armed militias, the UN made some painstaking efforts to broker a ceasefire agreement with some militia leaders in Tripoli to end hostilities, which did not last long and fighting still continues.

Despite the political disruptions and incessant violence, a number of attempts to bring the warring factions to the negotiating table have been made. In May 2018, Prime Minister Fayez Al-Sarraj and General Khalifa Haftar met in Paris to discuss the course of action for the future of Libya. Leaders of rival parliamentary assemblies of Libya and representatives from around 20 countries including from the US, European and neighbouring countries participated in the conference. At the meeting, the rival factions committed themselves to "[set the constitutional basis for elections and adopt the necessary electoral laws by September 16, 2018, and hold parliamentary and presidential elections on December 10, 2018.](#)" However, the prevailing political and security situation has not allowed them to hold any

elections and they were postponed until early 2019.

In November 2018, Sarraj and Haftar along with a number of other leaders met in Palermo with Italian mediation efforts. Representatives from a number of regional and European countries and the UN Special Representative for Libya Ghassan Salame attended the meeting. The meeting did not achieve much, but they agreed to go ahead with the political process as discussed at the meeting in Paris. Despite the nascent political understanding between the two leaders, several armed militia groups remain out of their control and have been a major hindrance in the transition and reconciliation efforts. They often indulge in clashes among themselves, target political opponents and public properties thereby dampening the initiatives. For instance, following clashes between two rival militias in Tripoli in August 2018, the Sarraj-led government had to declare emergency which led to the closure of the airport in Tripoli.

The Sarraj government blames the HoR for obstructing the political process and the HoR alleges that Sarraj has not fulfilled the agreements of the LPA. The High National Electoral Commission (HNEC) has also started the process of a referendum on the country's draft for the constitution. The referendum is expected to be held in early 2019. The HNEC has the responsibility of conducting the presidential and parliamentary elections. The UN has been playing a very active role in the political process. The United Nations Support Mission in Libya (UNSMIL)

headed by Ghassan Salame has been engaging with all the rival political factions to bring them to the negotiating table to reach resolution.

The European Union has stated that it would impose sanctions on the ‘saboteurs’ who intend to hinder the political agreement in Libya. The EU also supports the elections to be held in Libya and the efforts of Libya’s HNEC. The EU has expressed its support for the UNSMIL’s plans for transition in Libya. European powers, especially France and Italy, have been particularly involved and are engaging with the rival factions of Libya. They have also mediated and held meetings with Sarraj and Haftar on several occasions. Apparently, their interests in Libya lie in the Libyan oil sector and the problem of the influx of refugees into Europe. In a meeting with Sarraj in December 2018, NATO Secretary-General Jens Stoltenberg expressed his readiness to support Libya build its military and security institutions.

The US has supported the UNSMIL’s initiatives for the Libyan political process. Besides, it has been involved in counter-terror operations. In March 2018, the US military carried out [drone attacks on Al-Qaeda targets in south](#) of the country and has also pursued ISIS targets located mainly in the north. Libya’s neighbours have expressed their concern for the situation in the country. In November 2018, the foreign ministers of Libya and its neighbouring countries Egypt, Tunisia and Algeria, officials from neighbouring Chad and Niger, and representatives of the UN, Arab League,

and African Union Commission met in Khartoum to discuss the political and security situation in the country. They [supported unity and integrity of Libya](#), and the fight against terrorism and extremism, and ending external interference in the country.

Syria

Eight years into the civil war, Syria remains unstable without any end in sight. The efforts to reach a political solution to the protracted conflict have not produced any concrete results. Regional and international powers have engaged the fighting factions in a number of peace parleys, but without much success. Thus, the violence lingers unabated leading to continuation of death, destruction and large-scale internal displacement. Political processes have continued along with the ongoing violence. The eleventh Astana Process talks on Syria were held in November 2018 with three guarantor states – Iran, Turkey and Russia – reaffirming their commitment to maintain the ceasefire. The situation of Idlib was at the centre of the talks, as the ceasefire there appeared to be fraying. Along with Idlib, another core issue discussed at the talks was the UN-led efforts to draft a new Syrian Constitution. The statement issued at the end of the conference stressed the effectiveness of de-escalation zones in “maintaining the ceasefire regime, reducing the level of violence and stabilizing the overall situation in Syria.” In their resolution, Iran, Russia and Turkey emphasized the need to create conditions for the Syrian people to [“restore normal and peaceful life and to](#)

[this end ensure rapid, safe and unhindered humanitarian access](#) and safe and voluntary return of refugees and internally displaced persons to their original places of residence as well as free movement of local population.” In addition to the Iranian, Russian and Turkish delegations, the Syrian delegation and the opposition delegation participated in the meeting. The same issues were discussed during the [ninth Astana talks](#) held in May 2018.

Russia, Iran and Turkey along with Staffan de Mistura, the UN special envoy for Syria, officials from Jordan, Syria’s ambassador to the UN, and representatives of some rebel groups met again at Sochi in July 2018. The aim of the meeting was to address the situation in de-escalation zones in Idlib, return of refugees, release of prisoners, and the formation of committees that will rewrite the country’s Constitution. Thus, efforts to bring peace and stability back to Syria have continued throughout the year with the involvement of UN, regional and international powers, but the [situation on the ground still remains violent](#) and unstable.

Following the Astana talks, the leaders of France, Germany, Russia and Turkey met in [Istanbul](#) for a four-way summit that promised to do as much as possible to achieve peace in Syria as all those three-way Iran-Russia-Turkey summits and multi-party UN-led summits have achieved. They called for a general Syrian ceasefire and expressed support for the UN-led process of writing a new Syrian Constitution. Meanwhile, the hostile situation in Idlib is a result of the clashes

between government forces and the rebels. The situation reached a precarious level particularly because of the usage of chemical weapons by the regime. This [chemical weapon attack in Idlib](#) was the second major attack in the country in 2018; the first being the attack on Douma in April 2018. On the one hand, the Syrian government officials accused the Idlib-based rebels of a suspected poison gas attack in Aleppo. The US and the UK on the other hand, have accused the Syrian and Russian governments of carrying out the chlorine gas attack in [western Aleppo in November 2018](#) in order to frame rebels.

In the aftermath of Turkey’s offensive in Afrin, the US brokered a deal with Ankara to establish a joint patrol on the borders of northern Syria. While it was uncertain whether Ankara would push its patrolling into Manbij, the Kurdish council has barred the Turkish soldiers and decided to reconcile with the Syrian government. However, Turkey has stated that it will not withdraw from northern Syria until elections are held. In addition, Ankara also stated that it would not stop killing YPG fighters no matter how cooperative the Trump administration decides to be on the PKK front.

US President Trump’s announcement on December 19, 2018 to withdraw troops from Syria is a critical one, which will have a severe impact on the fight against terror. Trump also claimed that the ISIS has been defeated in Syria. But before the decision came, throughout the year, all its observation posts in northern Syria were operational and it conducted a major eight-day military exercise with their

Maghawir Al Thawra proxy force to send a strong message that they are willing to confront any threats.

Israel has made it clear that they will continue to strike Iranian-Hezbollah targets in Syria. They have also indicated that they [might attack the S-300 air defence system](#) that Russia has decided to supply to them. In September, a Russian reconnaissance aircraft, with 14 crew members, came in the line of fire between the Syrian regime and Israel, leading to the killing of all on board. The Russian military blamed Israel for not giving them advance warning, Israeli denied the accusation and insisted that the Russians could not blame Israel for Syrian ineptitude and the Hezbollah's fault for making Israel bomb its targets. The situation between Russia and Israel boiled down after the telephonic conversation between Putin and Netanyahu.

The ISIS, which presented the foremost challenge to the regime of Bashar al-Assad, has been pushed back from their previous strongholds. Since the start of 2018, the Syrian government and its allies have recaptured large swath of territories from the rebels and terrorists. The Syrian military along with other coalition forces launched two offensives in Eastern Ghouta near Damascus and [southwest Syria](#), including the Homs region, Daraa, Yarmouk Basin, Nassib crossing and Quneitra– despite being designated as 'de-escalation zones'. The regime has managed to relocate rebels to northern Syria via a series of evacuation deals. Around 100,000 terrorists of different

groups have surrendered in Idlib, which includes 40,000 'hardcore radicals'. In the East, the US-backed Syrian Democratic Force (SDF) has captured Hajin from the ISIS.

Yemen

After months of violent clashes, the Yemeni government and the Houthis finally sat together for Yemeni Peace talks in Sweden in December 2018. The talks in Sweden have proved to be a critical breakthrough in the Yemeni political process, as both the parties have agreed to a ceasefire in the strategically important port city of Hodeida on the Red Sea. This is probably the biggest breakthrough in the Yemeni peace process so far. Both parties agreed to a ceasefire and redeployment of forces in the Hodeida Port and the city, and to ease the situation in Taiz and swap prisoners in the coming months. As many as [15,000 prisoners on both sides](#) could be released under the agreement. Though a number of other issues are still pending to be resolved between the government and the Houthis, the talks in Sweden have provided a much-needed springboard for further negotiations on the complex Yemeni political and security situation.

Prior to this, the UN organised a peace consultation meeting in Geneva, but it collapsed, as the Houthis did not show up for the meeting citing their own safety and security concerns. The Houthis had a list of demands, which included the right to fly wounded rebel fighters to Oman for medical treatment, the right to repatriate rebel fighters who have already received treatment and a guarantee that their

negotiators will [be allowed to return to Yemen](#) after the conference.

