



India's Strategic Collaboration with Gulf

This editorial is based on "[India, Kuwait poised to transform relationship into strategic partnership](#)" which was published in The Hindu on 22/12/2024. The article brings into picture the elevated strategic partnership between India and Kuwait, expanding beyond energy trade to include defense, technology, and infrastructure. This shift highlights India's growing influence in the Gulf, crucial for regional stability.

For Prelims: [Gulf region](#), India and Kuwait, [Strait of Hormuz](#), [US and Iran](#), [Yemeni Civil War](#), [Organization of the Petroleum Exporting Countries](#), [India's crude oil demand](#), [European Union](#), [Vande Bharat Mission](#), [India-France-UAE air combat exercises \(Desert Knight\)](#), [I2U2 \(India-Israel-UAE-USA\)](#), [Hamas-Israel war](#), [UN resolution for ceasefire in Gaza](#), [Palestine issue](#), [China's Belt and Road Initiative](#).

For Mains: Significance of the Gulf Region for India, Key Areas of Friction Between India and the Gulf.

India and Kuwait have elevated their centuries-old ties to a **comprehensive strategic partnership**, marking the **first visit by an Indian Prime Minister to Kuwait in over four decades**. The partnership transcends traditional energy trade dynamics, with **Kuwait holding 6.5% of global oil reserves** and **servicing as India's 6th-largest crude supplier**, to encompass defense cooperation, technology transfer, and infrastructure development. This strategic upgrade reflects the **broader geopolitical shifts in the Gulf region**, where India's growing economic and diplomatic influence has become increasingly crucial for regional stability and prosperity.

What is the Gulf Region?

- **About:** The **Gulf Region**, also known as the **Persian Gulf Region** or **Arabian Gulf Region**, refers to the area surrounding the **Persian Gulf**, which is a marginal sea of the Indian Ocean located between the **Arabian Peninsula and southwestern Iran**.
- **Key Features of the Gulf Region:**
 - **Geography:** Comprises countries that border the Persian Gulf: **Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE)**. [//](#)



- **Strategic Significance:** The **Persian Gulf** is connected to the **Gulf of Oman and the Arabian Sea via the [Strait of Hormuz](#)**, a crucial maritime choke point for global oil transportation
 - The Gulf is a **hotspot for geopolitical tensions**, including disputes between the **[US and Iran](#)**, the **Saudi-Iran rivalry**, and the **[Yemeni Civil War](#)**.
- **Economic Diversification Efforts:** Countries like **Saudi Arabia and UAE are pursuing economic diversification plans** (e.g., **Saudi Arabia's Vision 2030**) to reduce dependence on oil through investments in technology, tourism, and renewable energy.
- **Global Influence:** Gulf countries are influential players in international organizations like **[Organization of the Petroleum Exporting Countries \(OPEC\)](#)**, **G20**, and the **UN**.
 - They host a significant expatriate workforce, particularly from South Asia, and serve as key trading and financial hubs (e.g., **Dubai, Abu Dhabi, Doha**).

What is the Significance of the Gulf Region for India?

