Syllabus subtopic: Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.

Prelims and Mains focus: about the Qatar diplomatic crisis and the countries involved; related geographical locations; impact on India’s interest

News: Qatar’s Foreign Minister has voiced optimism over ending a bitter rift with Riyadh, saying early talks broke a “stalemate” but stressed Doha’s unwillingness to downgrade ties with Turkey as a precondition.

Background

Saudi Arabia along with its allies the UAE, Bahrain and Egypt cut all diplomatic and transport ties with Qatar in June 2017.

Why?

The four nations accused Doha of backing radical Islamists, including the Muslim Brotherhood, and seeking closer ties with Saudi arch rival Tehran — allegations Qatar vehemently denies.

Stipulations made by Saudi Arabia

The Saudiled bloc made 13 key demands, including shutting down broadcaster Al Jazeera, downgrading ties with Iran and closing a Turkish military base on its territory, to resolve the dispute. But the UAE has sought to downplay the reconciliation effort.

How does the Qatar crisis impact India?

• Energy crisis: Half of India’s energy import needs from the Persian Gulf and Qatar, small in size, are the world's top seller of liquefied natural gas (LNG). Qatar's dispute with Arab states will most likely put LNG market on the burner.
Lobby for sides: Given the risky and volatile conditions of the region, India may be drawn into this ideological war which may disturb the balanced relationship and take part in the “Shia-Sunni”, “Arab-Persian” or “Wahabi-Salafi” divide.

Livelihood crisis: With Qatar hosting 2022 FIFA World Cup and many Indian workers are working there in terms of the project related to the World Cup, it threatens the livelihood of around 60000 Indians working there. Indian company L&T have won contracts to construct stadium there.

Safety and Security concerns: Apart from that around six million Indians live and work in West Asia and in Qatar in particular, there are 6,00,000 Indian workers. Remittances of this large expatriate community are most likely to be affected too.

Rise in air fares: Flying restriction on Qatar will lead to sharp rise of airfares from Doha to India as more Indians are expected to return back home.

Tensions may reach backyard: Since Maldives is involved, there might not be an immediate effect, but if the rift continues and intensifies, there may be negative repercussions for India where Qatar crisis or rather Gulf crisis may reach our backyard.

Regional Instability: Energy imports might not get affected until Gulf countries follow through with sanctions but in case of countries like Yemen and Libya, any tensions in these regions will have a consequential impact on thousands of Indian workers.