

Ambassador Talmiz Ahmad

Adviser, West Asia & North Africa, Ananta Centre
Former Indian Ambassador to Saudi Arabia, Oman & UAE

HIGHLIGHTS

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India-Gulf Ties

Crown Prince of Abu Dhabi is the chief guest at India's Republic Day:

Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and deputy supreme commander of the UAE armed forces, was the chief guest at India's 68th Republic Day celebrations. This visit marked the culmination of an extraordinary interaction that the Indian Prime Minister, Mr Narendra Modi, has had with the countries of the Gulf, which commenced with his visit to the UAE in August 2015, followed by visits to Saudi Arabia, Iran and Qatar. Mr Modi then hosted Sheikh Mohammed bin Zayed in India in February 2016.

At India's Republic Day parade this year, nearly 200 armed forces personnel from the UAE took part, signalling the unique camaraderie that has emerged between the two countries in the last few years. The enthusiasm exhibited in India for the strengthening of bilateral ties was fully reflected in the UAE as well: on 26 January 2017, the iconic Burj Khalifa in Dubai was draped in the Indian tricolour, while local newspapers carried several pages of news and supplements extolling the relationship, going back to historic maritime links of 5000 years and then coming to modern times to the visit to India of Sheikh Zayed bin Sultan Al Nahyan, the first president of the UAE, in 1975, and that of Prime Minister Indira Gandhi in 1982.

Local papers also celebrated the role of the resident Indian community, now 2.6 million strong, in the development of the UAE, by highlighting the success stories of Indian stalwarts in diverse fields, including: education, health services, energy, construction, retail, small and medium enterprises, etc. The *Khaleej Times* titled its supplement on the visit: "UAE and India: Two countries, one soul". After the visit, on 28 January 2017, the front page of *Khaleej Times* had the headline: "A trip whose legacy will live on".

An editorial in the *Gulf News* on 25 January 2017 was titled: "A special bond of history". It noted Sheikh Mohammed's view that India is "an effective regional and international force, which has a significant role in ensuring stability in the region and the world"; it then added: "The UAE looks forward to effective Indian contributions in tackling the challenges and dangers faced by region and the world, finding fair solutions to the problems, crises and tensions in the Middle East". An op-ed piece in *Khaleej Times* said that the two countries had shared concerns relating to the export of terror from the AfPak region to the GCC region and South Asia, and the possible mutation of the Taliban into an ISIS-type media-savvy terrorist group.

During the visit, 14 agreements were signed; these included: the historic "Comprehensive Partnership Agreement", an agreement on strategic oil storage, cooperation in maritime transport, road transport and highways, defence cooperation (to develop synergies in defence industries), visa exemption for diplomatic, special and official passport holders, technology development in cyberspace, cooperation in energy efficiency services, combatting human trafficking, and cooperation in SMEs and innovation.

In a joint article written by Prime Minister Modi and Sheikh Mohammed and published in Indian and UAE papers on 26 January 2017, the two leaders asserted: *"We are using the springboard of our friendship to give our partnership a bold new vision that goes beyond our bilateral relations. We will contribute to a regional order that reflects our shared interest in stability, prosperity and tolerance."*

The visit of Sheikh Mohammed bin Zayed marks a major milestone in India-UAE ties and holds the promise of great expansion and diversification of relations in political, security and defence sectors. Both leaders have committed themselves to an expanded India-UAE role in the promotion of security in West Asia, a point that is clearly reflected in their joint article and the joint statement issued at the end of the visit.

The crucial challenge for both sides now is to ensure that the economic cooperation agreements are implemented and the first steps are taken to give shape to an India-UAE diplomatic initiative to promote mutual trust between the contending powers in the Gulf and ensure that West Asia enjoys peace and stability once again.

Political Developments

Yemen: The last fortnight brought news of the success of the pro-Hadi government forces along the country's western coast. Commencing their advance from 15 January, government forces announced the capture of the ancient port of Mokha on 23 January. They stated that with this success the ability of Iran to supply the Houthis had been significantly curtailed. By month-end, the government forces also announced that they had control of the road from Mokha to the main port city of Hodeidah.