- **Energy Security:** The Gulf region is pivotal for India's energy security, fulfilling **55.3% of [India's crude oil demand](#) in 2022-23** and recovering from a dip caused by increased **Russian imports post-Ukraine war**.
 - Recent agreements, like the **\$78 billion deal with Qatar** to import **7.5 million tonnes of LNG annually till 2048**, underline India's reliance on Gulf resources to sustain economic growth and energy transition.
- **Trade and Economic Ties:** The Gulf is India's largest regional trading partner, contributing **15.8% of total trade in FY 2022-23**, surpassing trade with the **[European Union](#)**.
 - The UAE is India's **3rd largest trading partner**, and Saudi Arabia ranks **4th** targeting **India's infrastructure and manufacturing sectors**.
 - These engagements have resulted in trust-building, exemplified by joint infrastructure projects like the **\$44 billion Ratnagiri Refinery** and active dialogue **on regional stability**.
- **Diaspora and Remittances:** Approximately **8.8 million Indians** live in the Gulf, contributing significantly to regional economies and remitting around **\$60 billion annually** to India.
 - This expatriate population forms a critical bridge in India-Gulf relations, especially during crises like the **Covid-19 pandemic**, when India facilitated repatriation under the **[Vande Bharat Mission](#)**.
- **Strategic and Defence Cooperation:** Defence ties are deepening, with bilateral exercises like **[Desert Flag \(UAE\)](#)** and trilateral engagements like **[India-France-UAE air combat exercises \(Desert Knight\)](#)**.
 - The Gulf's proximity to key maritime chokepoints ensures its importance in India's "**mission-based naval deployments**" for securing the **Gulf of Aden and the Arabian Sea**.
- **Emerging Geo-Economic Frameworks:** India is actively participating in initiatives like **[I2U2 \(India-Israel-UAE-USA\)](#)** and **[IMEC \(India-Middle East-Europe Corridor\)](#)** to enhance connectivity and diversify trade routes.
 - Despite challenges from the **[Hamas-Israel war](#)**, these frameworks **symbolize India's growing geo-economic influence in the region**.
- **Non-Oil Trade and Technology:** India and the Gulf are diversifying trade, with sectors like **technology, pharmaceuticals, and renewable energy** emerging as focal points.
 - Examples include the rising exports of **'Made in India' automobiles** and the UAE's **\$15.3 billion FDI**, making it the **7th largest source** of investments in India.
 - Also, recently the **2024 IPL auction was held in Jeddah, Saudi Arabia**, marking the first time a cricketing event of this scale was hosted in the country.

What are the Key Areas of Friction Between India and the Gulf?

- **Geopolitical Alignments and Diverging Interests:** India's growing ties with Israel, including participation in **I2U2 (India-Israel-UAE-USA)** and defence collaborations, sometimes create

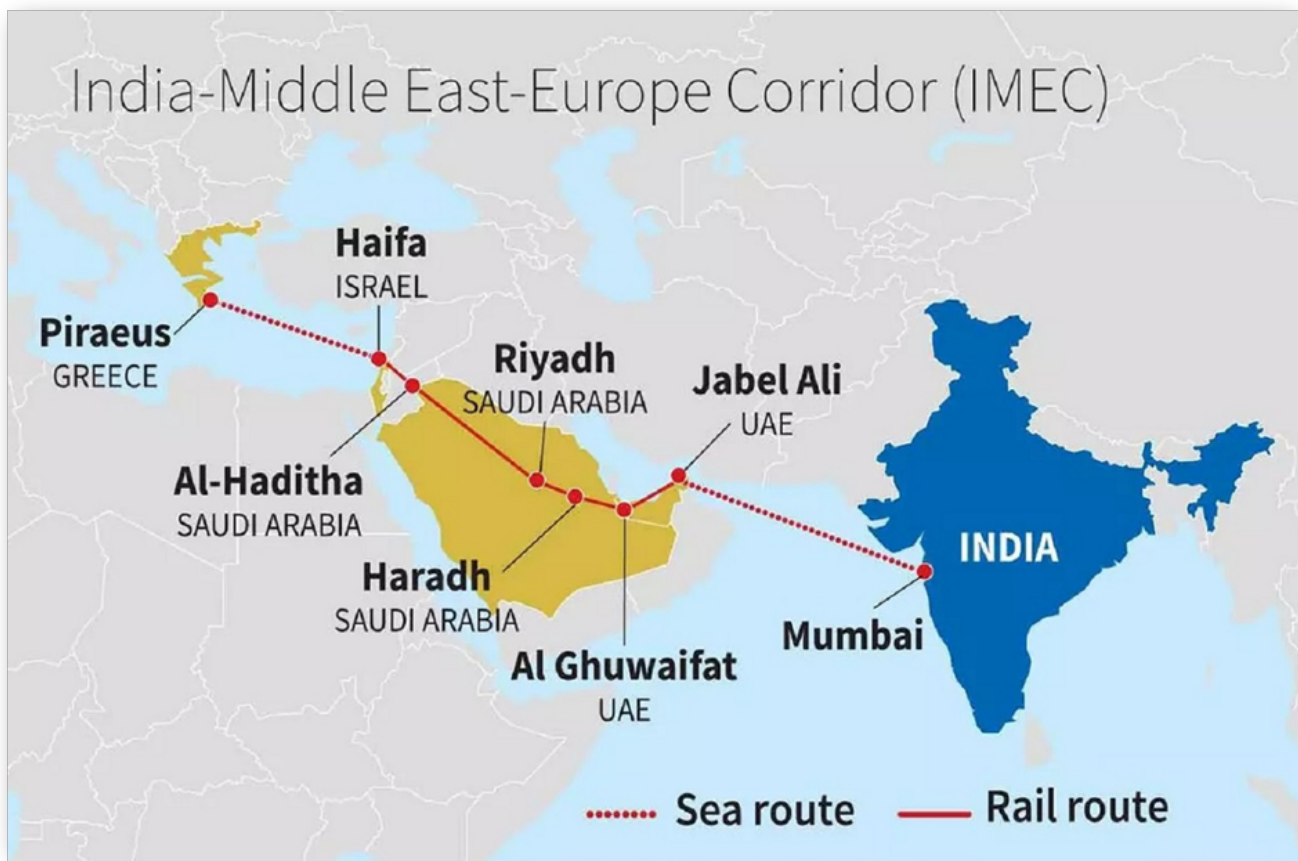
discomfort among Gulf nations sensitive to the [Palestine issue](#).

