



MEI INDIA WATCH

(Monthly survey of India's relations with the Middle East)

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Compiled by

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Political Issues

Bahrain

1. Telangana workers stranded in Bahrain

Nizamabad, Tuesday, 29 June 2010

About 1000 youth from the north Telangana districts of Andhra Pradesh were stranded in Bahrain and were unable to return to India. It is believed that youth from Nizamabad and Karimnagar districts and Hyderabad city went to Bahrain in 2007-08 in search of livelihood. They worked in Abdula Nasa (LCD) Company there for the last two years which allegedly failed to pay wages as per the agreement. Vexed with the attitude of company management, the youth switched over to other works in Bahrain. The company management stated that the youth from India failed to abide by the agreement of work and its breach resulted in the payment of penalty. It was further stated that the workers would receive their passports and visas on the payment of 600 dinars as penalty. One of the victims criticized the embassy authorities for neglecting the issue when official assistance was sought.

Source: The Deccan Chronicle, Hyderabad

For full report: <http://www.deccanchronicle.com/karimnagar/t-workers-stranded-bahrain-571>

Iran

2. 'India can't support Iran against UN sanctions'

Delhi, Sunday, 13 June 2010

India may not have any option but to implement the latest sanctions approved by the UNSC against Iran despite its constant assertions that it would not support any sanctions which would affect the common people. Officials believe that Tehran has not answered questions raised by the IAEA over its nuclear programme and that it would not be possible for New Delhi to ignore the fresh sanctions. A senior government official was quoted as saying ‘we are still looking at how these sanctions are going to impact the people. We remain a responsible member of the UN and know our legal obligations.’ According to former foreign secretary Kanwal Sibal, since the sanctions were imposed under Chapter 7 of the UN Charter, it would not be possible for India to avoid its implementation. He added that as a responsible member of the UN and keeping in mind aspirations for a permanent seat in the UNSC, India should not be seen as going against the UNSC resolution.

Source: The Times of India, New Delhi

For full report: <http://timesofindia.indiatimes.com/india/India-cant-support-Iran-against-UN-sanctions/articleshow/6042328.cms>

Israel

3. Israel draws flak for attack on flotilla carrying aid to Gaza

New Delhi, Tuesday, 1 June 2010

India joined the chorus of criticism against Israel's attack on a flotilla carrying humanitarian aid to Gaza. Following the incident on 31 May which resulted in the death of nine activists, India pointed out that there could be no justification for the use of force. In an official statement the Ministry of External Affairs declared: ‘India deplors the tragic loss of life and reports of killings and injuries to people on boats carrying supplies for Gaza. There can be no justification for such indiscriminate use of force, which we condemn,’ The attack created ripples within India, with the Communist Party of India-Marxist (CPI-M) saying that the attack reflects Israel's ‘complete contempt’ for international law. It further stated that India must ‘work actively with other countries from the non-aligned nations in the UN and other bodies to force Israel to lift the illegal siege of Gaza.’

Source: The Economic Times, New Delhi

For full report: <http://economictimes.indiatimes.com/news/politics/nation/Israel-draws-flak-for-attack-on-flotilla-carrying-aid-to-Gaza/articleshow/5996598.cms>

Additional report:

<http://www.indianexpress.com/news/stop-with-the-antijewish-mentality/627676/>

4. Flotilla attack: Israel cries foul, drags India into row

Jerusalem, Wednesday, 2 June 2010

In an unusual step, Israel, which is facing global criticism for attacking an aid flotilla, has said violent incidents in countries like India and Pakistan in the past one month which claimed 500 lives have been 'ignored' while it was being condemned for its 'unmistakably defensive actions'. This is the first time that Israel has dragged India into a controversy. New Delhi has already condemned the Israeli attack on the aid flotilla to the Gaza Strip saying there was no justification for indiscriminate use of force.