In another major development, the US military said that their commandos had attacked an Al Qaeda hideout in the southern Bayda province and killed 14 militants, while sustaining the death of one commando and injuries to three others; a helicopter also crashed during evacuation. The US said that the operation had resulted in the capture of computers which would yield valuable information on the plans of the jihadi outfit. Al Qaeda on its part released photographs of several women and children killed in what it described as a "massacre". Yemeni medical sources have said that 10 women and children were killed in the attack, though these deaths were not referred to in the Pentagon statement.

Separately, the UN envoy for Yemen, Esmail Ould Shaikh Mohammed, is reported to be pursuing a modified version of his peace plan: in this plan, there is now no requirement for President Abd Rabbo Mansour Hadi to step down. He will remain in place and exercise full powers, with the Houthis withdrawing from occupied cities and surrendering their weapons, after which a comprehensive peace process will commence, which will include the appointment of a vice president on consensual basis and the installation of a government of national unity. This plan has been welcomed by Hadi's foreign minister, Abdul Malik Al Mekhlafi.

Observers believe that this plan will make progress only after the government has scored a major military victory, such as the taking of Taiz and Hodeidah, which will force the Houthis to come to the negotiating table.

Iraq: Reports from Mosul suggest that the siege of the city on all sides is still in place, but there have been no advances after the capture of east Mosul by government forces at the end of December. The slow pace of forward movement has meant that civilian casualties continue to rise, both as a result of government shelling and deliberate shooting by ISIS forces to discourage people fleeing to liberated areas: 5000 civilians are believed to have been killed or injured in the fighting so far.

Observers have noted that west Mosul, which is the older part of this historic town, still has about 750,000 people; with its narrow streets that will not allow military vehicles to pass, it will be a nightmare

to liberate it. In fact, an Iraqi general has been quoted as admitting: "We don't have a strategy yet for these areas."

In a major address to parliament on 15 January 2017, Prime Minister Haidar Al Abadi, presented a road-map for Iraq after the defeat of ISIS. This included: upgrading the liberated towns, promotion of reconciliation and co-existence among Iraq's diverse peoples, continued fighting against radical outfits that might emerge after ISIS, and rejection of the role of non-state actors and militias in the country. Sceptics have noted that, before his remarks, Al Abadi had legitimised the right of Shia militia, such as the Popular Mobilisation Units, to carry arms.

Syria: The peace conference convened by Russia, Turkey and Iran in Astana, Kazakhstan, on 23 January 2017, saw the first meeting of Syrian government and rebel groups, though the dialogue was largely indirect and mediated by the UN envoy, Steffan de Mistura. At this meeting, most of the major Syrian rebel groups were present; the one excluded was Jabhat Fatah Al Sham, the former Al Qaeda-affiliated Jabhat Nusra. Ahrar al Sham, a major Turkey-backed Salafi rebel group, did not attend the conference, but called on its units to accept the ceasefire and said it would abide by the decisions of the conference.

In the run-up to the meeting, both sides indicated very differing views about the conclave: while President Bashar al Assad said its aim was to achieve a ceasefire and a "reconciliation" of the rebels and his government, the leader of the rebel team, Mohammed Alloush, said his team was attending only to "neutralize the criminal role of Iran in the Syrian conflict", and to achieve a ceasefire, after which political issues would be discussed under UN auspices in Geneva in early February. He also complained bitterly about continued truce violations by government forces. (This was a reference to the effort being made by Syrian troops to re-take Wadi Barada from rebel forces, which is a major source of water for Damascus. This effort was successfully completed by the end of January: the rebels who refused to surrender were transported to rebel-held areas near Idlib.)

At the opening session, Alloush described the Assad government as "terrorist" and demanded that the Lebanese and Iraqi Hezbollah, fighting alongside the Syrian army, be placed on a global list of terrorist organizations.

At the end of the two-day conference, the three sponsors – Russia, Turkey and Iran – presented a united front: the statement issued after the meeting affirmed their commitment to consolidate the ceasefire, which would be monitored by the three conveners through a joint military centre. However, the government and rebel leaders held competing press conferences: Alloush rejected any role for Iran in the future of Syria; the head of the Syrian government team, Bashar Jaafari, called this reference to a guarantor of the agreement "pitiful".