- While India has supported a **two-state solution**, the **Gulf's criticism of Israel's actions**, especially during the **2023 Hamas-Israel war**, contrasts with India's more neutral stance, risking strategic tensions.
- For example, **India abstained on a [UN resolution for ceasefire in Gaza](#)**, a decision that drew mixed reactions from Gulf partners.
- **Energy Supply Vulnerabilities:** India's diversification of oil imports post-Ukraine war, with **Russia fulfilling 55% of India's crude imports in 2024**, has reduced Gulf's share.
 - While Middle Eastern oil imports have rebounded in mid-2023, Gulf suppliers face competition, straining their **traditional dominance over India's energy market**.
 - India's focus on renewable energy and **[green hydrogen](#) partnerships with nations like Japan and Australia** could further diminish the Gulf's role in India's energy landscape.
- **Trade and FTA Negotiations Stalemate:** Despite announcements to revive negotiations for a **[Free Trade Agreement \(FTA\)](#)** with the **[Gulf Cooperation Council \(GCC\)](#)** in **2022**, progress has been slow due to disagreements over tariff reductions and non-oil trade diversification.
 - Trade with the GCC constitutes **15.8% of India's total trade**, but sectors like **pharmaceuticals** face barriers, including **pricing policies and market access restrictions**.
- **Maritime Security and Strategic Gaps:** While India plays a key role in **maritime security** in the Arabian Sea, gaps remain in coordinated anti-piracy operations and regional naval partnerships, partly due to Gulf nations' reliance on **US-led security frameworks**.
 - The Indian Navy's deployment of **12 ships in 2024** in response to **[Red Sea](#) and [Gulf of Aden](#) tensions** underscores India's commitment but also highlights its limited direct influence on regional security policies.