In March 2018, apart from the UN, Oman and Iran also offered to mediate in the Yemeni conflict. On the other side, after the US announced its withdrawal from the JCPOA, the European countries attempted to take Iran on board to resolve the regional turmoil. In May 2018, Iran and three major European powers – Britain, France and Germany – stressed that it is [essential to have a political breakthrough](#) in Yemen. Iran has stated that they are ready to push the Houthis towards accepting a ceasefire and to engage them in peace talks.

As the clashes between the government forces and the Houthis continue, the ISIS and the Al-Qaeda have strengthened their grip in the areas under their control. There are reports of the ISIS and the Al-Qaeda engaging in clashes. Al-Qaeda, however, enjoys a more established and networked presence in the country. It controls several oil pipelines and is strongly connected with the local communities and tribal leaders.

While both Saudi Arabia and the UAE are undertaking joint military operations, there were reports of differences of opinion between them over Yemen. The UAE went against the Saudis and the Yemeni government's will to seize the [Socotra Island](#) in the Gulf of Aden. The government accused the UAE of abandoning its initial cause of fighting against the Houthis. However, after a brief mediation effort by Saudi Arabia an agreement was reached to hand over the island to the Yemeni government. The

role of Iran in supporting the Houthis came to the fore when the UN stated that the two anti-tank missile launchers allegedly captured by the coalition forces from the Houthis appear to have been manufactured in Iran in the year 2016-2017. The UN criticised Iran for violating its arms embargo in Yemen by supplying arms to the Houthis.

Conclusion

A glance at the key developments in the major hotspots in the region shows that the efforts towards achieving a political solution to the complex problems continue despite the ongoing violence. Clearly, some important achievements have been made in the process of negotiations in all these three countries. Libya is preparing itself for parliamentary and presidential elections, and at the same time, the talks in Sweden on Yemen have raised hope for an end to the fighting. Nonetheless, the countries remain polarized, directly impacting their security and stability. Continuous political instability has provided terrorists and armed militia groups a favourable atmosphere to thrive in. While the Syrian regime has been able to recapture a lot of ISIS-held territory, the situation in Libya and Yemen looks gloomy. In short, while some progress has been made during the year, serious political and security challenges lie ahead.

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A Neighbourhood on a Razor's Edge: Israel, Jordan, Lebanon and Palestinian Territories

Adil Rasheed and Jatin Kumar

Being at the periphery of developments convulsing West Asia since the Arab Spring, the Israeli-Palestinian conflict was back in the eye of the geopolitical storm afflicting the region in 2018. This was chiefly due to the Donald Trump's administration's decision to shift the US embassy in Israel from Tel Aviv to Jerusalem. Besides, Israel legally declared itself a Jewish state, which further diminished the chances of revival for the derailed peace process. These developments galvanized the fragile situation in the Gaza Strip and escalated violence, claiming over a hundred Palestinian lives. Increased tensions with Lebanon's Hezbollah on the country's northern front and continued Israeli military interference in Syria, kept the neighbourhood on a razor's edge.

Following the decimation of the ISIS in Iraq and Syria, Iranian forces and proxy Shiite militia expanded their presence close to the Syrian border with Israel, leading to direct clashes between the regional arch-rivals. This pushed Russia into action that has for now ensured a fragile peace, convincing Iran to pull back from the Syrian-Israeli border and Israel to show restraint in dealing with the security threats at the border. The Trump administration, on the contrary, chose to punish Iran by withdrawing from the Joint Comprehensive Plan of Action

(JCPOA) signed between the P5+1 and Iran in 2015.

Deal of the century fails to take off

The year 2018 registered dramatic shifts from conflict to peace and peace to conflict with regard to the Israel-Palestinian conflict. Throughout 2018, President Donald Trump's team, under the leadership of senior adviser Jared Kushner and special envoy Jason Greenblatt, met with the parties involved in the Israel-Palestinian conflict and travelled to many countries of the West Asian region to reach at a solution. It publicized that the peace plan would be the "[deal of the century](#)." However, the details about the plan have remained a secret, but are expected to be based on the principle of the two-state solution. Although, "the great march of return" which started on March 30, 2018 and Trump's decision of shifting the US embassy from Tel Aviv to Jerusalem proved the biggest setback to these efforts.

In March, fresh round of violence erupted in the Gaza Strip. To commemorate the Land Day, some Palestinian activists launched a six-week protest campaign and termed it the 'great march of return.' It caused serious escalation in violence as protestors tried to come close to the Gaza-Israel fence.

Gazan protesters were demanding that Palestinian refugees be allowed to resettle on their lands, which now lie under Israeli occupation. They also raised slogans against the blockade of Gaza and the US decision to move its embassy to Jerusalem. The campaign was soon co-opted by Hamas and Islamic Jihad and the protests turned violent at many points leading to retaliation from the IDF. In mid-May, the intensity of the protests rose as the US embassy was being relocated from Tel-Aviv to Jerusalem.

The protesters targeted Israeli border areas with Molotov cocktails and “kite bombs” causing fires in some of the forested and agricultural lands. In response, Israel carried out several airstrikes at suspected locations of Hamas hideouts and storages that killed many of the organization’s members. Salah Bardawil, a senior Hamas official, told Palestinian news outlet Baladna TV [that 50 out of the 60 Palestinians killed](#) in the air raids were members of his organization. During the course of these protests, beginning from March 30 to May 15, 2018 the Israeli military response (by snipers, airstrikes and tank fire) claimed [at least 110 Palestinian lives and injured more than 13,000](#). This was the severest escalation of violence between Israel and Gaza since 2014. Israel drew criticism of many countries for its ruthless crackdown, notably from the Vatican, France, Germany, Iran, Jordan, Turkey, Morocco, Indonesia and Costa Rica. However, the US and Australia supported Israel and stressed the country had the right to defend itself. On April 4, the European

Union expressed its deep concern over the alarming situation and asked Israel to investigate the deaths and punish the perpetrators wherever appropriate. For his part, UN Secretary-General, Antonio [Guterres underscored “the urgency of revitalizing the peace process](#) aiming at creating the conditions for a return to meaningful negotiations”.

No headway in Hamas-Fatah reconciliation

Efforts with regard to Hamas-Fatah reconciliation for unity government in the Palestinian territories could not yield desired results. In July 2018 and again in November, Egypt invited Hamas and Fatah for ‘[reconciliation](#)’ talks, however, no headway could be made. The year saw numerous intense clashes between Hamas and Islamic Jihad and Israel. Sporadic clashes between Israel and Palestinians were taking place since March 2018, and took a serious turn in October-November when Hamas launched large number of rockets against Israel. Amidst the worsening situation, Egypt, Qatar and the UN negotiated a ceasefire agreement between Israel and Hamas in the first week of November. A few days later, a similar agreement was signed between Israel and Islamic Jihad. The ceasefire agreements between Israel and Palestinian groups made the growing isolation of Palestinian Authority President Mahmoud Abbas [irrelevant](#), especially on issues concerning to the Gaza Strip. Responding to the developments, Abbas opposed the agreement and maintained that the PLO is the “[sole legitimate representative of](#)

[the Palestinians](#),” and is the only party authorized to reach a truce with Israel.

However, the ceasefire agreement evaporated in thin air shortly as clashes erupted soon after. It happened when an [Israeli covert intelligence operation eliminated seven Hamas operatives in Gaza on 11 November 2018](#). This resulted in violent clashes between Hamas and Israel. Between November 1 and 13, [Hamas fired 370 rockets from Gaza to southern part of Israel](#). Even though Gaza witnessed intense clashes (as detailed above), the situation in Jerusalem and the West Bank remained relatively calm. However, Palestinian security forces had to use sound grenades, tear gas and force to disperse [anti-government protests by the Palestinians residing in the West Bank](#) on June 13, 2018. There has been a perceptible difference in protests between the two leading Palestinian organization Hamas and PLO. On June 14, 2018, the Palestinian Authority government said that Hamas is responsible for the dire humanitarian situation in Gaza.

Legalisation of the Jewish Nature of Israel

On July 19, 2018, Israeli Knesset adopted a declarative law defining the country as the nation-state of the Jewish people, which ignited a major controversy within and outside Israel. The law assumed its importance from its title: “Basic Law: Israel as the Nation-State of the Jewish People.” As Israel does not have a [written constitution](#), its 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 right to exercise national self-determination in the state of Israel is 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 detractors went to the extent of planning the subsequent anniversaries of the legislation as International Israeli Apartheid Day.

Coming under criticism for the escalation, Israeli Defence Minister Avigdor Lieberman resigned from his post, while he charged the government for “surrendering to terror”. He even opposed the \$15 million (£12 million) cash aid given by Qatar as [recompense for salaries of unpaid civil servants](#) of the Hamas-run government in Gaza. The decision of the withdrawal of Lieberman’s faction from the government weakened the Benjamin Netanyahu government, which is left with only 61 members in the 120-seat Knesset. While support for Palestinian cause significantly increased throughout the world, which was evident in the UN General Assembly vote over the issue of recognition of Jerusalem as Israel’s capital. It was also re-elected in the Resolution on Protecting Palestinian Civilians Following Rejection of United States [Amendment to Condemn Hamas Rocket Fire](#), the resolution was adopted by a vote of 120 in favour to 8 against with 45 abstentions.

