

Takshashila Strategic Assessment

India, COVID-19, and West Asia

V 1.0, 9 June 2020

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Executive Summary

The novel coronavirus has introduced new and highly unpredictable social and political dynamics into West Asia. We argue that:

- India's key challenges are securing the return of out-of-work expatriates, protecting those still working in the region and preparing for a reduction in remittance income.
- India's key opportunities are to secure attractive rates for oil and gas amidst low prices and using Indian core competencies to provide medical services to countries in the region. These would include becoming a hub for pharmaceutical treatments and vaccines and offering telemedicine services.

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Introduction

COVID-19 is not only taking a terrible human toll in West Asia, it is also likely to shape the region in unexpected ways.

West Asia's two largest non-Arab states by population, Turkey and Iran, have been hit worst, but their regimes have not suffered significant domestic backlash yet, even as they persist with their military endeavours in the region. Turkish troops maintain their presence around Idlib in Syria, while Iran's proxies in the region, especially in Iraq, continue to harass U.S. forces. Indeed, in countries with weak state authority like Iraq, state-sponsored militias are taking the initiative to provide healthcare services. Meanwhile, in the Arabian Peninsula, the spread of COVID-19 has further reduced the appetite for confrontation with Iran and the related war in Yemen.

New Delhi will have to navigate this complicated environment as it pursues its own interests in the region. India's ties with West Asia are defined by energy requirements, the well-being of its expatriates, and broader strategic considerations that include maritime security, regional connectivity, and political stability.

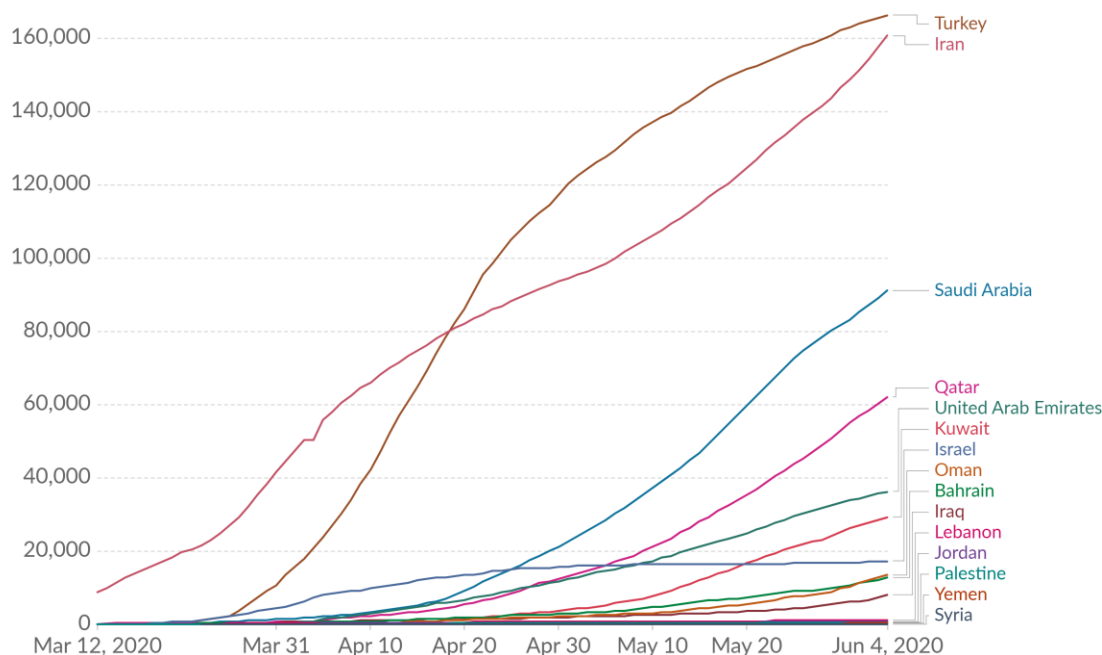
To further these goals, India must address both challenges and opportunities. The challenges include protecting the interests of Indian expatriates in Gulf states, evacuating them if necessary and planning for loss of remittance income. The opportunities are securing attractive rates on crude oil and natural gas and leveraging India's expertise in pharmaceutical manufacturing and public health to provide assistance to West Asian countries.

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COVID-19: Impacts and Prospects

Total confirmed COVID-19 cases

The number of confirmed cases is lower than the number of total cases. The main reason for this is limited testing.



Source: European CDC – Situation Update Worldwide – Last updated 11th June, 11:00 (London time) OurWorldInData.org/coronavirus • CC BY

Figure 1. Total confirmed COVID-19 cases across West Asia as of June 4, 2020.

Some West Asian countries are better placed to tackle the COVID-19 pandemic than others, since they possess better healthcare systems, more resilient economies, or more proactive government intervention.

In the following sections, we briefly discuss how West Asian countries have responded to the pandemic, their domestic and strategic concerns, and offer a short-term prognosis.

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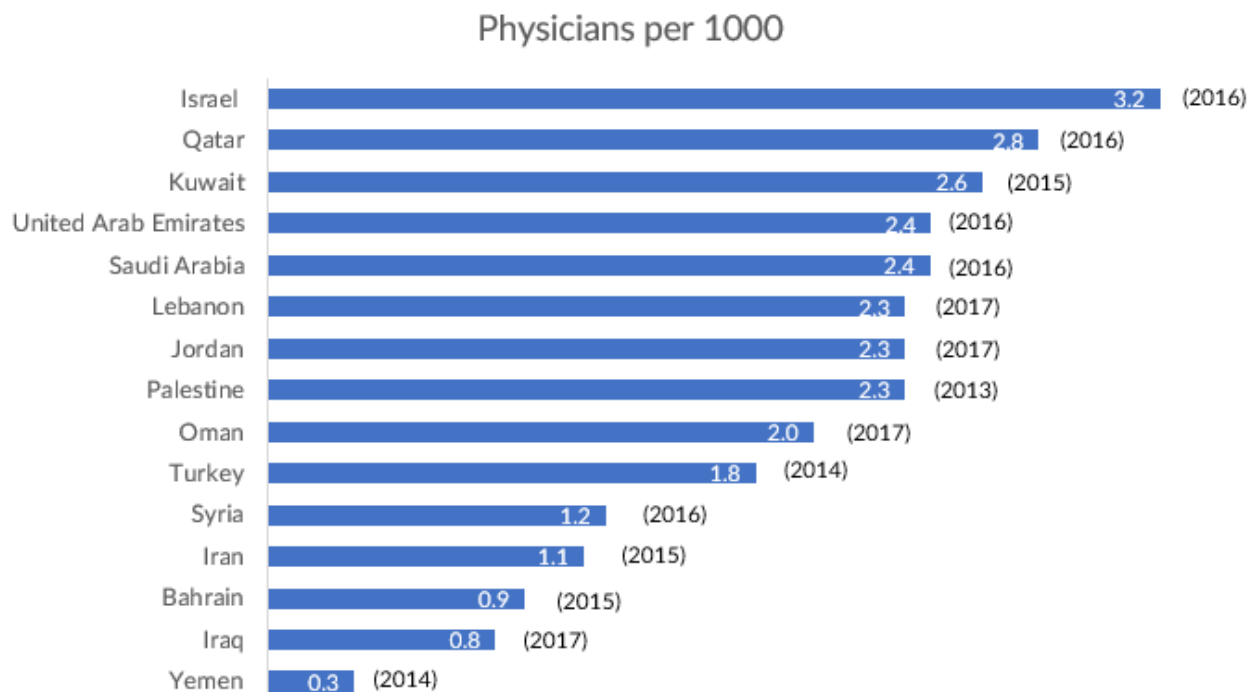
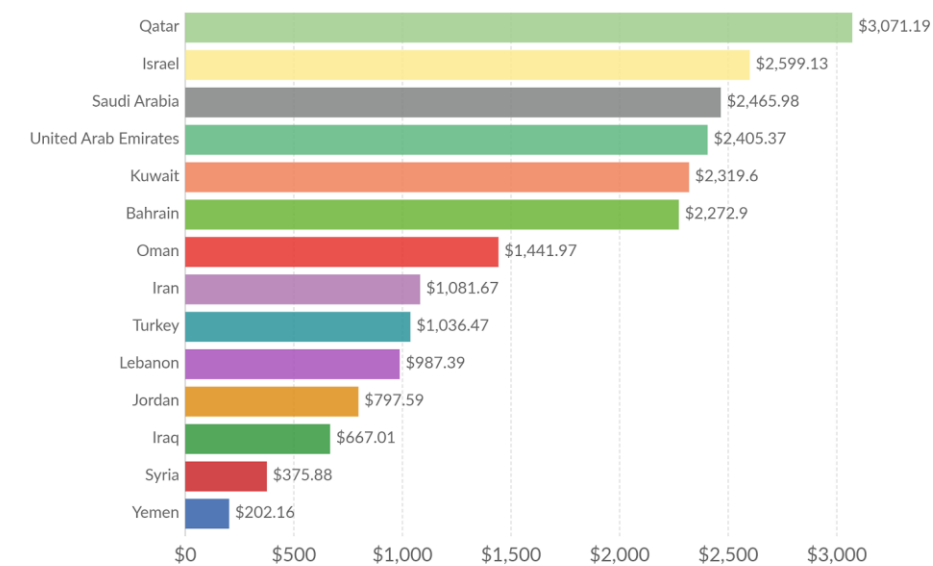