- Initiatives like **bilateral naval exercises with UAE and Oman** are steps forward but fall short of fully integrated **Gulf-India maritime security collaboration**.
- **Diaspora-Related Visa and Employment Policies:** Gulf countries are increasingly prioritizing nationalization policies like **Saudi Arabia's Vision 2030** and **UAE's Emiratization**, which aim to reduce dependence on foreign workers, including Indians.
 - This shift threatens the livelihoods of **8.8 million Indian expatriates**, whose remittances account for **\$60 billion annually** and contribute significantly to India's economy.
 - For example, **Saudi Arabia's Nitaqat policy** has led to tighter visa rules, forcing some Indian workers to return home or adapt to lower-paying jobs.
 - Also, instances of wage delays and unsafe working conditions, especially during the **2022 FIFA World Cup in Qatar**, have sparked domestic and global scrutiny.
- **Economic Corridor and Connectivity Rivalries:** While India is a key player in the **India-Middle East-Europe Economic Corridor (IMEC)**, the Gulf's focus on **China's Belt and Road Initiative (BRI)** creates competing visions for regional connectivity.
 - For example, Saudi Arabia's **\$50 billion deal with China in 2024** underlines its strategic pivot, contrasting with **India's preference for diversifying away from Beijing-led frameworks**.
 - These competing alignments **risk diluting joint initiatives like IMEC** and delaying implementation amid geopolitical complexities.



- **Border Security and Illegal Trade:** The Gulf's proximity to conflict zones like Yemen has resulted in challenges like **illegal arms and drug trafficking spilling** over into India's maritime borders.
 - Despite India's efforts in monitoring **maritime chokepoints**, incidents such as 2022, a Pakistani boat carrying 10 crew members, along with arms, ammunition, and **40 kg of narcotics valued at ₹300 crore**, was intercepted off the Gujarat coast, highlighting gaps in coordinated security efforts with Gulf partners.
 - The lack of a structured **GCC-India anti-trafficking framework** further exacerbates vulnerabilities in this area.
- **Food Security and Agricultural Policies:** Gulf nations rely heavily on food imports, but India's frequent bans on **wheat and rice exports**, as seen during **2022 and 2023 inflationary pressures**, strain the relationship.
 - For instance, India's **ban on non-basmati rice exports in 2023** caused **disruptions in Gulf markets**, which are dependent on Indian staples for their food supply chains.
 - The lack of a long-term, stable food trade agreement creates uncertainties, impacting both Gulf consumers and Indian farmers.
- **Cybersecurity and Digital Governance:** Gulf nations, especially the UAE, have advanced significantly in **cybersecurity frameworks**, often adopting **Western standards** or collaborating with **China's digital initiatives**, which may conflict with India's indigenous approaches.
 - India's push for **data localization laws** and stricter control of digital ecosystems **clashes with Gulf countries' reliance on open systems** to facilitate global business.
 - For example, India's exclusion from **China's Digital Silk Road including Gulf States like UAE** highlights emerging gaps in digital cooperation.

What Measures can India Adopt to Enhance its Relations with Gulf Countries?

- **Deepening Energy Cooperation Beyond Oil:** Shift focus **from a buyer-seller relationship to a co-development model in energy**, such as joint ventures in green hydrogen, solar, and wind

energy projects.

