



Delhi Policy Group

Advancing India's Rise as a Leading Power

DPG POLICY BRIEF

Emerging Alignments in the Middle East and India

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Volume VII, Issue 33

July 28, 2022



Delhi Policy Group

Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003

www.delhipolicygroup.org



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President Biden attends the "Jeddah Security and Development Summit" with the leaders of the GCC, Egypt, Iraq, and Jordan, July 16, 2022. Source: Twitter/@POTUS

Indian Prime Minister Narendra Modi, UAE's President Sheikh Mohamed bin Zayed, Israeli Prime Minister Yair Lapid, and US President Joe Biden attend the first I2U2 Summit, July 14, 2022. Source: Twitter/@MEAIndia

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Introduction

President Joe Biden's visit to the Middle East from July 13-16 came at a critical juncture when the regional situation has become increasingly complex. Protracted civil wars in Syria and Yemen, the Iranian nuclear imbroglio, the emergence of non-state actors, proxy wars, and external interventions have undermined the semblance of regional order. The continuing instability has significant repercussions for national identities and borders, regional alignments and balance of power. Countries across the region are facing multiple problems, where some are struggling to preserve their sovereignty and territorial integrity, while others are exploring new options in times of international and regional turmoil.

Perhaps the most drastic change has been the United States' attitude toward the region, largely defined by President Biden's hands-off approach, apart from re-engaging Iran to try and revive the Joint Comprehensive Plan of Action (JCPOA), better known as the Iran nuclear deal. The US's withdrawal from Afghanistan and the end of its combat mission in Iraq has made governments in the Middle East uncertain about their relations with the US.

Adding to this are the realities of soaring oil prices, the persisting Israel-Palestine conflict, looming tensions between Israel and Iran that are impacting Arab countries, and an uncomfortable relationship between President Biden and Saudi Crown Prince Mohammed bin Salman.

This conjuncture made Biden's Middle East visit necessary.

Uncertain Outlook for JCPOA

The foremost destabilising issue in the region is the unresolved Iranian nuclear question, its growing missile and drone capabilities, and assertions of influence through proxies in Syria, Yemen, Lebanon, and Gaza which pose a challenge to Israel and the Gulf countries, who are largely American allies seeking the US security umbrella.

After the US's unilateral withdrawal from the Iran Nuclear Deal in 2018, the Biden administration's attempts to return to a deal that is acceptable to the US



have faced more headwinds than expected.¹ Even after a year of negotiations between the P5+1 and Iran, the JCPOA seems unsalvageable.² Iran's reported demand for a guarantee that a new US administration would not again unilaterally abandon the JCPOA remains a significant hurdle, as it is improbable that the Biden administration can provide such a guarantee.³ Biden's decision to keep Iran's Islamic Revolutionary Guard Corps (IRGC), a critical arm of Iran's armed forces, on the terrorism blacklist further complicates matters.⁴

Iran has in fact hardened its stand on the JCPOA and is not willing to make concessions. On June 9, Iran removed 27 cameras overlooking various positions inside its nuclear sites in response to the IAEA resolution on June 8 drafted by the US, France, Britain, and Germany criticising Tehran for its failure to explain the uranium traces found in the undeclared sites.⁵ It has switched to using advanced centrifuges for uranium enrichment of up to 20 percent.⁶ As part of the JCPOA, Iran had agreed to limit its uranium enrichment to 3.67 percent, significantly below the enrichment required to build a nuclear bomb.⁷ Uranium enrichment up to 90 percent is considered weapons grade.⁸ Reality is that the US's unilateral pull-out and maximum pressure campaign did not end Iran's nuclear program or its regional ambitions. Rather, it made Iran more aggressive, raising concerns among the Gulf countries. In the absence of a nuclear agreement, the US continues to impose sanctions on networks of Iranian petrochemical producers and their front companies to prevent the sale of Iranian petrochemicals abroad.⁹

During President Biden's visit to Israel, the two countries signed the "Jerusalem Declaration" on Strategic Partnership, wherein they "committed to never allow

¹ EXCLUSIVE Chances for Iran nuclear deal worse after Doha talks -U.S. official, [Reuters](#), July 1, 2022

² Ibid.