Figure 2. Physicians per thousand. Source: World Bank, Palestinian Bureau of statistics. Latest year for which reliable data is available in brackets

Annual healthcare expenditure per capita, 2014

Adjusted for inflation and price differences between countries and expressed in constant international-\$ in 2011 prices.

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Source: World Bank – WDI

OurWorldInData.org/financing-healthcare/ • CC BY

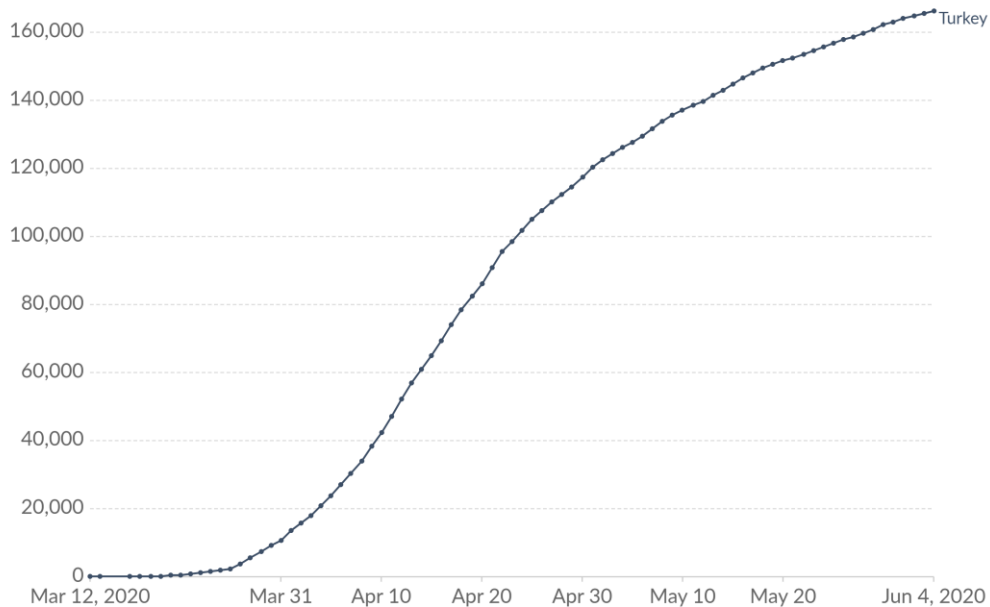
Figure 3. Annual Healthcare Expenditure per capita.

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Turkey

Total confirmed COVID-19 cases

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Source: European CDC – Situation Update Worldwide – Last updated 11th June, 11:00 (London time) OurWorldInData.org/coronavirus • CC BY

Figure 4. Total confirmed COVID-19 cases in Turkey as of June 4, 2020.

Turkey is a major transportation hub in West Asia, with extensive links to the rest of the Muslim world, especially Iran and other Gulf countries. Its initial response to the pandemic [appears](#) to have been largely driven by domestic political considerations: voters made their discontent with President Recep Tayyip Erdoğan's ruling AKP clear in 2019. The country's slowing economy has been a major contributor to his unpopularity.

Under these circumstances, the government appears to have been unwilling to completely lock down the country's economy initially, with senior officials and ministers issuing advisories and conflicting statements that did nothing to stop travel between urban and rural areas. Doctors who [reported](#) that cases and casualties did not match with epidemiological models were forced to [apologise](#).

Turkey began to impose lockdowns and curfews in major cities in late March. Testing was then ramped up. Domestic politics hampered the

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response, with the central government declaring municipality-level relief efforts by opposition parties to be [illegal](#). This may have been an attempt to take the credit for dealing with the pandemic, while covering up the earlier mismanagement.

Meanwhile, news agencies sympathetic to the government worked to shift the narrative, or at least muddy the waters. The late lockdown likely aided the spread of the virus, both in Turkey and its neighbours. Even after they were imposed, Turkey's [restrictions](#) were not as stringent as most other countries, with relatively fewer curbs on the movements of younger people, since they were less likely to be severely impacted by COVID-19. This, however, led to a very high infection rate. Cases climbed steadily, Turkey having the highest official number of cases outside of Europe and the US as of this writing. Despite this, Turkey has had a relatively [low](#) mortality rate of 2.8% - compared to 15.5% in France. This is [perhaps due](#) to its predominantly young population, the high availability of ICU beds in private hospitals, and stringent restrictions on the mobility of the vulnerable (such as the very old and the very young).

Health minister Fahrettin Koca, who has conducted almost-daily briefings on the fight against the pandemic, has [announced](#) that Turkey is in the “second phase” of the pandemic response, with high-speed rail services set to resume between cities. Traffic in Istanbul – Turkey's major global transport hub, which saw the highest number of cases – is also starting to slowly resume. According to Koca, the next few months will see a return to a “controlled social life”, with social distancing, hand washing, and mask wearing becoming the norm.

Against the odds, Turkey seems to have come through the worst of the pandemic with its economy relatively intact thanks to its reluctance to impose stringent nationwide lockdowns. However, challenges that existed prior to the pandemic will still need to be resolved.