Source: The Indian Express, New Delhi

For full report: <http://www.indianexpress.com/news/israel-drag-india-into-flotilla-row-later/628612/>

5. Israel regrets naming India to explain killings off Gaza

New Delhi, Thursday, 3 June 2010

On Wednesday Israel expressed regret for having bracketed India with other violence-hit countries while explaining its position on the flotilla controversy. The Israeli Ambassador to India Mark Sofer told journalists that the reference to India in a statement issued by Foreign Minister Avigdor Lieberman was deleted. He explained his country's position to the Ministry of External Affairs. Israel, he observed, greatly trusted India and had a great respect for it. 'We listen to all it says on the Middle-East. We are removing the reference from the Internet site and are taking it up so that the misunderstanding due to the error will not be there,' Mr. Sofer said.

Source: The Hindu, Chennai

For full report: <http://www.hindu.com/2010/06/03/stories/2010060364171300.htm>

6. Gaza: India for collective response

Dubai, Wednesday, 9 June 2010

India has acknowledged that Israel's Gaza blockade has created a humanitarian crisis but at the same time asserted that the problem cannot be resolved through unilateral means. Addressing a press conference in Dubai after participating in a security conference in Turkey Minister of Commerce and Industry Anand Sharma said: 'This [blockade by Israel] has created a humanitarian crisis of immense proportion [and] the international community collectively has a duty to address it and give relief to the civilian population.' The Minister 'deplored the [Israeli] attack on the ship and the killings of the people' on board, which he said had further aggravated

the already tense situation. He added that it was important for regional players 'to create an environment for negotiations, and a lasting solution can only be in a two-nation formula that India supports.'

Source: The Hindu, Chennai

For full report: <http://beta.thehindu.com/news/national/article451060.ece>

7. India slams Israeli attack on Gaza aid flotilla

Istanbul, Wednesday, 9 June 2010

India today made a strong intervention over the situation in the Gaza Strip and the flotilla controversy at the third summit meeting of the Conference on Interaction and Confidence Building Measures in Asia (CICA). Speaking at the summit, Prime Minister Manmohan Singh's special emissary Commerce and Industry Minister Anand Sharma said, 'The continued blockade of Gaza and denial of essential supplies of food and medicines has created a humanitarian crisis of immense proportion. The civilian population, especially women and children, are the victims of the deadlock.' On the issue of Israel's attack on a Turkish aid flotilla on May 31, Sharma said, 'There can be no justification for such indiscriminate use of force, which we condemn.' He said India believed that only peaceful dialogue could find a solution to the problems of the region.

Source: The Indian Express, New Delhi

For full report: <http://www.indianexpress.com/news/india-slams-israeli-attack-on-gaza-aid-flotilla/631252/>

Qatar

8. Indo-Qatar ties reviewed

Doha, Sunday, 13 June 2010

The director of the Qatari Cultural Development Center (CDC) Dr. Rashid al-Dosari and Indian Ambassador Deepa Gopalan Wadhwa met on 12 June and discussed ways to enhance the level of cultural co-operation between the two countries. Both also discussed the methods of collaboration between the Qatar Foundation and Indian organizations to strengthen the relations and to keep pace with the requirements of societies moving towards a knowledge-based economy.

Source: The Gulf Times, Doha

For full report:

http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=367854&version=1&template_id=36&parent_id=16

UAE

9. India got Samad from UAE after four IM men escaped net

New Delhi, Thursday, 3 June 2010

India was able to get back Abdul Samad, the brother of alleged Pune blast accused Yasin Bhatkal, from Dubai after it conveyed its concerns to the UAE over four key Indian Mujahedeen (IM) operatives being allowed to escape from Sharjah two months ago. The UAE cooperated with Indian agencies to mount round-the-clock surveillance on Samad for nearly a month and virtually forced him to board Air India's Dubai-Mangalore flight on May 24, a day before his three-month Dubai visa was to expire.

Source: The Indian Express, New Delhi

For full report: <http://www.expressindia.com/latest-news/India-got-Samad-from-UAE-after-four-IM-men-escaped-net/628744/>

10. UAE court adjourns hearing of 17 Indians on death row

Chandigarh, Wednesday, 16 June 2010

A court in UAE adjourned on Wednesday [16 June] the hearing of appeals of 17 Indians who are on death row for killing a Pakistani national. The Sharjah court adjourned the hearing due to the unavailability of an interpreter to translate Arabic to Hindi, said Navkiran Singh, a representative of Lawyers for Human Rights International (LFHRI). He also stated that 'Lawyers representing the 17 Indians are trying to prove that they are innocent and should be acquitted'. This is the second time that the hearing of appeal of the convicts has been postponed. Ansar Burney Trust, run by Pakistan's former Federal Minister for human rights Ansar Burney, has offered to pay the blood money to the family of the deceased in Pakistan. 'We are waiting for the court's verdict. We will not let the Indians die at any cost and if the court does not provide them any relief then we will pay the blood money to save them...' remarked Burney.