³ Ibid.

⁴ "US willing to kill Iran deal to keep IRGC on 'terror' list: Biden", [AL Jazeera](#), July 13, 2022.

⁵ "Iran removing 27 surveillance cameras at nuclear sites: IAEA", [AL Jazeera](#), June 9, 2022.

⁶ "Iran steps up uranium enrichment using new centrifuges at fortified atomic site", [The National](#), July 10, 2022.

⁷ The historic deal that will prevent Iran from acquiring a nuclear weapon, [Obama White House Archives](#).

⁸ Julian Borger, "Weapons-grade uranium process explained", [The Guardian](#), December 5, 2010.

⁹ "US pressures Iran by targeting Chinese, UAE front companies", [Arab News](#), June 17, 2022.

Iran to develop nuclear weapons and to use all elements of their national power in its prevention".¹⁰



US President Joe Biden and Israeli Prime Minister Yair Lapid sign the Jerusalem US-Israel Strategic Partnership Declaration, July 14, 2022.

Source: Twitter/@yairlapid

Notwithstanding the 'Declaration', the reality is that in the aftermath of interventions in Afghanistan and Iraq, the US wants to avoid direct involvement in any new combat mission in the Middle East.¹¹ Even as Israel insists on putting a "credible military threat" in deterring Iran on the table, the use of force remains a "last resort option" for the Biden administration.¹² As a compromise, the US is pushing for a possible air-defence alliance between Israel and the Gulf States.¹³ Reports of a meeting between top military officials from the US, Israel, Saudi Arabia, Qatar, Egypt, the UAE, Bahrain, and Jordan

¹⁰ "The Jerusalem U.S.-Israel Strategic Partnership Joint Declaration", [The White House](#), July 14, 2022.

¹¹ Joe Biden, "Why I'm going to Saudi Arabia", [The Washington Post](#), July 9, 2022.

¹² "US would use force against Iran 'as last resort,' Biden tells Israeli TV", [The Times of Israel](#), July 13, 2022.

¹³ "Remarks by President Biden at the GCC + 3 Summit Meeting", [The White House](#), July 16, 2022.



held at Sharm El-Sheikh in March 2022, exploring ways to coordinate against Iran's growing missile and drone capabilities, underscore the same.¹⁴ In addition to the Iron Dome missile defence system, Israel's "Iron Beam" Laser Interception System will have a major impact on regional security as it significantly brings down the cost of shooting down incoming drones, rockets, and mortars.¹⁵

The uncomfortable reality for the US is that in the event of a failure to revive the JCPOA, US credibility will depend on its ability to deter Iran from achieving nuclear capability and stand by its commitment to prevent that outcome.

Prospects for Regional Cooperation

Even as there is a bipartisan consensus in the US on commitment to the security and qualitative military edge of Israel, the country affected most by the US's waning influence in the Middle East is Israel.¹⁶ As a result, Tel Aviv has been nurturing relationships with other countries like India, China, Russia, the UAE, Bahrain, and Morocco. None of these countries however can take the US's position as a strategic benefactor of Israel. It is for this reason, after the UAE and Bahrain normalised relations with Israel under the 'Abraham Accords' (2020), the US has been pushing Saudi Arabia to do the same.¹⁷ However, given Riyadh's leadership role in the Islamic world and the lack of progress on resolution of the Palestinian issue, normalisation between Saudi Arabia and Israel will be a "long and cautious process".¹⁸ The Saudis opening their airspace to "all air carriers" meeting the country's requirements for overflights marks an overture that could in the future lead to a possible thaw in Saudi Arabia and Israeli ties.¹⁹ The transfer of the strategically important 'Tiran Island' in the Red Sea from Egypt to Saudi Arabia with the understanding of Israel is yet another pointer in that direction.²⁰

To present a united front on countering Iran through regional security architecture, the US, Israel, the UAE, Bahrain, Morocco, and Egypt have formed

¹⁴ Michael R. Gordon and David S. Cloud, "U.S. Held Secret Meeting With Israeli, Arab Military Chiefs to Counter Iran Air Threat", [The Wall Street Journal](#), June 26, 2022.