The year 2018 will also be remembered for Israel’s unsuccessful bid to deport

African migrants back to their respective countries. In January, Israel announced its plans to [deport tens of thousands migrants from Africa](#) who were residing in the country. The government gave these migrants 90 days to leave or face imprisonment. According to the Population and Immigration Authority's report on immigrants, [Israel currently has 33,562 Eritrean and Sudanese shelter seekers](#). A large number of these immigrants are from Eritrea and Sudan – around 76 per cent (26,081) from Eritrea and 20 per cent (7,481) from Sudan. The announcement sparked off an intense debate over the racist nature of the Israeli government. Reacting to the announcement, thousands of immigrants along with the Jewish people of Israel protested in Tel Aviv. An Israeli anti-deportation protester, [Rabai Nava Kheferz](#), said “We disagree with the decision of our government especially as Jews. We are people of refugees, of asylum seekers for two thousand years and we are here to say now that we are in a sovereign state we have to deal with other asylum seekers worldwide.” These protests led the Israeli Prime Minister to [roll back the plan in April 2018](#) when Israel struck a deal with the UN, according to which it was decided to settle half of the migrants in Western nations, while the rest will remain in Israel.

Israel-Iran clashes in Syria

Syria was turned into an active playground for Iran-Israel rivalry and the chances of a full-scale Israel-Iran war became a distinct possibility. It all began when the increasingly threatening

presence of Iranian forces in Syria led Israel to take aggressive military measures. On May 10, 2018, Israel carried out airstrikes targeting “almost all” Iranian bases in Syria. This was in response to Iranian rocket barrage attacks at the Golan Heights, with 20 rockets targeting Israeli positions in Golan on May 9. The [Israeli response was the most massive since the 1973 Arab-Israel War](#), targeting around 50 Iranian military bases and intelligence sites as well as Syrian government's air defence batteries. At one point, the Israeli offensive in Syria even threatened to jeopardize Israel-Russia relations when Syrian batteries [mistakenly targeted the Russian military plane Il-20](#). It was reported that Israeli F-16s took shelter behind the Russian plane, effectively turning the Russian aircraft into a target for Syria's anti-aircraft missiles. After the incident, Russia took the decision of deploying S-300 batteries in Syria even after opposition from Israel. In response Israel and the US sent a secret delegation to Ukraine to be trained against S-300 batteries deployed in Syria.

Lebanese elections and border feuds

Though, the Israeli border with Lebanon was quiet in comparison to the conflict in Gaza throughout 2018, the potential for a major security threat emanated from the borders with Lebanon as well. Hezbollah controls much of South Lebanon and has become virtually a state within the Lebanese state, in that it takes political and military actions independent of the Lebanese government and has become one of the worse security threats for

Israel. It claims responsibility for ousting Israeli forces from South Lebanon in 2000 and of having survived the Israeli war against it in 2006, which it regards as a victory. However, the risks for Israel in Lebanon are far higher than in its periodic battles with Hamas in Gaza. Politically, Hezbollah [became more powerful in Lebanon after the May 2018 parliamentary elections](#). Its power and influence is said to have grown “at the expense of Prime Minister Saad al-Hariri”, the leader of Lebanon’s Sunni Muslims. Hezbollah already enjoys a de facto veto over government decisions in the Lebanese parliament, and its strong election performance has further strengthened its sway over the country.

On December 4, 2018, Israel started Operation Northern Shield to locate and [destroy Hezbollah tunnels](#) across the UN-demarcated Blue Line on the Israel-Lebanon border. According to Israeli Prime Minister Benjamin Netanyahu, nearly all cross-border tunnels (which were allegedly dug up by Hezbollah) [have so far been destroyed by the IDF](#). These tunnels start from homes inside Lebanese villages and end up opening across the border inside Israeli territory. Israel had been asking the UN to survey suspected tunnel sites for years but the United Nations Interim Force in Lebanon (UNIFIL) said it needed strong evidence to check the existence of such tunnels. In fact, the construction of tunnels is a violation of the ceasefire agreement signed between the two parties during the 2006 Lebanon war.

Jordan’s anti-austerity protests

The population of Jordan is made up of a large number of refugees, who have fled to the country from war-ravaged adjoining states of Iraq, Palestine, and recently Syria. This huge influx has greatly destabilized and damaged the country’s economy, which gave rise to a spate of protests in 2018 over a barrage of socio-political and economic issues. The protests erupted in the country when 32 trade unions staged massive street demonstrations on May 31, 2018. The trade unions demanded the repeal of a new tax bill, which was scheduled to be discussed in the House of Representatives and the proposed raising of the income tax by at least 5 per cent and taxes on companies by 20-40 per cent. This legislation came as part of a series of austerity measures introduced since a US\$ 723-million IMF loan was approved for Amman on August 24, 2016. The protests engulfed the whole nation within a month, and subsided only after the government decided to revoke the tax bill on June 7, 2018.

Conclusion

The proverbial cauldron that perpetually brews toils and troubles for Israel and its neighbourhood, was recently upstaged by the rise of the ISIS and the implosion of states like Iraq and Syria. However, this area of West Asia regained its dubious prominence in 2018. Thus far, Israel has maintained a tenuous understanding with Russia over reducing Iran’s threatening military presence in Syria and its ties with the international community over a festering cycle of

violence with the Palestinians and has barely avoided hostilities with Hezbollah. However, these tensions may prove too difficult for it to contain in the months ahead.

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External Powers and WANA: The US, Russia and China

Meena Singh Roy and Md. Muddassir Quamar

The geopolitical dynamics in West Asia and North Africa (WANA) is such that it allows global powers to intervene either on their own impulsively or on behalf of one or the other regional actors. This has been one of the defining characters of regional politics since 1798 when the French army under Napoleon Bonaparte invaded and defeated the Egyptian rulers. Since the end of the Second World War, the region became a ground for proxy wars between the United States (US) and the Union of Soviet Socialist Republics (USSR). The end of Cold War was expected to herald the era of unipolar politics revolving around the US. But this prognosis was proved wrong with the rapid rise of China and the resurgence of post-Soviet Russia as well as the emergence of a group of rising powers – India, Japan, Germany, Brazil and South Africa. While a number of local, regional, global, geopolitical and geo-economic developments can be cited as factors responsible for the evolution of a multipolar world, the pre-eminence of the US as the strongest global power remained intact. This was true for WANA as well.

By 2018, however, the world continued to witness a perceptible decline of the US as the lone super power, and the emergence of Russia and China as the vanguards of a multipolar world became more evident. This was most clearly visible in the WANA region, where Russia, after its

entry into the Syrian theatre in September 2015, consolidated its position by tipping the Syrian civil war in favour of the Bashar-al-Assad regime as well as leading the peace process for a political solution. President Vladimir Putin's ability to attract countries of the region such as Syria and Iran as well as the allies of the US such as Saudi Arabia, Egypt, Israel and Turkey to gain close cooperation with Moscow on domestic problems and regional conflicts, underscored the growing profile of Russia in WANA. At the same time, China has emerged as a significant trading partner and foreign investor in the region, underlining its growing global economic prowess and the comparative decline of the US and Europe in terms of economic engagements with the region. Nonetheless, the single most important development which highlighted withdrawal symptoms of the US from regional politics was the December 19, 2018, decision to withdraw the remaining American troops from Syria.

The US

The US has been showing withdrawal symptoms, vis-à-vis its global engagements, since it was hit by the economic recession in 2007-08. President Barack Obama in his first presidential term (2008-12) promised to withdraw US troops from Iraq and Afghanistan, terming it as one of the

contributing factors for the crisis facing the US. Though the sudden eruption of public anger in the form of the Arab uprisings (beginning December 2010 in Tunisia that soon engulfed the whole region), compelled the US to delay the inevitable, Obama fulfilled his campaign promise by completely withdrawing US troops from Iraq in 2011. While this later proved to be a mistake, the palpable shift away from WANA was evident during the second term of the Obama presidency (2012-16), with the US policy of “pivot to Asia.” Obama was forced to commit troops to Iraq after the rise of the Islamic State (ISIS) in 2014; he nevertheless remained non-committal to intervene in and influence domestic and regional developments to change the course of events in favour of the US allies such as Egypt, Israel and Saudi Arabia.

The Obama administration not only ignored pleas of allies to chase a nuclear agreement with Iran, but also put the onus on the US allies to do more in terms of sharing the burden to ensure security and stability in the region. Obama, therefore, left three important legacies in the region – one, the successful signing of Joint Comprehensive Plan of Action (JCPOA) between the P5+1 countries (the US, Russia, China, UK, France and Germany) and Iran in July 2015; two, the unsuccessful effort to revive the Middle East Peace Process to resolve the Israeli-Palestinian conflict and three, and most importantly, of being non-interventionist or non-committal in dealing with the Arab uprisings, especially in Egypt, Syria and Yemen. It contributed to the regional actors becoming more assertive in their conduct of foreign policy such as Saudi

Arabia and sought international partnerships to strengthen domestic and regional security, while Russia came in as a willing partner.

President Donald Trump who came to power with the promise of reversing the Obama legacy, has thus far kept the international community guessing about his agenda by giving confusing signals. While the unilateral withdrawal from the JCPOA underscored the desire to undo the Obama legacy, and please allies such as Saudi Arabia and Israel, the decision to withdraw from Syria underlined the continuing withdrawal symptoms afflicting US foreign policy. Trump has pursued his convoluted policies, sometimes even at the cost of antagonising his advisers, the State Department, the Pentagon and even the Congress. His unpredictable nature and rash decision making has equally alienated friends and foes of the US in the region. While the long-term ramifications of Trump’s decisions are yet to be seen, these have certainly intensified the regional geopolitical struggle, sharpened the rivalries and have created a serious vacuum in terms of a credible and effective international arbitrator.