As regards Turkey's post-pandemic prospects, Turkish parliament's speaker, Mustafa Sentop, and President Erdogan have both recently [declared](#) that Turkey will play a major role in the post COVID-19 world order - partly perhaps due to the fact that Iran, a competitor for regional

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influence, is still struggling with the pandemic. In a major win for its power projection on the global stage, Turkish-backed forces of the internationally-recognised Libyan government recently [pushed](#) back the Russia-backed strongman, Khalifa Hifter. Pro-government messaging is doing the rounds online, and aid is being provided to rivals such as Israel in order to portray Turkey as a responsible player in the region.

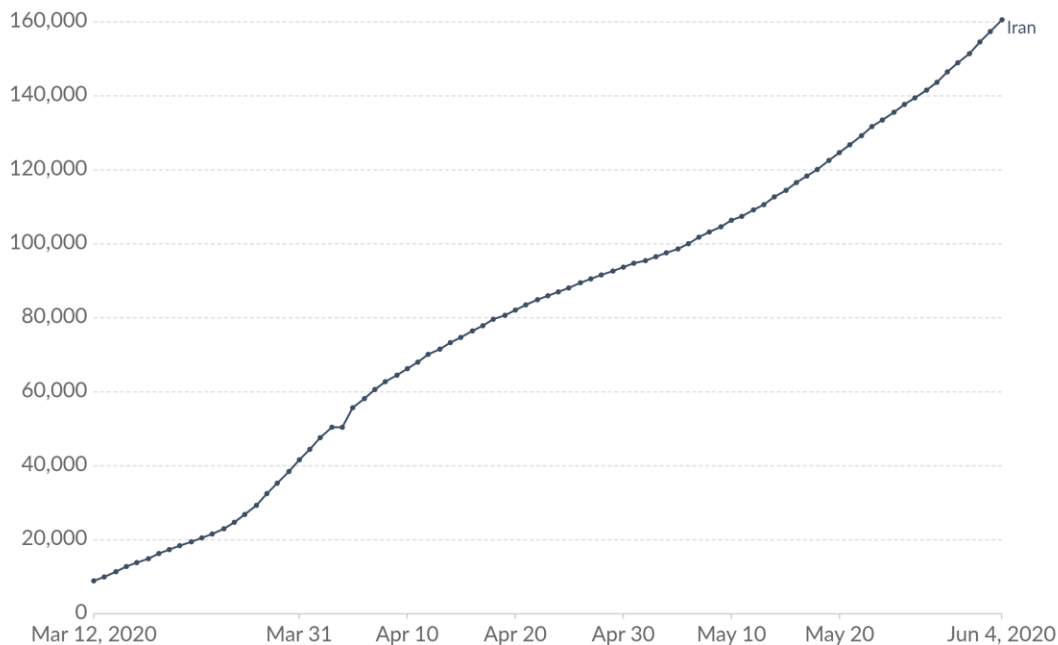
Meanwhile, Russia and Turkey appear to have come to some sort of agreement regarding the situation in Northeast Syria, conducting joint patrols in Idlib. Some disagreements between Turkey and the US in Syria – especially regarding the former's [efforts](#) to unite anti-regime Kurdish rebels – persist.

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Iran

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Source: European CDC – Situation Update Worldwide – Last updated 11th June, 11:00 (London time) OurWorldInData.org/coronavirus • CC BY

Figure 5. Total confirmed COVID-19 cases in Iran as of June 4, 2020.

After Turkey, Iran has the highest number of confirmed cases of COVID-19. The first officially [confirmed cases](#) came with two deaths on 19 February in the holy city of Qom. Local authorities [have said](#) the explosion of cases in Iran began with these two people, at least one of whom had returned from China.

Despite the alarming signs, shrines in Qom remained open and pilgrims and tourists poured in and out of the city, presumably contributing to the spread across Iran. Two major events in February undoubtedly contributed to the ferocity of the outbreak. One was the [celebration](#) of the 41st anniversary of the Iranian revolution on 11 February, during which tens of thousands thronged the streets of Tehran and other major urban centres. The other was Iran's parliamentary elections on 21 February, which experienced its [lowest ever turnout](#), but nonetheless involved millions of people in close physical proximity to each other with no protective wear.

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Throughout this period, Iran's leaders downplayed the risk from the novel coronavirus. Supreme Leader Ayatollah Khamenei [accused](#) foreign media of fomenting fear and [blamed](#) it for the low turnout in the election. Deputy health minister Iraj Harirchi [appeared unwell](#) on television on 24 February only to confirm the next day that he had tested positive for COVID-19. By the end of February, Harirchi was among [at least seven](#) top Iranian leaders infected by the virus, a figure which included one of the country's four vice-presidents. Iran also became a [focal point](#) for the spread of the disease in the region, as people moved across its porous borders with Afghanistan, Pakistan, and Iraq. Pilgrims returning home to other countries, [including India](#), also unwittingly brought back the novel coronavirus.

Iran has since stepped up its response to the pandemic. On 16 March it belatedly [shut down](#) shrines in Qom and elsewhere. A month later, an Iranian official [admitted](#) the country could have as many as 500,000 cases. While the country is gradually easing lockdowns, it is struggling to deal with the disease, given both its own political complications and its sanctions-ridden economy. Iran's GDP [likely contracted](#) by 9.5% in 2019. A spokesperson for Iran's Foreign Ministry even [accused](#) the US of "medical terrorism" through sanctions.

While US sanctions are certainly hurting Iran, such rhetoric also serves to divert popular attention from the failings of Iran's leaders. Observers of the region [point out](#) that Iran's hardliners have been on the ascendant ever since the breakdown of the nuclear deal, the Joint Comprehensive Plan of Action (JCPOA) in 2018. The U.S. killing of General Qasem Soleimani, the head of the Quds Force in January, followed by the accidental downing of a civilian airliner over Tehran by local air defences have only strengthened their hand.

Indeed, Iran's proxies in Iraq [continued to battle](#) US forces there in March, perhaps hoping to take advantage of distraction caused by America's own domestic struggles with the novel coronavirus pandemic. On 15 April, the US Navy [accused](#) attack boats of the Iranian Revolutionary Guards Corps of "dangerous and harassing approaches" in the Persian Gulf. U.S. President Donald Trump later [said](#) the U.S. Navy should fire on such vessels, if harassed.

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These tensions have since eased but come even as Iran feels more secure within its region, after Saudi Arabia and the UAE sought to [scale down](#) their confrontation with Tehran and wind down the war in Yemen.