¹⁵ Naftali Bennett, [Twitter Post](#), April 14, 2022.

¹⁶ "The Jerusalem U.S. - Israel Strategic Partnership Joint Declaration", [The White House](#), July 14, 2022.

¹⁷ "White House: Biden wants to deepen Israel's integration in region", [Reuters](#), July 12, 2022.

¹⁸ "Israel's FM says normalization with Saudi Arabia long, cautious process", [AL Arabiya](#), May 30, 2022.

¹⁹ "Saudi Arabia to open airspace to all airlines, including from Israel", [Reuters](#), July 15, 2022.

²⁰ "Why does Saudi Arabia want Red Sea islands of Tiran and Sanafir?", [AL Jazeera](#), July 16, 2022.

the "Negev Forum".²¹ Even as some regional leaders have floated the idea of a "Middle East NATO", such a military alliance is not likely to fructify anytime soon.²² However, the US-led push for an air-defence alliance between Israel and the Gulf States remains a possibility.²³

Shortly after President Biden's visit to the region, Russian President Vladimir Putin visited Tehran, continuing efforts to forge close bilateral ties.²⁴ Constrained by crippling Western sanctions, Iran and Russia plan to deepen energy cooperation, strengthen their partnership for de-dollarisation of trade and financial transactions, and continue cooperation in Syria where both countries have backed President Bashar al-Assad's regime.²⁵ Further, Iran is seeking membership of BRICS²⁶, taking advantage of post-Ukrainian developments, resulting in deteriorating Russia-China relations with the West. Close cooperation also helps Iran to boost its trade and defence cooperation with Moscow and Beijing, which could potentially be leveraged against any unilateral Western actions against Iran. Since 2019, the three countries have been holding joint naval drills in the northern Indian Ocean.²⁷ As a new US-led Middle East coalition emerges, the question is whether China-Russia-Iran will form a military bloc of their own? China's main outreach in the region is one of trade, investments, and energy security, which can conceivably expand to defence and security in case regional actors seek to fill a vacuum on account of the US's lack of interest.

²¹ "Abraham Accords success continues in Bahrain Negev Forum meeting – editorial", [The Jerusalem Post](#), June 27, 2022.

²² "Jordan's King Abdullah II backs idea of Middle East NATO", [Arab News](#), June 24, 2022. also see, "Egypt's FM: 'NATO Middle East' not currently on the table", [The Jerusalem Post](#), July 1, 2022.

²³ "Remarks by President Biden at the GCC + 3 Summit Meeting", [The White House](#), July 16, 2022.

²⁴ "New world order", [Tehran Times](#), June 19, 2022.

²⁵ Syrian conflict has no military solution: Iran, Russia, Turkey, [Islamic Republic News Agency](#), July 20, 2022.

also see, Arwin Ghaemian, "Iran-Russia 'strategic alliance': What Iran gained from Putin's visit", [Press TV](#), July 25, 2022.

also see, "Iran, Russia bid to wipe dollar off their trades", [Islamic Republic News Agency](#), July 19, 2022.

²⁶ "Iran applies to join BRICS group of emerging countries", [AL Jazeera](#), June 28, 2022.

²⁷ "Trilateral naval drills between China, Russia and Iran start on Friday", [Reuters](#), January 20, 2022.



Saudi Crown Prince Mohammed bin Salman receives US President Joe Biden at Al-Salam Palace in Jeddah, July 15, 2022. Source: Twitter/@KSAmofaEN

US-Saudi Arabia Rapprochement

Saudi Arabia-US relations have been strained since the 2018 assassination of journalist Jamal Khashoggi inside the Saudi Consulate in Istanbul.²⁸ US intelligence reports had blamed the highest levels of the Saudi government for this targeted killing, and Biden had vowed to make Saudi Arabia a global "pariah" on this account.²⁹ However, as crude prices remain around USD 100/barrel, heightening global concerns about inflation and a possible recession, the Biden administration has had no option but to reset relations with Saudi Arabia. However, even after President Biden's meeting with Saudi Crown Prince Mohammed bin Salman, US officials are not hopeful of an

²⁸ Abdurrahman Simsek and Nazif Karaman, "Saudi hit squad's gruesome conversations during Khashoggi's murder revealed", *Daily Sabah*, September 9, 2019.