Among the most important decisions that came in 2018 was the shifting of the US embassy in Israel from Tel Aviv to Jerusalem on May 14. This was a follow-up to the announcement made on December 16, 2017. Days before this, on May 9, Trump announced that the US has decided to withdraw from the JCPOA. This had been anticipated. Trump had in fact made this an important agenda in his

campaign in 2016. Since his inauguration in January 2017, the president had on several occasions stated the need to censor Iran for violating the soul of the nuclear agreement and for pursuing an expansionist foreign policy. The third most important decision came in the wake of the killing of Saudi journalist and Washington Post columnist Jamal Khashoggi on October 2 inside the Saudi consulate in Istanbul. Despite an international outcry, sustained pressure from Turkey and outrage of the US Congressmen and Senators to censor the Kingdom and Crown Prince Mohammed bin Salman, Trump did not oblige. Giving a clean hit to Mohammed Bin-Salman, he refused to impose any sanctions on Saudi Arabia. The fourth prominent decision which again was not entirely unexpected but came at an unpredictable time and created a serious uproar in the US administration, was the complete withdrawal of troops from Syria.

The decision on the withdrawal from JCPOA elicited a strong international response. While Israel and Saudi Arabia rejoiced at the prospect of Iranian isolation, others including signatories to the deal were cautious. Russia, China, the UK, France and Germany have not followed suit. Germany and France, who were looking to get some lucrative business deals in Iran, even tried to convince Trump to go slow on sanctions but failed. Eventually, the US imposed sanctions on Iran on August 7, with more than 700 individuals and entities – including major banks, oil exporters and shipping companies – affected. Subsequently, Russia and China clarified that they wish the Iranian nuclear deal to

continue and stated their willingness to work with other international actors to find a way to overcome the US sanctions.

The economic sanctions are expected to cripple Iran's foreign trade and are targeted at major private and government entities including in the energy, aviation, shipping, defence, banking and financial sectors. The [stated objectives](#) of the US administration to withdraw from JCPOA and impose sanctions on Iran is to prevent Iran from attaining nuclear weapon capability and stop its “destabilizing activities,” in the region. The deal wishes to cripple the Iranian economy, counter its growing influence in the region and to placate regional allies such as Israel and Saudi Arabia. The most important entity of the Iranian regime that has been brought under sanctions is the Iranian Revolutionary Guard Corps (IRGC) which is considered to be the mainstay of Iranian influence in the region. Consequently, Iran's oil exports have been seriously affected and reports suggest that many international corporations that were willing to invest in Iran have been forced to reconsider or are hesitant to pursue business with Iran. Though one has to wait longer to see how developments bear out, what is clear at this stage is that Iran has strengthened its resolve to attain nuclear power, acquire strategic weapons, expand regional influence and further international partnerships.

Another significant US decision which evoked a strong international response was the shifting of the US embassy in Israel from Tel Aviv to Jerusalem. The

[Department of State justified](#) the relocation stating that “Moving our Embassy is not a departure from our strong commitment to facilitate a lasting peace deal; rather it is a necessary condition for it. We are not taking a position on final status issues, including the specific boundaries of Israeli sovereignty in Jerusalem, nor on the resolution of contested borders.” Notwithstanding the stated objective, this was widely perceived as a pressure tactic on the Palestinians. The response was violent in the Palestinian territories, but otherwise largely condemned as partial and not commensurate with the US’ status as mediator in the conflict. Saudi Arabia, one of the US allies in the region, led the global Muslim response and emphasised that any change in the status quo in Jerusalem without a final status agreement is not acceptable to the Palestinians, Arabs and Muslims.

The international response to the move was prudent. Except for Israel and some other countries, none agreed with the US move as inevitable and a precursor to final status solution. A UN General Assembly resolution in December 2017 [condemning the US move and demanding its members to not locate diplomatic missions in the Holy City](#) was adopted by an overwhelming majority of 128 in favour, 9 against and 35 abstentions. Since the Palestinian Authority and its President Mahmoud Abbas refused to accept the administration’s demand to come to the negotiating table and accept the “deal of the century” offered by Trump, the president decided to take further punitive measures by asking the Palestinian

mission in Washington to close down and stopped funding of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). This has, however, not forced the Palestinians to accept the “grand deal” a conditional peace programme on US and Israeli terms. On the contrary, the move is likely to evoke hatred against the US and Israel, galvanise global Muslim opinion and more importantly, damage the US’ status as an impartial mediator. This will push the Palestinian Authority and others to bring in more international actors such as Russia, China and the EU to play a more active role in mediating the conflict, who might not miss an opportunity to challenge US dominance in WANA.

The Khashoggi murder was another important development which forced the US to respond and eventually showed that the Trump administration is unlikely to alter relations with Saudi Arabia despite an international outcry. While the issue significantly affected the already fragile international image of Saudi Arabia and Crown Prince Bin-Salman and created tensions between Ankara and Riyadh, it did not significantly affect US-Saudi strategic ties. In the aftermath of the killing, however, Turkey was able to negotiate and bargain with the Trump administration and ease bilateral tensions. Turkey also sought a favourable solution for the problem it faces vis-à-vis Kurds in northern Syria. Turkey eventually released the US pastor Andrew Brunson –under detention in Turkey for over two years – in October. On December 19, Trump announced

plans for the US withdrawal of its remaining 2,000 troops from northern Syria. This was claimed to be a major victory by Ankara, though the weight of its actual ramifications made President Erdogan more cautious in his approach. Subsequently, Trump has also been forced to review the decision and has stated that the withdrawal will be a slow and gradual process.

The most significant beneficiary of the US' final exit from Syria is Russia. While the Kurds have lost a significant benefactor, they are now likely to seek an understanding with Moscow to achieve their political objectives. Iran and the Bashar al-Assad regime are already closely cooperating with Russia and Turkey, which was thus far coordinating with both Washington and Moscow, and is likely to seek closer coordination with Russia not only on Syria but also on other important regional and global issues. Arguably, the decision is the single most significant sign in recent times, highlighting the decreasing appetite of the US leadership to commit forces in WANA, despite the apparent military might and the presence of large-scale military bases in the region.

Russia

Russia has become an active player in the Middle East, especially since its September 2015 military intervention in Syria which signalled its re-emergence as a key player in the regional geopolitics. Its subsequent diplomatic initiative to resolve the Syrian crisis arguably reflects the recalibration of Kremlin's policy towards a region from where it had

largely withdrawn since the beginning of the 1990s. In 2018, Moscow's policies in many ways signalled the continuity of the plan to maintain its strategic space in Syria, building on ties with regional actors such as Iran, Saudi Arabia, Turkey, Israel and Egypt, in the light of policies pursued by President Trump in the region. More importantly, the dynamism of President Putin to bring on France and Germany along with Turkey and Iran onto the regional dynamics can be viewed as an important initiative. In short, Moscow has attempted a solution to the Syrian conundrum, deepen its cooperation with Iran, step up ties with Israel, Egypt and Iraq, formulate a working relationship with the Arab countries, and restore ties with Turkey.

Iran has emerged as one of the major regional actors to hedge its bets on Russia to pursue its regional interests. Until 2017, the Hassan Rouhani government was hesitant and pursued a policy of issue-based cooperation. However, this changed after the US withdrawal from the JCPOA and the subsequent imposition of economic sanctions. Kremlin, however, has refused to confine its regional policy to one regional actor and has pursued relations with Iran's arch rivals including Israel and Saudi Arabia. This is viewed with some suspicion in Tehran. For Russia, it is not only the global geopolitical competition but also the global energy market that underlines its interests in WANA and Iran is seen as a competitor in the world energy market. Russian oil companies are interested in the Iranian energy sector and would like to take full advantage of the vacuum left because of

major Western oil companies leaving Iran due to US sanctions. In 2018, Russia's policy approach towards Iran has been somewhat balanced and cautious.

Russia would perhaps like Iran to remain as an observer country. Iran is working on creating an alternative regional framework to deal with its isolation. In the present scenario, Turkey and Russia are important partners, keeping the geography in mind. In Syria, Russia and Iran are compelled to be partners despite their differences. In future, differences between Russia and Iran are likely to increase in Syria, as each one would look for a bigger pie in the economic incentives and strategic space in Syria.

China

China's relations with WANA have grown significantly in recent decades. This is more palpable in the case of the Persian Gulf which has emerged as the primary source of energy imports for China as well as a major destination for Chinese exports and investments. Nonetheless, trade and business between other WANA countries and China too have witnessed exponential growth. This is evident from the fact that in 2017-18, [China's trade with WANA region was US\\$239.5 billion](#), which is more than the combined trade of both the US and Russia with the region. Trade, economy and investments are thus the drivers of the growing Chinese engagements in WANA. China has also significantly invested in the regional countries to promote its flagship global connectivity project, the Belt and Road Initiative (BRI), first propounded by

President Xi Jinping in 2013. Beijing has received an enthusiastic response from West Asian countries for the BRI. China sees the WANA region as a crucial link for the BRI not only because of its geostrategic location but also because of its potential as the global trade and economic hub.