- Encourage **Gulf Sovereign Wealth Funds (SWFs) like the UAE's Mubadala and Saudi's PIF** to invest in India's renewable energy infrastructure under initiatives like the **National Green Hydrogen Mission**.
 - For instance, India can co-develop **green hydrogen facilities** with **Gulf nations**, leveraging their financial capital and India's technological edge in solar energy.
- **Strengthening Economic Partnerships via FTAs:** Fast-track the negotiation of a Free Trade Agreement (FTA) with the Gulf Cooperation Council (GCC) to unlock trade potential in sectors like **pharmaceuticals, food processing, and technology**.
 - Develop long-term frameworks for **staple food trade stability**, ensuring uninterrupted supply chains for Gulf nations dependent on **Indian exports like rice and wheat**.
 - India could also use its **Comprehensive Economic Partnership Agreement (CEPA) with the UAE as a template** to expand trade ties with other Gulf states.
- **Co-Developing Maritime and Logistics Infrastructure:** Collaborate with Gulf countries on building resilient and efficient maritime corridors, leveraging initiatives like the **India-Middle East-Europe Economic Corridor (IMEC)**.
 - Set up joint logistics hubs in key Gulf ports (**e.g., Dubai, Jeddah**) to streamline supply chains and enhance connectivity to Africa and Europe.
 - For instance, **co-developing smart ports using Indian IT expertise** and Gulf capital can strengthen economic and strategic interdependence.
- **Enhancing Defence and Security Cooperation:** Collaborate on maritime security by establishing joint naval task forces to protect vital chokepoints like the **Strait of Hormuz and combat piracy in the Gulf of Aden**.
 - Develop **cybersecurity pacts to jointly counter cyber threats**, leveraging India's IT capabilities and Gulf nations' investments in digital infrastructure.
- **Leveraging Diaspora Diplomacy:** Establish a **Gulf-India Expatriate Council** to address issues like **employment, remittances, and labor rights collaboratively**.
 - Promote bilateral agreements for skilled worker mobility, focusing on sectors like healthcare and technology where Gulf nations face shortages.
 - For example, **expand the scope of India's eMigrate system to include Gulf labor market forecasts**, enabling a smoother flow of skilled Indian workers.
- **Expanding Cooperation in Healthcare and Pharmaceuticals:** Co-develop pharma hubs in Gulf countries, enabling **faster access to Indian generic medicines** and vaccines through joint production facilities.
 - Streamline regulatory approvals for Indian pharmaceutical exports, creating **fast-track pathways under a Gulf-wide healthcare agreement**.
 - For example, **India could set up vaccine manufacturing units in the Gulf** to cater to West Asian and African markets.
- **Enhancing Food and Water Security Ties:** Partner on agri-tech solutions, such as **using Indian expertise in crop diversification and Gulf funding to enhance food production** and supply chains.
 - Co-develop **desalination and water conservation technologies**, addressing shared challenges of water scarcity.
 - India could collaborate with the UAE's Water Alliance to expand these efforts into regions like the **Arabian Peninsula**.
- **Aligning on Climate Goals and Sustainability:** Develop a **Gulf-India Sustainability Forum** to co-invest in **carbon capture, solar desalination, and renewable energy technologies**.
 - Jointly promote initiatives in clean energy research, particularly in hydrogen and biofuels, aligning with India's energy transition and Gulf nations' diversification strategies.
 - For example, **India could partner with Saudi Arabia in its Green Initiative to expand tree plantation** and desert greening technologies.
- **Strengthening Multilateral Engagement:** Build stronger coordination with Gulf nations in global forums like the **G20, UN, and International Energy Agency (IEA)** to advocate shared interests in energy pricing, climate change, and trade.
 - For example, **India's 2023 G20 Presidency** and partnerships with Saudi Arabia and UAE on global energy governance showcased the potential for deeper multilateral ties.
- **Cultural and Educational Diplomacy** Establish Indian cultural centers like **BAPS Hindu Mandir**

Abu Dhabi in major Gulf cities to deepen people-to-people ties through festivals, language training, and tourism promotion.

- Enhance collaboration in education by opening Indian university branches in Gulf nations, catering to both Indian diaspora and Gulf citizens.
- For instance, **co-developing STEM-focused education programs** could address skill shortages in Gulf economies while enhancing India's soft power.

Conclusion:

The strategic elevation of India-Kuwait relations signifies a transformative phase in **India-Gulf Relations**, leveraging centuries-old ties to address contemporary challenges and opportunities. By focusing on **energy, trade, defense, and technology**, India and the Gulf can unlock their full potential while addressing **global and regional dynamics**. Strengthening people-to-people ties and embracing shared development goals will ensure long-term sustainability in their partnership.

Drishti Mains Question:

Discuss the significance of the Gulf region for India and suggest strategies to strengthen this partnership amidst regional challenges

UPSC Civil Services Examination, Previous Year Question

Q. Which of the following is not a member of 'Gulf Cooperation Council'? (2016)

- (a) Iran
- (c) Oman
- (b) Saudi Arabia
- (d) Kuwait

Ans: (a)

Mains:

Q. The question of India's Energy Security constitutes the most important part of India's economic progress. Analyse India's energy policy cooperation with West Asian countries. (2017)