Source: The Times of India, New Delhi

For full report: <http://timesofindia.indiatimes.com/World/Indians-Abroad/UAE-court-adjourns-hearing-of-17-Indians-on-death-row/articleshow/6055195.cms>

11. India seeks UAE help to probe alleged scam

Dubai, Monday, 28 June 2010

India has sought the support of UAE authorities to investigate the alleged Rs 20 billion corruption and money laundering scam involving Madhu Koda, a former chief minister of the state of Jharkand. Consul General of India in Dubai Sanjay Verma confirmed that judicial

assistance was followed by letters of rogatory issued from a special court in India. A petition was issued by the Enforcement Directorate of India on Wednesday [23 June] which claimed that Koda and his associates had invested over Rs.2 billion in Dubai's real estate projects through illegal money transfers. Special Public Prosecutor S.R. Das was quoted as saying 'The LR [Letter rogatory] has been issued seeking information and other forms of help from authorities in Dubai,' According to reports, a Koda associate from Pune had admitted that Koda and his aides invested Rs. 2.25 billion in two projects in Dubai illegally through corrupt practices.

Source: Khaleej Times, Dubai

For full report:

http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/theuae/2010/June/theuae_June713.xml§ion=theuae

Energy Issues

Iran

12. India, Iran discuss underwater gas line bypassing Pak

Delhi, Tuesday, 8 June 2010

As India's participation in IPI pipeline remains bogged down over by concerns over security and pricing, official sources said New Delhi has already discussed building an underwater pipeline under with Tehran. This would not only help India circumvent Pakistan but also allow the government to engage with Iran in a fruitful manner. The head of the supervisory board of South Asia Gas Enterprise Private Ltd (SAGE), T H P Pao, had said that in the past the construction of a deep sea pipeline of about 700 miles was considered financially unviable because of the high costs involved.

Source: The Times of India, New Delhi

For full report: <http://timesofindia.indiatimes.com/India/India-Iran-discuss-underwater-gas-line-bypassing-Pak/articleshow/6021888.cms>

13. India out of the 'peace pipeline' as Iran, Pakistan seal gas deal

Tehran/New Delhi, Monday, 14 June 2010

Iran has formally signed the cross-border pipeline deal to supply natural gas daily to Pakistan from mid 2014 and this ignores India that was a part of the original plan conceived in the 1990s. The pipeline would connect Iran's South Pars gas fields with Pakistan's Baluchistan province in the southwest and Sindh in the south. In the mid-1990s, Tehran and New Delhi had inked preliminary pacts to transport gas to India through Pakistan. The proposal was then called 'peace pipeline' to showcase the good neighbourly relations between India and Pakistan. However India remained concerned about three aspects namely, pricing of gas, Islamabad's reluctance to

guarantee the safety of the pipeline in its territory and the high transit fee demanded by Pakistan. India, so far, has not said formally that it had withdrawn from the project. But Iran's state-run agency has been reporting that New Delhi had, indeed, withdrawn from the project last year and that Iran remained warm to welcoming India should it wish to join the project later.

Source: The Times of India, New Delhi

For full report: <http://timesofindia.indiatimes.com/India/India-out-of-peace-pipeline-as-Iran-Pakistan-seal-gas-deal/articleshow/6046410.cms>

Kuwait

14. Crude storage facility for Kuwait on agenda

New Delhi, Friday, 18 June 2010

India's offer of a storage facility for Kuwait's crude oil in return for assured long-term supplies was on the agenda during Kuwait's oil minister Sheikh Ahmad Abdullah al Sabah's visit to New Delhi. The proposal, if accepted by Kuwait, would help India strengthen its emergency oil reserves, reduce its vulnerability to supply disruptions and could emerge as a regional hub in crude oil trade. For Kuwait, it ensures an assured market and a new hub for venturing into other East Asian countries. Oil ministry officials said that India had made similar offers to other Gulf nations such as Oman, Iraq, Iran and Saudi Arabia. India depends on imports to meet its oil needs. The storage terminals would be buffers for the economy, given the volatility in crude prices. At present, three storage facilities are being built in Mangalore, Visakhapatnam and Padur in Kerala.