The growing trade and economic partnerships between China and WANA became amply clear during the eighth China-Arab State Cooperation Forum (CASF) held in Beijing in July 2018. The opening ceremony of the ministerial meeting was attended by Xi Jinping and a number of trade agreements were signed. During the CASF, China announced that it will provide a fund of [US\\$23 billion for development projects](#) in the Arab countries. Xi Jinping while addressing the ministers from Arab states underlined that the stability in the region is linked to economic development and that China through the BRI is willing to partner with the Arab countries to bring development and stability. The CASF underlined the growing partnerships between Beijing and Arab capitals with special focus on trade, investment and business. It acquires more importance in the light that Xi Jinping had visited Egypt, Saudi Arabia and Iran in January 2016 and had received significant attention for the ability to balance among regional rivals.

The eighth CASF meeting was followed by Xi Jinping's visit to the UAE highlighting the growing significance of the Emirates as a major actor in the region. China-UAE relations have in fact grown significantly in recent times.

While the UAE is the re-export hub for Chinese trade in WANA, the bilateral trade too has increased significantly. In 2017, for example, China-UAE bilateral trade was US\$ 53 billion and is estimated to have increased to US\$ 58 billion in 2018. The UAE International Investment Council (UAEIIC) has predicted that the bilateral trade will reach [US\\$70 billion by 2020](#). The number of Chinese companies and expatriates working in the UAE has also witnessed exponential growth with nearly 230 Chinese companies with operations across the region based in the Jabel Ali port. At the same time, hundreds of Emirati companies working in the fields, such as renewable energy, health and financial services, have begun operations in China. According to Jonathan Fulton, the bilateral trade between the two countries has [“provided a foundation for increased cooperation across other areas”](#) including politics and cultural affairs, security and military cooperation, counter-terrorism and maritime security.

Despite the growing trade and economic ties, China has kept away from the political turmoil and regional rivalries. Unlike Russia, which has politically and militarily invested in the region, China, despite a significantly soft military presence and increasing political engagement, has maintained a degree of neutrality and non-involvement in domestic and regional politics. While this is a deliberate attempt at not being bogged down by getting involved in regional turmoil, it has also provided Beijing with the possibility of simultaneously engaging with regional rivals including Israel, Iran, Saudi

Arabia, Turkey and Egypt. It has kept a low profile in major theatres of conflict including Syria, Yemen and Libya as well as the Israeli-Palestinian conflict. However, its reaction to some of the major decisions by the US pertaining to the Middle East underlines that it is not entirely oblivious of the political developments.

Firstly, on the issue of the shifting of the US embassy from Tel Aviv to Jerusalem, China expressed concern saying that it will lead to “flare-up of regional tensions.” Further, reacting to the US announcement in December 2017, the spokesperson of Chinese Ministry of Foreign Affairs, Gen Shuang, reiterated China’s support for the two-state solution in accordance with the relevant UN resolutions. Arguing that China supports the establishment of the Palestinian state based on 1967 boundaries and with East Jerusalem as its capital, [he stated](#) that,

“China firmly supports and advances the Middle East peace process. We support the just cause of the Palestinian people to restore their legitimate national rights and stand behind Palestine in building an independent, full sovereignty state along the 1967 borders with East Jerusalem as its capital. We call on all parties to remain committed to resolving disputes through negotiations and promoting regional peace and stability in accordance with the relevant UN resolutions.”

Significantly, countries like India and Russia took a similar view of the matter and expressed their support for a just

resolution of the Palestinian conflict and voted against the US move in the UNGA.

Secondly, on the announcement of US withdrawal from the JCPOA, China reiterated support to the JCPOA and finding a way to avoid US backlash without compromising on trade and business relations with Iran. Analysts believe that China and Russia can find a way to work together with the EU and other countries, to work around the US sanctions to engage with Iran as they had done in the past. Iranian Foreign Minister Javad Zarif, soon after the US announcement of withdrawal from the JCPOA, visited Beijing and other capitals to shore up support for the JCPOA. None of the other signatories including China have yet withdrawn from the nuclear deal, underlining that they are still working to find a way to keep the deal afloat. Notably, China and Russia have again been on the same page and have on occasions expressed views underlining that the two can come together in support of Iran not only because of their economic and political engagements with Tehran but also to further challenge the US' global dominance.

Thirdly, on the question of withdrawal from Syria, China has been sceptical of the US action. Though it has not reacted to Trump's December 19 announcement, Beijing would not be worried about the outcome as it supports the Russia-led military and political process in Syria. China, like Russia, sees this as a positive development. Even on other issues such as Libya, Yemen and Iraq, China has been able to maintain its presence without committing significant resources. It has

benefitted from the US military presence and the security provided by the US in the region to expand its trade and economic ties. At the same time, China is not willing to replace the US that has shown signs of fatigue and withdrawal symptoms in WANA.

From the regional perspective, there are high expectations from China. China's footprint in the region has grown over the years. A case in point is its increasing cooperation with Saudi Arabia at one end and Iran at the other. On the issue of how deep China should be involved in regional affairs, views within China are divided. Some are of the opinion that China has limitations and it can at best play a role of the bridge; it should give ideas, concepts and not get too involved as long as the US is present as the dominant actor. However, others believe that China should play a more active role. The fundamental challenge for China is to cope with difficult US-China relations and this is likely to impact China's policies in the region as well. Beijing does not want to put its foot in the troubled waters of West Asia but it may have to change its position in due course of time.

Conclusion

The US, despite showing signs of withdrawal from WANA, remains the only external actor with a significant military presence in the region and the only superpower with the ability to influence the regional developments. Nonetheless, the lack of US willingness to continue its extensive military involvement in the region has been palpable with the decisions taken under

the Obama and Trump administrations. This will not mean a complete withdrawal of the US from the region or it being replaced by other powers such as Russia or China, but it is likely that the countries of the region will shore up their own security and seek closer cooperation with Russia and China to compensate for lesser US military involvement. As a result, regional geopolitical tensions and power struggle will intensify. Nonetheless, the US policies can facilitate a broader latitude for countries such as Russia and China as well as the European Union, to expand their

politico-military engagements in WANA, as was visible through developments in 2018.

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India and West Asia: Building Partnership through Active Diplomacy

Meena Singh Roy and Lakshmi Priya

The Indian policy in West Asia is driven by the goal of protecting its economic and strategic interests in West Asia. The core of this economic and strategic interest is free flow of bilateral trade and investments, energy security, expatriate remittances, counter-radicalisation and combating terrorism and maintaining strong relations with regional power centres despite the adversarial relations between them. In recent years, India-West Asia relations have accelerated with several high-level visits from both sides and signing of important bilateral agreements, particularly with the Gulf countries. Apart from growing economic relations, there has been an upward swing in security cooperation with countries of the region.

Under Prime Minister Narendra Modi, India has pursued an active diplomacy, aiming to fortify strategic, economic and cultural engagements with West Asia. The Prime Minister's visit to the four countries, namely Jordan, Palestine, the UAE and Oman, from February 9-13, 2018, is a clear signal of India's growing desire to upgrade and revitalise relations with the region. In addition to the Prime Minister's tour of West Asia, two Indian ministers visited Saudi Arabia in February 2018. External Affairs Minister Sushma Swaraj was the guest of honour at the Janadriya Festival held in Riyadh,

while Finance Minister Arun Jaitley led the Indian delegation to participate in the 12th India-Saudi Arabia Joint Commission Meeting. The response from the region was equally encouraging; the Israeli Prime Minister Benjamin Netanyahu paid a six-day official visit to India in mid-January 2018, followed by Iranian President Hassan Rouhani's visit to Hyderabad and Delhi in mid-February and the visit of the King of Jordan in late-February.

The focus of the bilateral relations was on enhancing trade and security ties with the UAE, broadening cooperation with Saudi Arabia and Israel and giving new directions to cooperation with Iran, Jordan, Palestine, and Oman.

Cementing ties with the UAE

- a) In 2018, UAE emerged as one of India's key partners. During Prime Minister Modi's visit this partnership got a boost through the signing of five agreements in the fields of energy, railways, manpower and financial sectors. A clear commitment was noticeable from both sides to craft a long-term strategy to take trade and investment ties to higher levels through the diversification of non-oil trade. An analysis of India's growing partnership with

UAE indicates the following new features:

- b) Transformation of the traditional buyer-seller relationship to that of a strategic partnership. India received [10 percent concession](#) in participation interest of the lower Zakum oil field off Abu Dhabi. It is significant, as for the first time an Indian consortium (OVL, BPRL & IOCL) received an oil concession (2018-2057) anywhere in the Gulf. In June, when the UAE foreign minister visited India, a [trilateral agreement](#) was signed between the Abu Dhabi National Oil Company (ADNOC), Saudi Arabia's national oil company, Aramco and the Ministry of Petroleum and Natural Gas, for the joint development of the Ratnagiri Refineries and Petrochemical Limited (RRPCL) in Maharashtra. An agreement of cooperation was signed between the Ministry of Railways in India and UAE's Department of Federal Road and Transport Authority to expand the nascent railways programme in the UAE. The Indian experience in railways operations, track and rolling stock could be beneficial for Emirati plans to expand its railways network.
- c) Creating greater synergy to realise the investment of US\$ 75 billion by the UAE in India's infrastructure development. The positive outcome of the fifth meeting of the [UAE-India High-Level Task Force](#) on Investment held in January 2018 in Abu Dhabi highlights the efforts being initiated by both governments to accelerate the process of cooperation. Likewise, the UAE welcomed growing interest from Indian IT and technology companies in investing in the UAE.
- d) Enhancing economic cooperation the two countries finalized agreement on currency swap and financial intelligence unit in 2018. The signing of an agreement between DP world, a logistics company and the Jammu and Kashmir government to establish an inland container terminal in Jammu was yet another new feature of cooperation between UAE and Indian states.
- e) Moving towards greater cooperation in areas of green Energy and climate change within the framework of the United Nations.
- f) Special attention is being paid to boost cooperation in security, defence and space with an aim to enhance engagement in counter-terrorism operations, intelligence-sharing and capacity-building. In this context, both the leaders laid emphasis on the institutional mechanism of the security dialogue set up at respective levels of the National Security Advisers and the National Security Council. Both the countries also reiterated their condemnation of efforts including by states to use religion to justify,

support and sponsor terrorism against other countries or to use terrorism as an instrument of state policy. As multi-cultural and pluralistic societies, both countries have acknowledged that inter-faith dialogue can play an important role in countering extremist ideologies.