Saudi Arabia

Total confirmed COVID-19 cases

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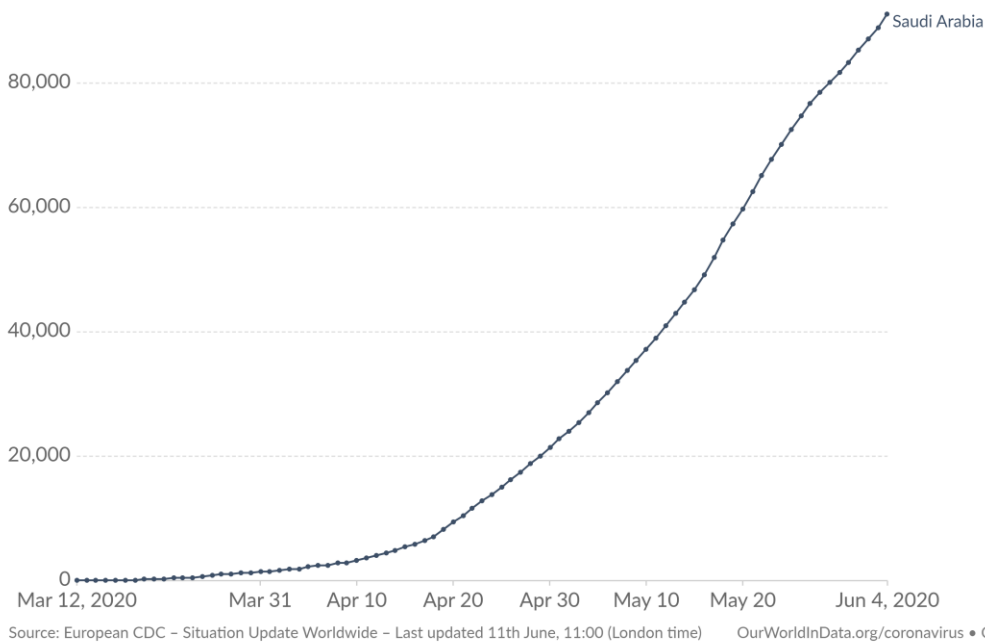


Figure 6. Total confirmed COVID-19 cases in Saudi Arabia as of June 4, 2020.

It is hardly surprising that the Kingdom of Saudi Arabia has become both a major recipient and a source of infections. The kingdom is home to the world's two largest pilgrimage sites, Mecca and Medina. It is also home to about [10 million foreign workers](#), including [about](#) 1.5 million Indians.

In late February, Saudi Arabia [barred](#) pilgrims from affected countries, [extending](#) the ban to all other countries a few days later. The kingdom [confirmed](#) its first case of COVID-19 on 2 March after testing a local returning from Iran. Within a week, it [put the](#) Qatif region in quarantine. However, the virus was not contained. It also became clear

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that infection was spreading fast in the camps of foreign workers, with their cramped communal spaces. However, unlike in Iran, the Saudis were [quick to stop](#) mass worship at mosques. They also countered religious propaganda hostile to the regime and its restrictions. Saudi cities also soon came under 24-hour curfews, though these were [eased](#) to allow some shopping to take place during the holy month of Ramadan, which began on 24 April and ended on 24 May. Saudi authorities plan to [gradually lift restrictions](#) across the kingdom in June, though the curfew in Mecca will remain.

As early as 31 March, the Saudi minister for the Haj and Umrah [asked pilgrims](#) to wait before firming up plans to attend the annual Haj from 28 July to 2 August. His statement was [seen as an indication](#) the Saudis may suspend or at least severely restrict this year's Haj. As of this writing, the Saudis [have not issued](#) a definite statement. However, a suspension seems increasingly likely for a pilgrimage that [attracts](#) more than two million faithful, many of them elderly.

Saudi Arabia's preventive measures have helped it avoid an outbreak on the scale of Iran's. On the other hand, the suspension of the Haj will be a major blow to the kingdom. The Saudis make [about](#) \$12 billion a year from the Haj. Far more importantly, the Haj is a major source of diplomatic leverage for the Saudis and a major source of legitimacy for the royal family. Saudi diplomats [negotiate](#) and grant annual Haj quotas to various countries. For instance, [they raised](#) India's quota by 25,000 to 200,000 pilgrims in 2019. Rulers also take on the mantle of "Custodian of the Two Holy Mosques," a [historic title](#) meant to increase Saudi legitimacy and power among the world's 1.8 billion Muslims. The likely suspension of the Haj comes even as critics of Saudi Crown Prince Mohammed bin Salman in the region [call for](#) a boycott of the pilgrimage.

The pandemic is also undermining that other crucial pillar of Saudi power: oil. While the Saudis can extract and sell oil very cheaply, they require prices to be at around \$80 per barrel to simultaneously maintain social welfare programmes and balance their budget. With global oil prices at rock bottom thanks to depressed demand and the difficulties involved in coordinating international production cuts, Saudi Arabia's financial muscle is likely to atrophy this year. New austerity measures

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[include](#) a \$8 billion spending cut in infrastructure projects. The Saudis have also [tripled](#) their value added tax (only [introduced](#) in 2018) and have slashed a \$270 monthly allowance for government employees – itself put in place in lieu of subsidies.

The novel coronavirus has also directly attacked the royal family. On 8 April, The New York Times [reported](#) that some 150 members of the royal family were down with COVID-19. Saudi Arabia's 84-year old King Salman moved to a palace near Jeddah and Crown Prince Mohammed bin Salman and some of his ministers were reportedly working out of a remote site on the Red Sea coast that is to be home to a futuristic planned city called Neom.

Recognising their vulnerabilities on multiple levels, the Saudi establishment has eased off the confrontation with Iran and [declared](#) a unilateral ceasefire in Yemen. While these may be tactical moves, they are also driven by a recognition that the United States may not prove to be a reliable ally in these confrontations. All in all, the Saudis are likely to experience lower global leverage in the near future.

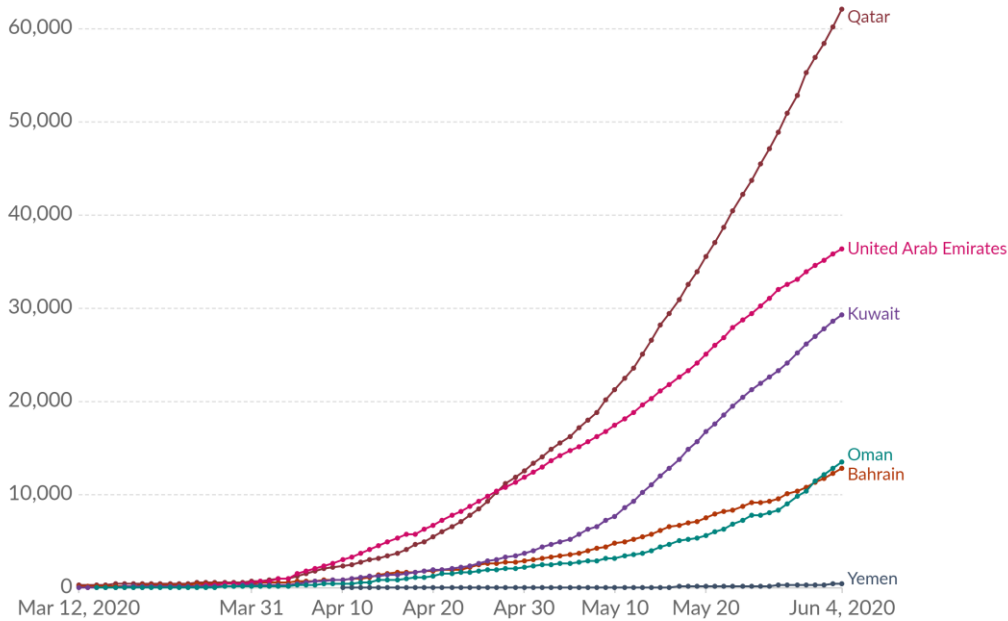
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Other Gulf Countries

Total confirmed COVID-19 cases

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Source: European CDC – Situation Update Worldwide – Last updated 11th June, 11:00 (London time) OurWorldInData.org/coronavirus • CC BY

Figure 7. Total confirmed COVID-19 cases in other Gulf countries as of June 4, 2020.