Source: The Telegraph, Kolkata

For full report: http://www.telegraphindia.com/1100618/jsp/business/story_12578716.jsp

15. LNG only option for Indian gas supply - GAIL

Reuters, Thursday, 24 June 2010

According to state-run GAIL chief, B.C. Tripathi, India would have to import about 36 billion cubic metres (bcm) of gas, mostly liquid natural gas, to meet an expected doubling of demand by 2015. However, plans to import gas from Iran via a pipeline through Pakistan are unlikely to become a reality to fill the supply gap. He also stated that although Indian gas production is set to grow substantially over the next few years, the demand for power generation would outpace the growth. This gap could be supplemented by LNG which is the only viable option. India, which imports over two-thirds of the oil it consumes, is actively encouraging the use of natural gas to reduce dependence on costly imports of crude oil. The GAIL chief added that imports of LNG, to supplement supplies coming into existing Indian terminals would resume from October.

Its third LNG import terminal at Dabhol on the west coast of India would be opened by the end of the year and followed by the Kochi terminal in 2012.

Source: Reuters

For full report: <http://in.reuters.com/article/idINIndia-49609520100624>

Economic Issues

Iran

16. Iran's first overseas FTZ office to open in India

Tehran, Tuesday, 1 June 2010

The secretary of Iranian Free Trade Zones Coordination Council said that Tehran would open its first FTZ office in Mumbai. The news agency quoted Hamid Baqaei as saying that the council has decided to establish FTZ agencies throughout the world to attract foreign investments.

Source: Tehran Times, Tehran

For full report: http://www.tehrantimes.com/index_View.asp?code=220570

Iraq

17. Iraq wants direct flights to India

New Delhi, Tuesday, 15 June 2010

Two decades after Indian carriers stopped flights to Iraq following the Kuwait War of 1990-91 Iraq wants the resumption of direct flights with India. Officials from the Iraqi embassy approached the Ministries of External Affairs and Civil Aviation and emphasized the need for direct connectivity following the large number of visitors between the two nations. The aviation ministry would look into the existing bilateral agreements to see if there are adequate flying rights or fresh ones need to be signed. With Karbala in Iraq being one of the most important pilgrim places for Muslims, there is enormous traffic potential on the India-Iraq route, which is currently being tapped by various Gulf carriers.

Source: The Times of India, New Delhi

For full report: <http://timesofindia.indiatimes.com/india/Iraq-wants-direct-flights-to-India/articleshow/6048581.cms>

Oman

18. Indo-Oman fund MOU in July

New Delhi, Saturday, 19 June 2010

The much-awaited India-Oman Joint Investment Fund would be signed in early July during the visit of minister of national economy Ahmed bin Abdul-Nabi Macki. Under this agreement, both the countries can use the funds to further develop infrastructure, tourism, education, etc. Once the fund is in place, it will encourage more direct investments from both sides in various sectors. Initially it would have a corpus of \$100 million which could go up to \$1.5 billion and bolster further cooperation. 'The India-Oman Joint Investment Fund is very special because the fund is the first of its kind that India has set up with any country in the world, which reflects the importance that India attaches to its relationship with Oman,' said Anil Wadhwa, India's ambassador to the Sultanate of Oman. The MoU was announced in November 2008 by State bank of India and Oman's General Reserve Fund.