- g) Focus on welfare of Indians living in the UAE. The signing of a MoU on Manpower during Prime Minister Modi's visit ensures the continued commitment towards the well-being and interests of Indian Diaspora in the UAE. Another significant development was the laying of the foundation stone for the [Hindu Temple](#) in Abu Dhabi by Prime Minister Modi in February 2018, highlighting the cultural cooperation between the two countries. Similarly, steps have been taken to advance engagement in the education sector. Thus, during the Prime Minister's visit, the Indian Institute of Management (IIM), Ahmedabad and the Manipal Institute announced plans to open extension campuses in the UAE.

Capturing Opportunities to Re-energise Ties with Iran

Iran has been an intriguing case for Indian policy makers due to its significance for India as well as its disconcerting position in the region. India has taken a cautious and balanced approach in dealing with Iran due to the Saudi-Iran rivalry, re-imposed sanctions

and its geographical proximity to India. While Iran offers many opportunities in the areas of energy, trade and connectivity with the Central Asian region, its problematic relations with the US, Saudi Arabia and Israel limits India's scope for manoeuvring its interests and fully realizing the potential of bilateral relations. Of particular concern are the US withdrawal from the Joint Comprehensive Plan of Action (JCPOA) and unilateral economic sanctions on Iran.

Despite various challenges, India-Iran relations witnessed some positive developments in 2018. President Hassan Rouhani's three-day visit to India from February 15-17, 2018 gave a push to re-energise the ongoing bilateral ties. The visit focused on finding ways to operationalise the 12 agreements signed during Prime Minister Modi's visit to Tehran in 2016. The issues of taxes, investment, banking, trade, e-visa facility, and mutual exchanges figured prominently during the discussion between the two leaders. Both countries expanded their areas of cooperation to infrastructure, health, traditional medicine, agriculture, labour, entrepreneurship and communication. Nine MoUs related to avoidance of double taxation and the prevention of fiscal evasion, exemption from visa for holders of diplomatic passports, exchange of instruments of ratification of extradition treaty, traditional systems of medicine, health, agriculture and postal cooperation were signed. To enhance people-to-people contacts, India and Iran agreed to grant e-visa facility for counterpart citizens. It was also decided

to hold the Festival of India in Iran in 2018-19 and to establish a chair of Indian Studies at Tehran University. The two sides also decided to organise Indology courses for Iranian diplomats in the Foreign Services Institute of India. Both sides expressed interest in enhancing defence and security cooperation in the maritime domain.

One of the major achievements for India in 2018 came in the form of operationalization of the Chabahar Port after President Rouhani's visit to India in February 2018. This was the first visit by an Iranian president to India in ten years. It was soon followed by the visit of the foreign minister of Iran in May. The [lease contract](#) for Shahid Behesti Port was signed between the Port and Maritime Organization (PMO) Iran and India Ports Global Limited (IPGL). India got the right to take over the operations of the Port for 18 months. Phase-I of the Port was inaugurated in early December 2017 by President Rouhani, opening a new strategic route connecting India, Iran and Afghanistan, bypassing Pakistan.

A consignment of 1.1 million tonnes of wheat from India was shipped to Afghanistan via this port in 2017. This is a significant development, as Islamabad does not allow New Delhi to use its land route to reach Afghanistan. For providing assistance to the Afghan people and reach out to Central Asia, India will now be able to use Chabahar Port. India has agreed to invest US\$ 85.21 million and annual revenue expenditure of US\$ 22.95 million on a 10-year lease. New Delhi has also agreed to support the development of Chabahar Zahidan

Railway line so that the Chabahar Gateway can be utilized to its full potential. In December 2018, the India Ports Global Limited (IPGL) opened its office in Chabahar. More importantly, the first meeting of the Follow-up Committee for implementation of the trilateral Chabahar Agreement between India, Afghanistan and Iran at the level of Joint Secretary/Director General was held on December 24, 2018 at Chabahar. With an aim to promote and popularise the potential of the port, an event will be organised on February 26.

As the US withdrew from JCPOA on November 4, 2018, India weighed its options to balance relations with both the countries while ensuring its energy interests in the region. Iran is India's third-largest supplier of crude oil and the sanctions would affect it majorly if it was not granted waiver by US along with seven other countries. The waiver mandates that the payment be done in local currency and be used for imports from respective countries instead of paying Iran in hard cash. For now, India has managed to get a waiver from the US, but will be faced with a challenging situation if the waiver is not extended beyond March 2019. To sustain the momentum of cooperation and to realize the full potential of bilateral economic cooperation, innovative ways of engagement will need to be crafted.

Taking India-Saudi Relations Forward

The new dimension of the partnership which started with the visit of Prime Minister Modi in 2016 was taken forward

in 2018 as well. For India, Saudi Arabia remains a key partner in the Gulf. The present strategic partnership between the two countries is based on four pillars: expatriates, energy, trade and investment, and security and defence cooperation. Saudi Arabia figures among India's top five trading partners. India's trade in 2013-2014 with Saudi Arabia had reached a high of US\$ 48 billion. Although in 2016-2017, this came down to US\$ 25.08 billion, attributed mainly to the drop in oil prices. The 2017-2018 trade figures show an upward trend, with bilateral trade standing at US\$ 27.48 billion.

The importance of Saudi Arabia as a reliable energy supplier to India cannot be ignored. India's trade with Saudi Arabia has largely been dominated by petroleum imports. The leadership of the two countries has now agreed to transform the buyer-seller relationship in the energy sector by focusing on investment and joint ventures in petrochemical industry, as well as cooperation in joint exploration in India, Saudi Arabia, and even in third countries. Indian oil companies, Indian Oil Corporation Limited (IOCL), ONGC Videsh Limited (OVL) and Bharat Petroleum Resources Limited (BPRL) have invested in the Lower Zakhum offshore oil field and the first crude consignment reached Mangalore's strategic petroleum reserves in June 2018.

Saudi Arabia remains India's largest supplier of crude oil, despite the enormous rise in oil imports from Iraq since 2016. During the financial year

2017-18, both Saudi Arabia and Iraq accounted for nearly 18 per cent of India's oil imports. The Kingdom with a bill of US\$ 17.82 billion was only marginally ahead of Iraq that supplied US\$ 17.54 billion worth of crude. Nonetheless, the Saudi share has again surged ahead during the first eight months of 2018-19 with US\$ 17.04 billion while Iraq at US\$15.32, stood second. In terms of quantity, India imported 39.33 million tonnes of oil in 2016-17 and 22.07 million tonnes during April-October 2018-19.

Although there were no heads of state visits during 2018, Prime Minister Modi met Crown Prince Muhammed bin Salman in November 2018 on the sidelines of the G20 summit held in Argentina. Both leaders discussed ARAMCO's investment plans in Indian refineries including those situated on the west coast of India. They also discussed the investment in solar energy through Softbank's Saudi-backed Vision Fund and opportunities to export Saudi non-oil products to India along with issues of defence cooperation.

Indian Minister of External Affairs Sushma Swaraj paid a three day (February 07-09, 2018) visit to Saudi Arabia to inaugurate the 32nd edition of Janadriyah Saudi national and cultural festival hosted by the Saudi National Guard. Saudi Arabia designated India as the guest of honour country in this festival and India hosted a pavilion named "[Saudi ka dost Bharat](#)" showcasing traditional and modern India. The Federation of Indian Chambers of Commerce and Industry

(FICCI) hosted the India pavilion and the Indian Council of Cultural Relations (ICCR) organised cultural performances during the festival. Indian companies including Larsen and Toubro, Tata Motors, Jet Airways and Shapoorji Pallonji were represented in the Indian pavilion.

A new dimension of bilateral connect came in the form of air connectivity established between India and Israel through Saudi Arabia. Air India inaugurated its first flight to Israel on March 22, 2018, flying over Saudi Arabia and the Gulf States, countries with which Israel has no diplomatic relations. Given the renewed focus from both sides to reinvigorate the existing strategic partnership between New Delhi and Riyadh, the scope of cooperation is likely to expand beyond the existing areas identified by both sides. Sectors like information technology, agriculture, food security pharmaceutical, medical tourism, bioinformatics, higher education, cyber and maritime security, coastal policing, and defence cooperation are promising areas for future cooperation.