The spread of the novel coronavirus has affected Gulf countries differently. As of 30 April, Qatar [had](#) over 11,000 total infections, while Oman [had](#) a little over 2,000, and the UAE, [close to](#) 12,000. In all of these countries, foreign workers are among the worst hit.

The politics of the Arabian Peninsula are, to a great extent, shaped by the Saudi-Qatar rivalry. This rivalry came to a head in 2017, when a Saudi-led coalition that included the UAE and Bahrain, snapped ties with Doha and launched a "boycott" of the kingdom. Nearly three years later, the boycott (which Qatar [calls](#) a blockade), continues. The most recent [talks](#) on resolving the standoff have failed and Qatar continues to reject the four initial demands made of it: that it reduce ties with Iran, shut down a Turkish military base on its soil, close the news network Al Jazeera, and stop supporting "terrorists" in the region.

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The region's other geopolitical fault line is war-torn Yemen, with a million displaced people, a devastated economy, and ongoing hostilities. In late April, the UNHCR warned that the novel coronavirus is likely spreading through communities in that country, even as tests are only beginning to be conducted. Additionally, Saudi Arabia's unilateral ceasefire has not had the intended effects, since its own proxies in the region have declared self-rule in the region around Aden - a move that could spark fresh fighting with the Houthis.

While the standoff with Qatar and the war in Yemen may not yield themselves to easy solutions, we are unlikely to see major escalations between Gulf Arab states in the near future, since most governments in the region are now focused on managing the pandemic.

Iraq and Syria

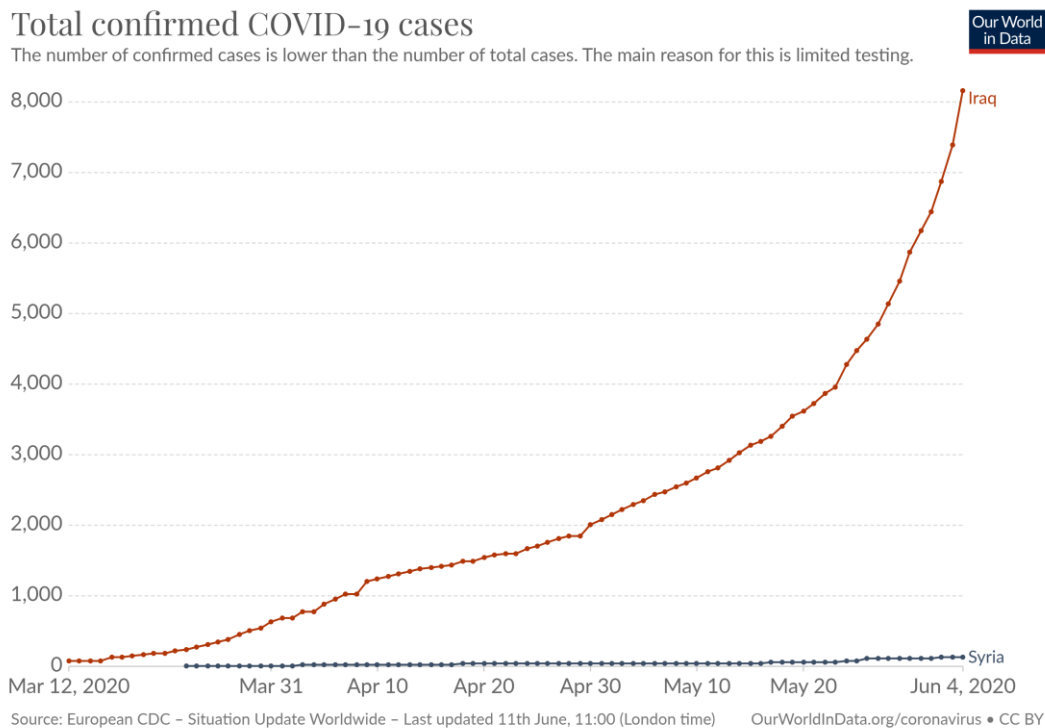


Figure 8. Total confirmed COVID-19 cases in Iraq and Syria as of June 4, 2020.

Iraq and Syria face similar challenges in responding to the pandemic. In both cases, decades of war have left public health infrastructure in ruins

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and led to the mass emigration of doctors. In Syria, many neighbourhoods are in ruins, and hospitals have either been reduced to rubble or have been militarised due to the civil war. In some cases, medical staff have even been accused of torture, and citizens are unlikely to trust in their neutrality. Furthermore, with such a shattered healthcare system and limited ability to conduct tests, official numbers are highly circumspect (already evident in the above visual). According to the regime of President Bashar al-Assad, most cases in Syria are due to Syrians [returning](#) from abroad. A lockdown was imposed in April, but with the Syrian pound rapidly declining in value and citizens facing shortages and job losses, the regime has now started to [lift](#) restrictions on businesses.

Conditions are even bleaker in rebel-held areas and refugee camps, which are often [lacking](#) in basic sanitary facilities, especially in the rebel stronghold of Idlib. Many camps lack access to running water, making it impossible to wash hands, sanitise, or take other basic precautions. Testing in these areas is practically nonexistent. Some reports indicate that the Assad regime is deliberately [withholding](#) international aid to rebel strongholds and is indeed stepping up shelling in an attempt to force an end to the civil war. In response, the European Union (EU) has [announced](#) that it will extend sanctions against the Assad regime.

Meanwhile, Russia and China continue to use Syria to project themselves as reliable partners and global leaders. Russia has [discussed](#) the pandemic with President Bashar al-Assad, and has sent ambulances and PPE. China has [sent](#) a few thousand test kits and has conducted a video conference with doctors working with the Assad government. Neither of these measures are likely to seriously help the fight against COVID-19. (Indeed, as Russia is now [struggling](#) to manage its own COVID-19 related challenges, it is likely to adopt a more cautious posture in West Asia for the immediate future, focussing on supporting its allies. Similarly, China is likely more interested in managing global narratives about its pandemic response than seriously containing its spread in West Asia).

Meanwhile, the Kurdish authorities in the northeast of the country [imposed](#) and later lifted a lockdown. [Some](#) limited testing has begun, though it is too early to form a picture of how the disease is spreading.

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Low global oil prices are likely to seriously impact their ability to support the economic slowdown and afford healthcare for the infected.

Iraq is marginally better-off in terms of its infrastructure and the availability of international support, but public trust [remains](#) a major issue, and the central government has little ability to coordinate responses across provinces. Worsening the situation are relatively porous borders between these two countries and Iran, the epicentre of the pandemic in West Asia, as well as exchanges of missiles between US and Iranian positions, and continued activities by proxies. Iraq [imposed](#) stringent lockdowns in March/April, but they were unevenly enforced due to limited state capacity. Various state-sponsored militia units belonging to the Popular Mobilisation Forces (PMF), some of them with significant backing from, [set](#) up field hospitals, assisted with lockdowns, and spread awareness about the disease.