²⁹ Tyler Pager and Yasmeen Abutaleb, "Biden heads to Saudi Arabia amid discomfort and criticism", *The Washington Post*, July 12, 2022.

immediate boost in Saudi crude output.³⁰ Leaders in the oil industry continue to warn about long-term turbulence in international energy markets owing to under-investment in discovery of new oil resources³¹ and adoption of unrealistic policies to reduce emissions by excluding fossil fuels as sources of energy.³²

The US's lack of response to the Houthi rebels' drone and missile attacks on Saudi Arabia and the UAE have heightened Gulf concerns over Washington's security commitment to the region. Adopting a more uncompromising stand against Saudi Arabia's military campaign in Yemen, the Biden administration had halted offensive arms sales to Riyadh.³³ As a consequence, Gulf countries are diversifying their defence partnerships, especially with Russia, China, and India. None of these countries can assume the US's position as hard security provider. Considering the US and Israel's strong bonds with New Delhi, India's growing partnerships in the Gulf have been welcomed by Washington. However, as the regional influence of Russia and China grows, the GCC has largely refrained from joining Western sanctions on Russia, which remains a source of concern for the US.³⁴



President Biden attends the "Jeddah Security and Development Summit" with the leaders of the GCC, Egypt, Iraq, and Jordan, July 16, 2022. Source: Twitter/@POTUS

³⁰ Jarrett Renshaw, Maha El Dahan, Aziz El Yaakoubi, "U.S. not expecting Saudi Arabia to immediately boost oil output", [Reuters](#), July 15, 2022.

³¹ "Oil turbulence could last five years, ExxonMobil boss warns", [The Economic Times](#), June 21, 2022.

³² "Saudi crown prince says unrealistic energy policies will lead to higher inflation", [Reuters](#), July 16, 2022.

³³ "Exclusive: U.S. weighs resumption of offensive arms sales to Saudis, sources say", [Reuters](#), July 12, 2022.

³⁴ "Gulf united on Russia-Ukraine war, says Saudi foreign minister", [Arab News](#), June 1, 2022.



In light of these developments, President Biden's Saudi Arabia visit and the US-GCC+3 (Jordan, Egypt, Iraq) Summit was an attempt to reassert American influence in the Middle East and to signal that the US does not want to leave a power vacuum that China, Russia, and Iran can exploit.³⁵ Notwithstanding these American reassurances, Saudi Arabia and Egypt continue to forge close ties with China and Russia, along with an intent to join BRICS.³⁶

India's Ties with West Asia and the I2U2 Summit

As part of its policy of "strategic autonomy" and "multi-alignment" in pursuit of national interests, India maintains close ties with disparate nations, including those that are hostile to each other.³⁷ In West Asia, India remains invested in its relationship with Iran, even as it has drawn strategically closer to Israel and the UAE, with whom it has thriving trade relations and growing security cooperation.³⁸ India's trade and security partnership with all six GCC countries has been transformed in recent years. India has concluded a free trade agreement with the UAE³⁹, and remains an attractive investment destination for Sovereign Wealth Funds from Saudi Arabia, the UAE, and Qatar.⁴⁰ Further, India's strategic ties with the US have presented opportunities for a new regional minilateral, the "I2U2 Group" comprising India, Israel, the UAE, and the US.

The first I2U2 leaders' summit which was held virtually on July 14 emphasised expanding regional partnerships through joint investments and new initiatives on water, energy, transportation, space, health, and food security.⁴¹ This initiative brings together the technological innovation prowess of the US and Israel, the funding ability of the UAE, and India's capabilities to tackle some of the most pressing issues in the region. Towards this end, the UAE will invest USD 2 billion to develop integrated food parks across India, while US and Israeli

³⁵ "Remarks by President Biden at the GCC + 3 Summit Meeting", [The White House](#), July 16, 2022.