Intensifying Cooperation with Iraq

During 2018, India intensified its engagement with Iraq in the energy, trade and health sectors. As per the [Directorate General of Commercial Intelligence and Statistics](#) (DGCIS), from January to October 2018, Iraq was the top crude oil supplier for India exporting 40 million tonnes of crude oil worth US\$ 19.12 billion. For the same period, India imported 32.13 million tons worth

US\$17.21 billion of oil from Saudi Arabia. India's public sector companies including Hindustan Petroleum Corporation Ltd and Bharat Petroleum Corporation Ltd are engaged in importing oil from Iraq. In March 2018, a delegation from OVL visited Iraq and held discussions with the Iraqi Ministry of Oil and the Basra Oil Company.

Moreover, a number of Indian companies are engaged in reconstruction projects in Iraq. For instance, M/s Mokul-Shriram recently has been given a contract for the US\$ 235 million project to build the Al-Qibla sewage system in Basra. The Federation of Indian Export Organizations (FIEO) set up an India Pavilion at the Baghdad International Trade Fair on November 10-19, 2018. A 25-member business delegation led by the Trade Promotion Council of India (TPCI) visited Iraq in November 2018 and participated in a number of business meets in addition to meeting with the Trade Minister of Iraq and Chambers of Commerce in Baghdad, Najaf and Erbil. India supports a free, democratic, pluralistic, federal and unified Iraq and has been engaged in capacity-building programmes. Minister of State for External Affairs M. J. Akbar represented India at the International Conference for Reconstruction of Iraq in Kuwait in February 2018 and emphasized on the need for the early adoption of the Comprehensive Convention on International Terrorism.

India has been actively engaged in promoting the health sector in Iraq, as more than eighty Indian pharmaceutical companies are supplying medicines to

the Iraqi market. Indian doctors have been visiting Iraq for short-duration medical camps. The Jaipur Foot Camp was inaugurated in Karbala on November 24, 2018. Apart from health, India associates utmost importance to education of Iraqi youth. Iraq's Minister of Higher Education and Scientific Research, Abdul Razzaq Al-Issa attended the [DIDAC India-Asian Summit](#) on Education and Skills Exhibition in New Delhi in October. Fouad Qassim Mohamed, Deputy Minister of Education and Scientific Research of Iraq, participated in the 14th Higher Education Summit held in New Delhi. Fouad Qassim also attended a B2B meeting organized by FICCI. For the year 2018-19, a total of 175 slots have been allotted under the ITEC programme to Iraq. In addition, India has been offering opportunities to Iraqi students for higher studies in India under the 'General Scholarship Scheme' (GSS), organized by the Indian Council of Cultural Relations (ICCR) and in January 2018, a batch of 25 young Iraqi diplomats attended a Special Training Course organized by the Foreign Service Institute (FSI) in New Delhi.

De-Hyphenating Israel and Palestine

In recent years, with conflicts raging in Iraq, Syria, Yemen and Libya and the growing geopolitical competition among regional rivals such as Saudi Arabia, Iran and Turkey, the Israeli-Palestinian conflict has remained out of the international headlines. With changing regional and global dynamics, the region is trying to perceive the conflict in a new

light and some Gulf countries including the UAE, Saudi Arabia and Oman have moderated their attitude towards Israel. Nonetheless, the issue remains a major regional and global problem as was highlighted by King Abdullah II of Jordan during the December 2018 [Manama dialogue](#).

From the Indian perspective, it meticulously stayed focused on the balancing the flourishing relations with Israel and support to the Palestinian cause. India asserted its policy of de-hyphenating the relations with Israel and Palestine. After voting against the US recognition of Jerusalem as Israel's capital at UN General Assembly in 2017, India hosted the six-day visit (January 14-19, 2018) of Israeli Prime Minister Benjamin Netanyahu. The visit reciprocated the Indian PM Modi's visit (July 4-6, 2017) to Israel and also commemorated 25 years of diplomatic relations between the two countries. High on optics and symbolism, the visit reflected the [personal bonhomie](#) between both the leaders as Prime Minister Modi accompanied the Israeli Prime Minister for an 8 km roadshow from Ahmedabad to Sabarmati Ashram and was seen flying kites at the Sabarmati front.

India and Israel proceeded to strengthen their partnership in security, agriculture, science and technology, while seeking to expand cooperation in less explored areas as oil and gas, investments, solar thermal technology, air transport and metal air batteries. Nine MoUs were inked to cement the partnership. Industrial An R&D and Technology Innovation Fund of US\$ 40 million was

launched to enhance the knowledge base of the Indian technology industry while a centre called [iCreate](#) was started to create quality entrepreneur ecosystems in India. In addition, Israel intends to expand its cultural relations and soft power in India. It signed MoUs on film co-production and agreed to open an Indian cultural centre in Israel and for annual exchange for young scholars. In fact, India-Israel ties were taken beyond defence to broaden the cooperation.

Prime Minister Modi made the historic, first-ever visit by an Indian prime minister to Palestine on February 9, 2018. In an attempt to maintain a de-hyphenating posture, despite having a sympathetic attitude to the cause of the Palestinian people, India avoided combining a Head of State-level bilateral visit to Israel and Palestine. India emphasized that it de-hyphenates its relations with both the countries as it tends to build and strengthen relations with each side independent of the other. The State of Palestine conferred its highest civilian award the [Grand Collar of the State of Palestine](#) on the Indian Prime Minister. In the last three years, India-Palestine relations have made significant progress and this was Prime Minister Modi's fourth meeting with the Palestinian Authority President Mahmoud Abbas. In 2015, the Indian President had undertaken the historic visit to Palestine followed by the External Affairs Minister's visit to Palestine in January 2016 and President Abbas' visit to India in 2017. The first-ever ministerial-level joint commission meeting was held in November 2016.

Prime Minister Modi's visit to Palestine was more about India's continued commitment and support to the Palestinian cause. This visit particularly focused on the developmental cooperation between the two countries; India assists Palestine in nation-building activities. Both countries signed agreements worth US \$50 million to set up the India-Palestine super-specialty hospital, construct the India-Palestine Centre for Empowering Women, set up a new national printing press, and construct schools. India started a Technology Park in Ramallah and is collaborating to set up an Institute of Diplomacy in Ramallah.

Another important development in India's active diplomacy in the region was that of engaging Jordan. In 2018, Modi made a transit visit to Jordan on his way to Palestine and had a meeting with King Abdullah II. Jordan's importance for India is increasing due to changing geopolitics of the region. Being the Custodian of the Haram al-Sharif in Jerusalem, it occupies the central place in the Israel-Palestine issue. Exceptional courtesies were extended to the Prime Minister as the King received him at the Royal Palace instead of the office and provided his own helicopter for the visit to Palestine. The visit to Jordan is significant as it was the first visit by an Indian head of state in three decades. King Abdullah described the meeting as the beginning of a new chapter in India-Jordan bilateral relations. Honouring the invitation of the Indian President, the King made a visit to India (February 27-March 1, 2018) during which 12 agreements were signed on matters

related to defence, counter- terrorism, cyber security, health and medicine, information technology, education and training, cultural ties and people-to-people contacts. King Abdullah II delivered a special lecture on “Islamic Heritage: Promoting Understanding and Moderation” at the India Islamic Cultural Centre.

Reaching out to Oman and Bahrain

India has been trying to diversify its engagements in the Gulf. An important area of focus is security and defence cooperation. More than one-fourth of the joint statement signed between India and Oman during Prime Minister Modi’s visit in 2018 deals with defence, security, terrorism and space cooperation. India and Oman are strategic partners and share concerns as well as interests. Oman’s strategic location and neutral foreign policy makes it an important country in the region. India and Oman are strengthening their defence and security ties.

Prime Minister Modi visited Oman for the first time in the last leg of his February 2018 West Asia tour. The visit opened the gates of Duqm Port that provides easy access to the Persian Gulf and the Gulf of Aden for India. Eight agreements were signed on issues related to health, peaceful use of outer space, tourism, civil and commercial matters and military. A pact was signed extending dry docking facility to Indian naval ships at Duqm Port. India expanded its footprint in the Indian Ocean region and this was an important step for securing India’s maritime strategic interest in the

region. China has already signed a deal to invest US\$ 350 million in the Duqm Port commercial terminal and operational zone development project. To enhance the present level of cooperation, Prime Minister Modi urged Indian companies to invest in various sectors in the SEZs of Duqm, Salalah and Sohar in Oman.

India and Bahrain decided to expand cooperation in defence and security as per the joint statement issued in July 2018 when Swaraj visited Manama to co-chair the second Joint Commission Meeting with her Bahraini counterpart. She also inaugurated the new embassy complex. MoUs were signed on exemption from short-stay visas for holders of diplomatic, special and official passports, health care and renewable energy. The two sides agreed to enhance cooperation in civil aviation and space technology.

Expanding India’s engagement with Qatar, the minister visited Qatar in October 2018. Both countries decided to establish a joint commission to strengthen bilateral ties in various fields. On December 9, 2018, the Air India Doha-Kannur route was inaugurated. India has recorded an 87 per cent jump in exports to Qatar in one year from April 2017 to March 2018. India’s export to Qatar in [2017-2018](#) was worth US\$ 195 million.

Conclusion

India has developed a credence for itself in West Asia through its diplomatic moves to enhance its multi-dimensional cooperation in 2018. The pro-active diplomatic engagements over the last five

years have created opportunities to enhance bilateral ties with the region. New Delhi is viewed as an important and credible global voice in the region. Trade and business remains the core of the bilateral engagements, as both India and the countries of the region look to expedite economic growth and development. Security and defence have emerged as priority areas in the light of growing threats from radicalism and terrorism. India has responded through

its active bilateral engagement, to secure its strategic interests in the fast-changing political, economic and security situation in the region.