The PMF is an umbrella group of various factions nominally answerable to the Iraqi Prime Minister, and proved very impactful in the fight against the Islamic State terror organisation from 2014-17. However, four factions within the PMF, loyal to Iraq's top Shia cleric, have now [left](#) the umbrella organisation and are working directly with the PM, perhaps hinting at an emerging consensus against Iranian influence in the country. However, with the Islamic State [ramping](#) up activities over the course of Ramadan, the Iraqi government is likely to exercise caution even as it seeks to wean away from the PMF.

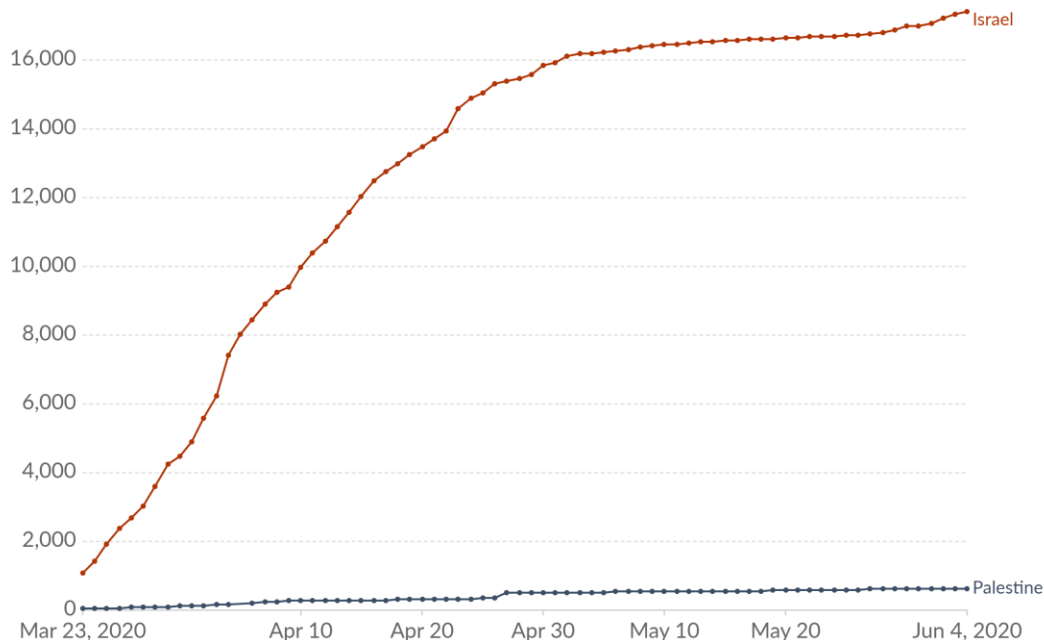
Meanwhile, the overall [lack](#) of medical facilities, equipment and testing kits has yet to be adequately addressed. Partial curfews and lockdowns since April have not proven effective in combating the spread of COVID-19, with spikes in infections being [reported](#) in the days leading up to the breaking of the fast at the ending of the month of Ramadan.

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Israel and Palestine

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Source: European CDC – Situation Update Worldwide – Last updated 11th June, 11:00 (London time) OurWorldInData.org/coronavirus • CC BY

Figure 9. Total confirmed COVID-19 cases in Israel and Palestine as of June 4, 2020.

The pandemic could not have come at a better time for Israeli Prime Minister Netanyahu, who managed [to strengthen](#) his coalition government with support from a major political rival and avoid backlash for his corruption cases. This has, however, not improved his popularity, with a [protest](#) being carried out following the imposition of social distancing rules.

In the early stages of the lockdown, influential ultra-orthodox Jewish sects (who count among their members the Health Minister Yaakov Litzman, who has since tested positive and recovered) [defied](#) the lockdown to hold religious services.

Strict movement controls were then [imposed](#) over the second week of April. The Shin Bet security service – which has no public transparency requirements – was [authorised](#) to surveil citizens' phone location data as a “drastic measure” to enforce social distancing, and some

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videos hinting at police brutality have emerged. The lockdown seems to have been effective, however, as [have](#) the surveillance measures. Israel has now lifted lockdowns and is [conducting](#) testing at a large scale in order to prepare for a second wave. Some reopenings have begun, and subsequent spikes in cases have been reported.

China has [sent](#) aid to Israel, though should be seen more as an attempt to portray itself as a reliable partner than as a fundamental shift in relations or in readiness to fight the pandemic.

Palestine, meanwhile, is in a dire situation. Medical supplies and test kits are sorely lacking. Major donors to the Palestinian Authority - such as the US - [withdrew](#) funding as they sought to tackle the pandemic at home, which impacted the Authority's ability to deal with the crisis and will likely well lead to a further contraction of Palestine's already-struggling economy. Cash-strapped UN agencies are [struggling](#) to provide aid. Lockdowns were imposed in March, apparently successfully containing a rapid spread of COVID-19, but are now being [lifted](#) owing to the imperative to keep the economy going.

However, Palestine faces other challenges. Israeli PM Netanyahu has announced his intention to go ahead with annexation plans for occupied Palestinian territory in the West Bank and Jordan Valley, a step towards doing away with the two-state solution. This has been condemned by other countries in the region, including Turkey and Jordan. With a June deadline looming, the Palestinian Authority has [absolved](#) itself of ties with the US and Israel, ending security cooperation. While this dramatic action is a sign of Palestinian frustration, it could also work to [draw attention](#) to the region and nudge the Israelis towards dialogue.