Soon after the conference ended, Russian Foreign Minister Sergei Lavrov, met some of the rebel groups in Moscow, where he is believed to have announced that the Geneva conference, scheduled for 8 February, would be postponed to the end of February.

After the conference, militants from Jabhat Al Fatah Al Sham attacked forces of a participant in the conference, Jaish al Mujahedeen, in north-western Syria, but other rebel forces quickly rallied to the defence of their partner and put up a united front against what they described as a "terrorist outfit".

At the conference itself, Russia circulated the outline of a new draft constitution for Syria. It sought to declare Syria as a secular state by scrapping the reference to Islam as the religion of the president. It also provided for the election of the president by the chamber of deputies rather than through direct elections, and that he could serve for a maximum of two terms of seven years each. While Russia said it had presented the document to push discussion on the constitution forward, the rebels rejected the document, saying that there should be no repeat of the Iraqi precedent (where a constitution was imposed by a foreign occupation force), and it was up to the Syrians to prepare their own constitution.

After the Astana conference, there was news from Washington that President Trump would shortly be signing an executive order instructing US agencies to prepare a plan to set up safe-zones in Syria and the surrounding areas. This plan, while backed by Trump and Clinton during the election campaign, had

been opposed by Obama who feared that it would pull the US into a direct role in the Syrian conflict against the Assad government and Russian forces.

While Turkey has responded cautiously to the Trump proposal, Russia has said it has not been consulted and advised the US to move forward after considering “all possible consequences”. In a later statement, Russian Foreign Minister Lavrov said that his country could back the idea, and noted that it would require close cooperation with the UN and the approval of the Assad government. The Syrian government said that the plan would need to be coordinated with it, otherwise it would be unsafe and violate its sovereignty.

Qatar, that backs the Syrian rebels, has welcomed the US initiative, emphasizing the need “to provide safe havens in Syria and to impose no-fly zones” for the safety of civilians. News reports on 31 January 2017 said that, in his telephonic conversation with the Saudi ruler, King Salman bin Abdulaziz, Trump requested the king’s support for the “safe-zones” plan, which the king readily agreed to.

The Astana conference is a game-changer in terms of regional politics. It has upheld the role of Syria-based rebel fighters and has effectively reduced the influence of foreign-based groups and the countries backing them, i.e., Saudi Arabia and other GCC countries and the Riyadh-based Higher Negotiations Committee, led by Riyadh Hijab. (The latter, along with other leaders of the Syrian National Coalition, were invited to Moscow for a meeting with Lavrov on 27 January 2017, but only in their personal capacity.)

Regardless of the postures adopted by various parties at Astana, the factual position remains that, with the fall of Aleppo, the election of Trump who has promised to deny support to rebel groups and the shift of Turkey toward Russia, the rebel position has become much weaker and that Russia is the key player in the Syrian imbroglio. In fact, on the eve of the conference, Turkey’s deputy Prime Minister, Mehmet Simsek, said that, with the dramatic changes in the ground situation, it was no longer “realistic” to exclude Bashar al Assad from any solution to the Syrian conflict.

Trump’s attempt to shape a role for the US by pursuing the “safe-zones” option has little credibility as of now, since it will call for an expanded US presence in Syria to monitor the safe-zones, something that even Trump has been averse to so far. Saudi Arabia and other GCC countries are supportive since it could reinstate their role in Syria to counter that of Russia, Iran and Turkey.

Oil-Related Developments

The main story relating to oil prices was the confirmation from the participants in the oil production cuts announced in November last year that there had been full compliance with the cuts by all the participating countries. The Saudi energy minister Khalid Al Falih enthused: “Compliance is great –it’s been really fantastic. Based on everything I know, it has been one of the best agreements we’ve had in a long time.”

In separate remarks Al Falih said that the oil market would re-balance in the first half of this year, and that, while all participants had agreed to extend the cuts beyond the agreed six months, he did not think that would be necessary. Russian oil minister Alexander Novak affirmed that all countries were “sticking to the deal” and “the results were above expectations”.

In this background, there were no upheavals in oil prices: Brent remained above \$55, while WTI remained above \$ 50.

(The views expressed are personal)