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Looking Ahead: Challenges and Opportunities for India

Editorial Team

Regional Political Situation

The West Asian region is witnessing unprecedented and rapid transformation both internally and in its external policies. The cracks in the Gulf Cooperation Council (GCC) have only become wider as all the parties involved in the Qatar crisis have shown a rigid and inflexible approach. While challenging the boycott imposed by its neighbours, Qatar is seen moving closer towards Iran and Turkey. This has further aggravated the crisis and increased the tensions between the two regional rivals – Saudi Arabia and Iran. As the mediation efforts by Kuwait and Oman have not been able to produce any concrete results so far, the fissures in GCC look to continue in the future. These developments denote that the situation in the region would remain fluid and sensitive, unless the regional powers adopt a positive and accommodative approach towards each other.

In neighbouring Yemen, the political and security situation remains grim. Continued military operations and violence has resulted in one of the worst humanitarian crises in recent times. The UN-led dialogue process in Sweden has produced only fractional results so as to make the Houthis withdraw from the port city of Hodeida. But in many other places in the country, violence has

continued unabated. In the given circumstances, the process runs the risk of derailment, thus elongating the Yemen conundrum.

Though President Trump has announced that the Islamic State (ISIS) has been defeated and decided to withdraw the US troops from Syria, the real threat of ISIS seems to be far from over. The ideology of the ISIS and the regional and transnational challenges of the terrorist organisation are still prevalent. This is established by the recent attack in Manbij in northern Syria, which was claimed by the ISIS. At the same time, Russia has been strengthening cooperation with the Bashar al-Assad regime. Russia is constantly engaged in Syria and leading the international political process for resolution of the crisis. It has further tried to expand its footprints in the region by engaging with all major regional state and non-state actors.

Libya's complex and myriad issues remain unresolved. Though the meetings of the Libyan rival political factions in 2018 have produced a ray of hope, there are many political and security challenges that remain to be resolved. The parliamentary and presidential elections, which the parties had agreed to, would be held later this year. This is a unique opportunity for the Libyans to come out of the persisting instability and

violence. As the 2019 elections get further delayed, Libya witness an even worse political, security and humanitarian situation in the near future. Besides, if the political circumstances deteriorate further, the unregulated militia groups and the terrorists would spill over into neighbouring countries in North Africa, who have already expressed their concern about the sensitive and fragile security situation in Libya.

Grim Bodings of Terrorism

Although there was a perceptible decline in the number of jihadi attacks in 2018, which has been partly attributed to the virtual decimation of ISIS's so-called 'proto-state' in Iraq and Syria, the danger of global jihadist resurgence remain intact. Given the current scenario of serious military interventions to defeat the ISIS, the group seems to have temporarily retreated. ISIS forces are said to have depleted from their erstwhile strength of 60,000 to 5,000-6,000 combat fighters in Syria and Iraq, and the group's territorial control in the Levant has shrunk to 1 per cent of what it held in its heyday.

However, experts believe that ISIS, along with other jihadi groups, have not been wiped out and may come back, as the root causes of terrorism, including the failure to re-integrate the Sunni community in the socio-political mainstream of Syria and Iraq, have not been addressed. In fact, it is not just the ISIS, but other jihadi forces, such as Haras al-Din and Hayat Tahrir al-Sham that continue to operate in the region. For its part, ISIS is resurgent after launching several attacks across various governorates in Iraq

towards the latter half of 2018, including in Nineveh, Diyalah and Salahuddin.

ISIS is also consolidating its positions in its non-Syria 'wilayats' around the Arab world. It recently claimed responsibility for a deadly attack on the Foreign Ministry of Libya's internationally recognized government in Tripoli on December 27, 2018. Earlier in the same month, the ISIS killed six captives in Libya. ISIS cells also remain active in sub-Saharan Africa, Europe and sub-Saharan Africa. Soon after the US announcement of plans to withdraw its remaining troops from northern Syria, an ISIS attack claimed 14 lives including of four US personnel in Manbij.

Meanwhile, there is a perceptible rise in Shiite non-state actors in various West Asian theatres. In addition to the Hezbollah in Lebanon and the Houthis in Yemen, Shiite militias in Iraq and Syria such as Kataib Hezbollah, Asaib Ahl al-Haq and their broader coalition of Popular Mobilization Units (PMUs) have increased their presence. Reports suggesting recruitment of Shiite fighters from Afghanistan, Pakistan and other parts of the world by Iran-backed militias to strengthen their presence in Iraq and Syria, should be a serious cause of concern for the international community.

Meanwhile, jihadi presence on the Internet is far from registering any decline. Although ISIS content has registered a fall, the 'cyber caliphate' has reportedly started picking up steam toward the end of 2018. Thus, 2019 may see the emergence of a morphed and more resilient terrorist threat rising from

West Asia after suffering major setbacks in 2018.

Challenges and Opportunities for India

Given the ongoing situation, India faces serious challenges in West Asia; but the region also offers significant economic opportunities for India. In the light of the active diplomacy being pursued by Prime Minister Modi, there is a greater comfort level now between India and the countries of the region. This trend is likely to continue and particularly New Delhi's growing partnership with the UAE and Saudi Arabia, while balancing its ties with Iran.

Re-opening of the Iran file: The Trump administration's decision to withdraw from the JCPOA and impose economic sanctions on Iran has again put India in a spot. For India, Iran remains an important country not only for its quest for energy security but also for its desire to find connectivity to Afghanistan and Central Asia. There are also some common ground for cooperation in the area of combat radicalisation. However, with the reopening of the Iran file by the US, India will have to tread a fine line to not completely ignore Iran without compromising on its burgeoning ties with the US. A fine balancing approach is what New Delhi will have to craft for itself. New areas of cooperation in the economic arena are being explored and future relations will demand greater engagement in the non-oil sectors to make the bilateral relationship more meaningful.

Gulf-Iran rivalry: The tensions between Iran and the Gulf countries led by Saudi Arabia and the UAE have become a major driver of competition and instability in the region. For India, the UAE and Saudi Arabia have emerged as the leading strategic partners in the Persian Gulf, especially with the active diplomacy pursued by Prime Minister Modi. However, India has interests in maintaining ties with Iran and like the problems with the US-Iran situation, India will have to manage ties between the Gulf and Iran.

Iran-Israel problem: Not unlike the US and the Gulf countries, Israel too is concerned with Iran's pursuance of nuclear energy and its strategic missile development programme. Tel Aviv further sees the expanding Iranian military presence in the region – especially in Syria – as a serious security threat. India has deep strategic ties with Israel but it is not in a position to ignore Iran, which is geographically closer and strategically important for India. Though India has thus far managed the situation appropriately, given the growing tensions, it may be exposed to new challenges. This will get further complicated if Iran-US ties worsen in coming months.

Fissures in GCC: For India, the fissures within the GCC could not have come at a more difficult time. It is already facing serious diplomatic and political challenges to manage its ties with traditional regional rivals due to heightened geopolitical competition, the boycott of Qatar forced it to rethink its GCC policy. In fact, with the problem

continuing and not showing any signs of resolution, it might have to evolve tools to deal with a fractured GCC while keeping the sensibilities of its factions in mind.

Trade and Investments: The Persian Gulf is India's largest trading block in the world and the Gulf countries contribute significantly in the domestic market both through FDI inflow and remittances. While the Modi government's active diplomacy has led to a serious upsurge in the investment inflows, problems due to bureaucratic bottlenecks, fear of judicial interventions and cumbersome procedures remains. Smoothing of these issues in addition to continued active engagement would be needed to tap into the possibilities and enhance opportunities.

Managing problems faced by expatriates: India has done well to raise the issues faced by its expatriate workers in the GCC countries due to a variety of factors, however, instances of exploitation, harassment and cheating have not abated. New Delhi, together with state capitals, will have to find a way to develop mechanisms for facilitating as well as regulating the outflow of the Indian workers, if the problems faced by the expatriates has to be minimised. In addition, New Delhi will have to engage governments in the region more actively in securing the interests of its expatriates.

Security and defence cooperation: Defence and security have emerged as priority areas of discussion between India and the Gulf countries with the aim to neutralise terrorist threats and fight the spread of radical ideologies. This has further led to many countries expressing

interest in developing security ties with India and some progress have been made with Saudi Arabia, Oman and the UAE. It would be prudent for Indian policy makers to explore possibilities to further strengthen defence and security ties with these countries keeping future prospects in mind.

Post-conflict reconstruction: India should also look for possibilities to deepen its engagement with countries that are coming out of conflicts. It can be a win-win situation as it will help in the post-conflict economic and social development in the affected countries and create business opportunities for Indian companies.

Cooperation in Science and Technology: India has developed expertise in areas of science and technology such as space, Information Technology, cyberspace and pharmaceuticals which can provide opportunities for cooperation with countries in WANA.

Expanding soft-power: Undoubtedly, India already has a strong soft-power presence in the region due to economic, cultural and people-to-people contacts. However, there are immense possibilities to further expand India's soft-power presence in the region through the broadening of engagements in the areas such as films, education, healthcare, training and exchange programmes. This will go a long way in furthering India's goodwill in the region and create opportunities for business and development.