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Jordan

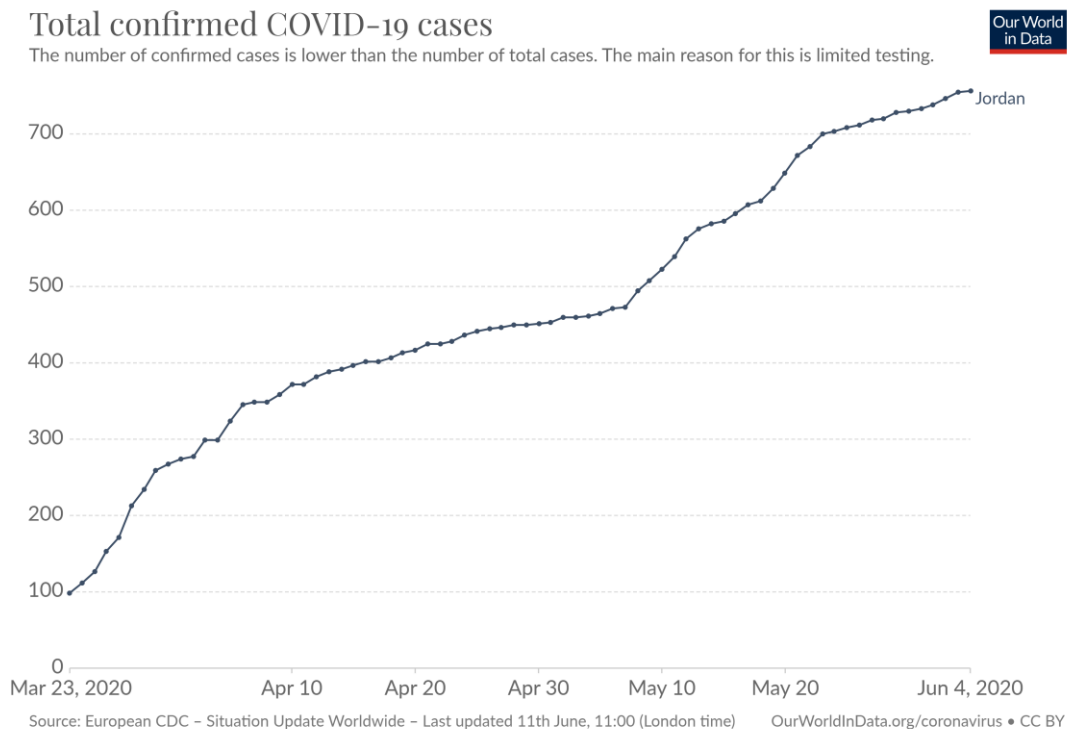


Figure 10. Total confirmed COVID-19 cases in Jordan as of June 4, 2020.

Jordan imposed extremely strict [controls](#) soon after officially-reported cases hit double digits on March 15th. These came at short notice and without sufficient measures being taken to ensure that people would have access to essentials, leading to panic, crowds, and queues that may have increased the infection rate. A state of emergency was declared on March 19th, a curfew imposed on the 21st, and testing ramped up. As of this writing, reports seem to indicate a successful flattening of the curve, with restrictions being [lifted](#) and health officials expressing confidence in the country's ability to deal with new infections. The drastic measures adopted in March seem to have kept a lid on the worst of the outbreak. Hydroxychloroquine has been approved as an antiviral medication for severe cases.

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Lebanon

Total confirmed COVID-19 cases

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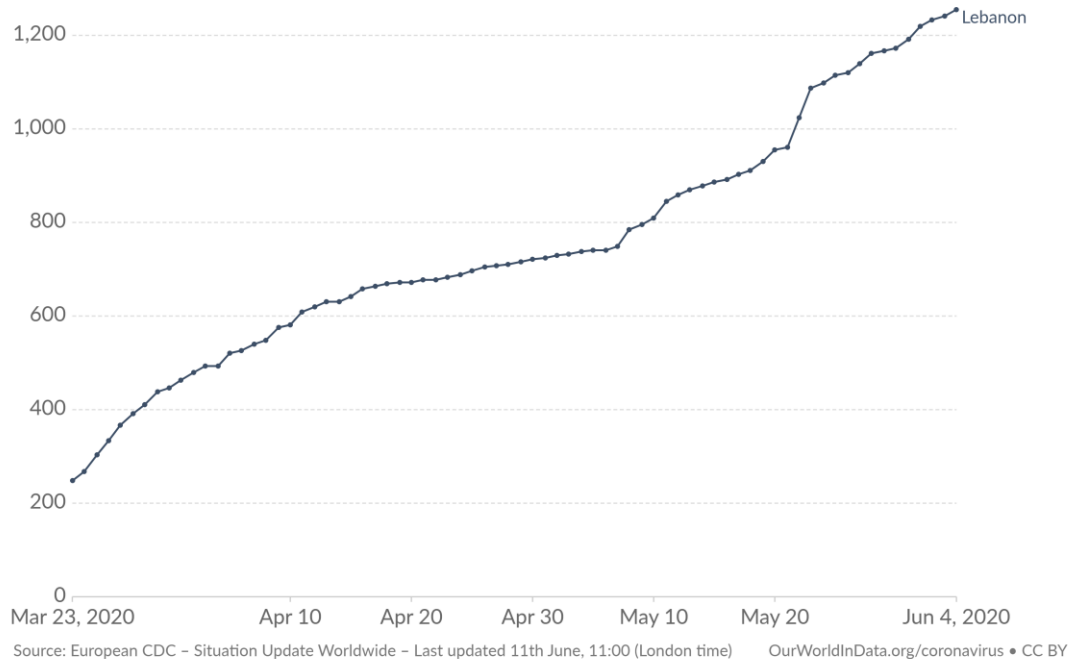


Figure 11. Total confirmed COVID-19 cases in Lebanon as of June 4, 2020.

Lebanon has been struggling with serious problems well before the pandemic. Its economy and healthcare systems were both affected by the Syrian refugee crisis, but much deeper problems are now coming to the fore. Much of Lebanon's economy is dependent on imports - ranging from manufacturing to basic necessities, such as food and medical equipment. The country exports very little, leaving rapidly vanishing foreign investment as its primary source of foreign exchange. Unemployment has been increasing, and many small-to-medium enterprises are [crumbling](#), leading to protests that began in October 2019. The demonstrations only wound down with the imposition of progressively stricter lockdowns through the course of March.

As of this writing, the lockdown appears to have temporarily bought some time to fight the pandemic, but there have not been any major improvements to healthcare capacity in the interim. Nor have there been solutions for the country's economic woes. Many hospitals report

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that the government has not cleared their dues for years, and currency controls are making it extremely [difficult](#) to import equipment needed to fight the pandemic. The government also lacks the ability to [support](#) the large number of people who have lost livelihoods due to the lockdown. Public anger is already [reasserting](#) itself, with unemployment, inflation and a currency collapse provoking [violent](#) protests. Syrian and Palestinian refugees are also facing discriminatory measures. Cases among them have been [reported](#), and their camps may be at further risk.

The Challenges and Opportunities for India

The spread of COVID-19 in West Asia adds a new and unpredictable dynamic to a region already marked by instability. While the spread of the disease may dampen conflict in Yemen, the Iran-U.S. confrontation has persisted. Similarly, while some leaders may be able to strengthen their positions now, the progress of the disease and its fallout could provide openings to their opponents. India needs to maintain focus on its key interests amid these highly fluid circumstances.

The Context

While India's interests in the region have remained consistent for years, its approach to West Asia has changed. Faced with a volatile region riven by enduring and internecine rivalries, India's leaders and diplomats had, until recently, attempted a delicate balancing act. Delhi has not only refused to be drawn into regional quarrels, it has also attempted to accord equal diplomatic weight to rivals like Saudi Arabia and Iran. This made sense given both India's varied interests and the presence of 10 million of its citizens in the region.

However, India's economic rise over the last two decades along with shifts in the region's politics have led to a marked improvement in Delhi's relations with some of the Gulf's conservative monarchies. The bulk of India's hydrocarbon imports (about \$70 billion annually) come from the region, making it an economic partner worth cultivating. Changes in Saudi Arabia's priorities have also allowed it to draw closer to India. Riyadh has gradually scaled back or eliminated its funding for violent non-state actors and had become lukewarm in its engagement

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with traditional partner Pakistan, after it refused to send its troops to fight in Yemen.

Evidence of India's growing ties with Gulf monarchies abound. The UAE and Saudi Arabia are India's third and fourth largest trading partners respectively (though India's trade numbers with the UAE are no doubt inflated by indirect trade with Pakistan). Saudi Arabia's state-owned oil firm, Aramco, has [committed](#) to a \$35 billion investment in Maharashtra to build a refinery. It's also [in talks](#) with Reliance Industries Limited (RIL) to buy a 20% stake in its petrochemicals division for \$15 billion. The Saudis have also, [on more](#) than [one occasion](#), said that India is a strategic partner in Riyadh's Vision 2030, an ambitious plan to diversify the Saudi economy.