Source: The Financial Express, New Delhi

For full report: <http://www.financialexpress.com/news/Indo-Oman-fund-MoU-in-July/635732/>

Saudi Arabia

19. Saudi jewellery exports from India 50 times more via Dubai

Jeddah, Sunday, 20 June 2010

Indian exports of gems and jewellery to Saudi Arabia amount to \$6 million. However, this does not reflect the real figure, according to Haresh Zaveri, convener of India International Jewellery Show. Zaveri said that Saudi Arabia buys almost 50 times more gems and jewellery products produced in India from Dubai because of convenience and proximity. He was quoted as saying 'Out of total worldwide exports of \$28.41 billion in 2009-2010, the UAE accounts for 43 per cent. It has replaced the United States as number one. We are making efforts for direct exports to the Kingdom,'

Source: Khaleej Times, Dubai

For full report:

http://www.khaleejtimes.com/DisplayArticle.asp?xfile=data/business/2010/June/business_June342.xml§ion=business&col=

20. Saudi group to invest Rs 3 billion in Maytas Infra

Hyderabad, Monday, 21 June 2010

The Saudi Binladin Group (SBG), a construction conglomerate which decided to take up 20 per cent stake in Maytas Infra Limited, would invest three billion rupees as part of the deal. The SBG executed a shareholders' agreement on Saturday [19 June] which was signed in the presence of Indian Ambassador to Saudi Arabia Talmiz Ahmad and Saudi Arabian Ambassador to India Faisal H. Trad and the investment would be through preferential allotment. Induction of SBG into Maytas Infra highlighted the closer working relationship between India and Saudi Arabia in the area of construction and infrastructure.

Source: The Hindu, Chennai

For full report: <http://beta.thehindu.com/news/states/andhra-pradesh/article476125.ece>

Syria

21. India, Syria to enhance cooperation

New Delhi, Friday, 11 June 2010

India and Syria in seeking to further strengthen bilateral relations, agreed to enhance cooperation in information technology, oil and natural gas, pharmaceuticals, automobiles and agriculture to boost trade which is currently at about \$420 million. According to an official statement issued in New Delhi, 'India and Syria have agreed to make concerted efforts to raise the bilateral trade to a level commensurate with the potential of the two countries, 'Commerce and Industry Minister, Anand Sharma during his visit to Damascus, held bilateral talks with his counterpart, and Syrian Minister for Economy and Trade, Lamia Marai Aasi.'

Source: The Hindu, Chennai

For full report: <http://beta.thehindu.com/business/Economy/article453162.ece>

22. Syria bans import of 'substandard' Indian meat

Damascus, Friday, 11 June 2010

Syria has said it banned import of meat from India as its quality was not up to the global standards. 'The meat imported from India was not good, quality-wise. So, we have stopped it temporarily just to find out and coordinate with our friends in India to review all the measures,' Syrian Economy and Trade Minister Lamia Mari Aasi said here yesterday. India's exports of bovine and frozen meat to Syria during 2008-09 were estimated at US\$ 4.28 million.

Source: The Times of India, New Delhi

For full report:

<http://timesofindia.indiatimes.com/business/india-business/Syria-bans-import-of-substandard-Indian-meat/articleshow/6037074.cms>

UAE

23. Andhra Bank, UAE Exchange Centre tie-up for speedy remittance

Mumbai, Monday, 7 June 2010

Public sector lender *Andhra Bank* has tied up with UAE Exchange Centre of Kuwait to provide speedy remittance services for its customers. Availing this service, non-resident Indians (NRIs) can remit money from any UAE Exchange Centre in Kuwait to account holders of Andhra Bank. The scheme was launched during a meeting of High Networth Individuals organized by the Andhra Bank in Kuwait. A similar arrangement has been made with the UAE Exchange Centre of Abu Dhabi through which remittances worth Rs 170 million per month are being sent.

Source: The Economic Times, New Delhi

For full report:

<http://economictimes.indiatimes.com/news/news-by-industry/banking/finance/banking/Andhra-Bank-UAE-Exchange-Centre-tie-up-for-speedy-remittance/articleshow/6020825.cms>

24. India-UAE trade may jump to \$96 bn in 5 years

Dubai, Wednesday, 9 June 2010

India expects to further bolster its bilateral trade with UAE to \$ 96 billion over the next five years after having replaced China as the emirate's largest trade partner in 2008-09. At the inauguration ceremony of The India Show in Dubai, Federation of Indian Export Organizations (FIEO) President A. Sakthivel stated that India became UAE's largest trading partner in 2009 with exports reaching \$24 billion and expects it to double in the next five years. He added that the non-oil trade between the two countries stood at \$50 billion during the last fiscal. Over 250 businessmen participated in the trade festival, which aimed to not only showcase India's prowess in manufacturing and services but also position itself as an attractive investment destination. As UAE's largest trading partner, India accounts for almost 15 percent of country's total commodity exchange. The main items of export from India include mineral fuel, gems and jewellery, cotton yarn, marine products and meat.