³⁶ Natasha Turak, "Saudi Arabia's ties to the U.S. and China are not mutually exclusive, minister says", [CNBC](#), July 16, 2022.
also see, Ahmed Gomaa, "Sisi advances Egypt's bid for BRICS membership", [AL-Monitor](#), July 24, 2022.

³⁷ "External Affairs Minister's speech at the 4th Ramnath Goenka Lecture, 2019", [The Ministry of External Affairs, Government of India](#), November 14, 2019.

³⁸ "India, Israel adopt 'vision statement' to boost defence cooperation", [Business Standard](#), June 2, 2022.

³⁹ "India-UAE Comprehensive Economic Partnership Agreement (CEPA) enters into force", [Ministry of Commerce and Industry, Government of India](#), May 1, 2022.

⁴⁰ Utpal Bhaskar, "Bain to draw Saudi PIF's India investment plan", [Mint](#), April 26, 2022.

⁴¹ "Joint Statement of the Leaders of India, Israel, United Arab Emirates, and the United States (I2U2)", [The White House](#), July 14, 2022.

companies will lend their expertise toward the project's sustainability.⁴² The I2U2 group will also advance a renewable energy project in India's Gujarat state.⁴³ India's Adani Group's acquisition of Israel's Haifa Port is also of strategic importance, as it underscores the success of US-backed efforts to counter China's first mover advantage as part of its Belt and Road Initiative (BRI).⁴⁴



Indian Prime Minister Narendra Modi, UAE's President Sheikh Mohamed bin Zayed, Israeli Prime Minister Yair Lapid, and US President Joe Biden attend the first I2U2 Summit, July 14, 2022. Source: Twitter/@MEAIndia

In its inception stage, the emphasis of I2U2 is on harnessing the group's entrepreneurial spirit, but defence and security could possibly emerge as a future area of cooperation. In 2021, under US pressure, the UAE had shut down construction of a military facility inside a Chinese built shipping port in the Emirates, even though Abu Dhabi denied that the facility was intended for any

⁴² Ibid.

⁴³ Ibid.

⁴⁴ "Adani's Haifa port acquisition a 'strategic purchase': Israeli media", *Business Standard*, July 18, 2022.

Also see, James M. Dorsey, "The privatization of Haifa Port: India 1 China 0", *The Times of Israel*, July 20, 2022.



military or security purposes.⁴⁵ Considering the strategic importance of the Middle East's waterways, including the Strait of Hormuz and the Bab al-Mandab, growing cooperation among like-minded partners will contribute to regional peace and stability at a time when the US is seeking to deploy greater attention towards the Indo-Pacific.

Conclusion

President Biden's visit to the Middle East marked an attempt to reassert American influence at time when regional countries are increasingly concerned about the lack of US security commitment to the region. It signified the realisation within the US Administration of the consequences of leaving a power vacuum that China, Russia, and Iran can exploit. Notwithstanding this, Saudi Arabia, Egypt, and Iran continue to forge closer ties with China and Russia, with a potential interest in joining 'BRICS'.

Even as the US has reaffirmed its commitment to preventing Iran from developing nuclear weapons, the use of force remains a "last resort option" for the Biden administration. Collapse of JCPOA talks and Iran's progress towards nuclear capability can put US credibility on the line.

Deepening Israel's integration in the Middle East remains a major objective of US diplomacy. After Israel's normalisation of relations with the UAE and Bahrain, Washington is pushing Saudi Arabia to do the same, in a bid to forge a broader regional consensus against Iran and preventing deepening of the region's ties with Russia and China. President Biden's meeting with Saudi Crown Prince Mohammed bin Salman marked a realist reset of US-Saudi relations, but failed to deliver any immediate results in boosting Saudi crude output to alleviate global energy prices.

India's relations with countries in West Asia are rapidly transforming across the domains of trade and commerce, investment, energy, manpower, and security. The I2U2 Group's first summit promises the further expansion of India's ties with Israel and the Gulf through regional partnerships, joint investments, and focused initiatives on water, clean energy, transportation, space, health, and food security.

⁴⁵ "UAE shuts down China facility after US states 'military' use of site", [Mint](#), December 12, 2021.



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