India's ties to the UAE and Saudi Arabia are also marked by frequent visits and consultations as well as shows of diplomatic support. In February 2009, the UAE made India as a [guest of honour](#) at a meeting of the Organisation of Islamic Cooperation (OIC) – a gathering that routinely witnesses anti-India rhetoric led by Pakistan. None of the Gulf monarchies [criticised](#) India's bifurcation of Jammu and Kashmir into two union territories in 2019.

However, India's position among the Gulf countries suffered a setback recently after a series of incendiary or hateful [comments](#) made on social media by Indians residing in the Gulf. Emirati royal, Princess Hend Faisal Al Qassemi even [highlighted](#) an incendiary anti-Muslim tweet from an Indian living in the UAE. Later, the OIC's Permanent Human Rights Commission [urged](#) India to protect its Muslim minority. India quickly moved to limit the damage. Prime Minister Narendra Modi [tweeted](#) against religious divisions [followed by](#) India's ambassador to the UAE. While the trouble appears to be contained at the moment, it comes even as India negotiates the return of its out-of-work citizens from the UAE.

Besides the deepening diplomatic and economic stakes, Delhi is also concerned about maritime security in the western Indian Ocean Region. It has already [struck a deal](#) with Oman to give the Indian Navy access to Duqm port on the Arabian Sea for logistics support. In the coming years,

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India is likely to increase maritime cooperation with other countries in the Arabian Peninsula.

The Challenges

The most pressing concern for India now is its roughly 10 million expatriates in the region. COVID-19 has taken a toll on the region's economies and many Indian migrant workers are now straddled with work permits that have expired or are about to expire. Up to 300,000 Indians are [formally seeking](#) to leave the Gulf at a time when regular civilian aviation is at a near-standstill. For now, India's evacuation project, dubbed Vande Bharat, is only bringing back those who will face deportation. However, depending on how the global pandemic progresses, Delhi may need to plan to bring back many more of its 10 million expats in the Gulf.

To prepare for a potentially much larger evacuation, Delhi will not only need to mobilise its fleets of civilian aircraft but also the Indian Air Force's airlift capabilities, and the Indian Navy's amphibious vessels to bring back these citizens. The navy and air force are already [preparing](#) for such contingencies – the navy has already [evacuated](#) nearly 700 Indian nationals from the Maldives on two ships. The government must integrate their efforts into a broader evacuation plan for West Asia. As part of these plans it will also have to be prepared to deal with the risk of infection. About 10,000 Indians in the Gulf are known to have contracted COVID-19. Any future evacuation will have to make plans for social distancing on flights and ships. It will also be imperative to have clear quarantine and tracking measures in place for the returnees.

Besides ensuring the safety and well-being of its citizens, the Indian government will also have to prepare for the potential economic fallout from tens of thousands, perhaps millions, of Indian expats returning home. These expats annually contribute around \$40 billion to India's foreign exchange reserves. According to a [recent World Bank estimate](#), remittances to India from around the world are expected to fall by 23% in calendar year 2020. Applying that figure to India's estimated \$40 billion annual remittances from West Asia, we can expect a fall of roughly \$9.2 billion this year, which is [well under](#) 2% of India's foreign exchange reserves and [about](#) 0.3% of its GDP. These figures assume no

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major upheavals of the sort that would necessitate a large-scale evacuation of Indians. However, the return of even a small percentage of expats would mean both lower remittances and more people seeking employment in India's constrained job market. To help returnees, the Ministry of External Affairs will [reportedly](#) circulate a database to the central and state governments to help skilled workers find productive employment. They might also consider sharing such information with private firms after securing the consent of returnees.

Additionally, India should also hold bilateral talks with key Gulf states about once again finding gainful employment for the non-resident Indian (NRI) returnees. As economies in the region recover, they will inevitably need more Indian and other foreigners to take up jobs. Delhi can explore ways to facilitate and speed up the process for Indian nationals.

The Opportunities

India typically imports over \$70 billion worth of oil and gas from West Asia, with Saudi Arabia and Iraq being its top two suppliers. With oil prices at record lows because of the pandemic, India should press hard for attractive rates through the rest of 2020 in what is essentially a buyer's market. If prices begin to rebound, India could also join hands with China in nudging Gulf countries to slash the so-called "Asian premium" they add to the price of a barrel of oil.

The pandemic also gives India an opportunity to play a crucial and constructive role in helping the region tackle the disease. Given India's deep experience in the mass production of pharmaceuticals, vaccine development and manufacture, and in providing public health services on a large scale, it is in a unique position to be the medical supplier of choice for the region. India is already supplying Hydroxychloroquine to some countries. If other treatments like antivirals get approved later in 2020, India must manufacture them aggressively for both domestic and foreign use. Similarly, if and when an effective vaccine is developed against the novel coronavirus, India must become a leading manufacturer and supplier to the world, including West Asia.

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India should also work towards offering telemedicine services to West Asian countries during the pandemic. This would allow patients to avail of medical expertise without endangering themselves by stepping into hospitals and clinics. For this to work, India will need to work closely with the governments of wealth Gulf states to create guidelines to enable and regulate telemedicine.

Over the longer term, these services - along with the crucial role India ought to play in providing treatments and vaccinations for COVID-19 - should help India position itself as the leading healthcare hub for patients from the region. While India is already a medical tourism destination for many from West Asia, widespread telemedicine would expand the market for Indian healthcare after the pandemic subsides. It would allow private hospitals to expand capacity and offer a variety of specialist care (which would also benefit Indians). It could also increase receptiveness to Indian pharmaceuticals.

Finally, as India seeks investment from abroad, it should woo both companies and sovereign wealth funds from the Gulf. Besides pushing forward on the agreements with Saudi Aramco and Abu Dhabi National Oil Company to build a refinery, it must offer them and other state-owned oil companies new opportunities. The government can also organise virtual roadshows to draw investment from the sovereign wealth funds of the Gulf into diverse sectors of the Indian economy. These funds would include Saudi Arabia's Public Investment Fund, Abu Dhabi Investment Authority, Investment Corporation of Dubai and Qatar Investment Authority. If India were to seek to deliver economic stimulus via infrastructure funding in the coming years, as part of its efforts to raise money, it could identify Saudi Arabia's SAMA Foreign Holdings as a key partner to buy its sovereign debt instruments.

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Conclusion

The exact trajectory of the COVID-19 pandemic in West Asia and its political and economic consequences are difficult to predict. However, we are likely to see an exacerbation of existing trends rather than an overhaul of them. Regardless, India must seize some key opportunities like buying oil at attractive rates and offering West Asian states sustained cooperation in pharmaceuticals and public health.

India also needs to prepare for the worst. It must be prepared for a potential mass exodus of Indians from the Gulf, for political instability across the region, renewed violence and pandemic-induced humanitarian disasters in Yemen, Syria and Iraq, and skirmishes or stand-offs between rival states. The coming months are likely to be both taxing and rewarding for India's diplomats in West Asia.