Source: The Economic Times, New Delhi

For full report: <http://economictimes.indiatimes.com/news/economy/foreign-trade/India-UAE-trade-may-jump-to-96-bn-in-5-years/articleshow/6026374.cms>

25. India to raise Gulf trade to \$120 bn this fiscal

Dubai, Thursday, 10 June 2010

India is hopeful of increasing its bilateral trade with the Gulf countries to \$120 billion in the current financial year. It is also looking at Middle East and North African countries to 'deepen and diversify' trade. Addressing the media at the India Business Summit in Dubai, Minister of Trade and Commerce Anand Sharma was quoted as saying, 'We are also looking at exploring more opportunities in financial, automobile and education sectors to do well in the region [The Gulf region]. We would like to see the expansion of our pharmaceutical and automobile industry through joint ventures for establishing their manufacturing bases to serve the region.' In terms of bilateral trade, the UAE has already invested over US\$45 billion in India and a number of Indian companies such as Tata, Wipro, L&T have established their units in the UAE. The two countries would be exploring opportunities in tourism and education sectors as well.

Source: The Indian Express, New Delhi

For full report: <http://www.indianexpress.com/news/India-to-raise-Gulf-trade-to--120-bn-this-fiscal--Sharma/631763>

26. India remains Dubai's largest trade partner

Dubai, Sunday, 20 June 2010

India was Dubai's largest trade partner in the first four months of this year accounting for over 14 per cent of Dubai's imports. 'India has the biggest share of the imports of 17.1 billion dirhams...' said Ahmed Butti, Director General of Dubai Customs. It is followed by China and the US. According to the Statistics Department of Dubai Customs, the growth has been recorded in all trade activities including exports, imports and re-exports between January and April. The import value increased by nine per cent between January and April 2010 and Dubai's exports accounted for 20.4 billion dirhams. A growth in Dubai's re-exports was also recorded with India on the top of the total share.

Source: The Economic Times, New Delhi

For full report: <http://economictimes.indiatimes.com/news/economy/foreign-trade/India-remains-Dubais-largest-trade-partner/articleshow/6072376.cms>

27. Canara Bank opens office in Sharjah

Bangalore, Thursday, 24 June 2010

A Representative Office of Canara Bank was inaugurated in Sharjah, UAE on Sunday [20 June]. The bank also manages two exchange companies in Dubai and Qatar. The representative office in Sharjah would coordinate with branches in India to facilitate remittance and investment activities in India. The Bank has Rupee Drawing Arrangement with 21 exchange companies and

16 banks in the Middle East for channelizing remittances to India. It would also facilitate extending various types of retail loan facilities to NRIs in the UAE.

Source: The Hindu Business Line, Chennai

For full report:

<http://www.thehindubusinessline.com/2010/06/24/stories/2010062453090600.htm>

28. Indian companies urged to invest in UAE

Dubai, Sunday, 27 June 2010

The United Arab Emirates (UAE) has asked Indian companies to invest in the Gulf region, while lauding the Indian community for being a major contributor to the comprehensive development of the UAE. The UAE Minister of Economy Sultan Al Mansouri met India's ambassador, M.K. Lokesh and discussed investment opportunities for Indian companies. He called on Indian companies to seize opportunities in the UAE in infrastructure and clean energy sectors. At present, there are over 105 Indian companies investing in the UAE. Mansouri was quoted as saying 'The UAE leadership is always keen to secure a safe, attractive environment for the Indian community, allowing it to realize its ambitions.'

Source: The Economic Times, New Delhi

For full report: <http://economictimes.indiatimes.com/news/economy/foreign-trade/Indian-companies-urged-to-invest-in-UAE/articleshow/6099221.cms>

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