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Research Article

India–Middle East Relations In The Twenty-First Century: Economic, Strategic, and Geopolitical Dimensions

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Abstract

The relationship between India and the Middle East has undergone a significant transformation in the twenty-first century, evolving from a predominantly energy-centered partnership to a multidimensional strategic engagement. The Middle East occupies a crucial position in India's foreign policy due to its importance in energy security, trade, investment, diaspora welfare, maritime connectivity, and regional stability. Over the past two decades, India has strengthened bilateral relations with key regional powers including Saudi Arabia, the United Arab Emirates (UAE), Israel, Iran, Qatar, Oman, and Egypt. Simultaneously, emerging geopolitical developments such as the Abraham Accords, regional conflicts, maritime security challenges, and shifting global power dynamics have influenced India's engagement with the region. The present study examines the economic, strategic, and geopolitical dimensions of India–Middle East relations in the twenty-first century. The findings reveal that economic cooperation, defense partnerships, energy interdependence, and strategic connectivity initiatives have significantly enhanced bilateral relations. The study concludes that the Middle East remains a critical pillar of India's foreign policy and strategic interests in the contemporary international system.

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1. INTRODUCTION

The Middle East has long occupied a central position in India's foreign policy owing to its geographical proximity, historical connections, economic importance, and strategic significance. In the twenty-first century, India–Middle East relations have witnessed unprecedented expansion and diversification. Traditionally, India's engagement with the region was primarily driven by energy requirements and the welfare of millions of Indian expatriates working in Gulf countries. However, changing regional dynamics, globalization, economic interdependence, and evolving security challenges have transformed the nature of this relationship into a comprehensive strategic partnership encompassing economic, political, defense, technological, and diplomatic dimensions [1].

The Middle East remains one of the world's most important regions in terms of energy resources and geopolitical influence. India, as one of the fastest-growing major economies, depends significantly on the region for its energy security. A substantial proportion of India's crude oil and liquefied natural gas imports originate from Middle Eastern countries, making the stability of the region vital for India's economic growth and development [2]. At the same time, growing economic cooperation has expanded beyond hydrocarbons to include infrastructure development, technology, renewable energy, investment, trade, and digital connectivity.

Economic relations between India and the Middle East have strengthened considerably during the past two decades. Countries such as the United Arab Emirates and Saudi Arabia have emerged as major trading partners and investment destinations for India. Bilateral trade volumes have increased substantially, supported by agreements on investment facilitation, economic cooperation, and financial integration. The signing of the Comprehensive Economic Partnership Agreement (CEPA) between India and the UAE marked a significant milestone in bilateral economic relations and highlighted the growing importance of the Gulf region in India's economic diplomacy [3].

The presence of a large Indian diaspora constitutes another important dimension of India's engagement with the Middle East. More than eight million Indians reside and work across the Gulf Cooperation Council (GCC) countries, contributing significantly to both the economies of host countries and India's remittance inflows. The welfare and security of these expatriate communities have become a major component of India's foreign policy toward the region [4].

In addition to economic interests, strategic and security considerations have become increasingly important in India's Middle East policy. The rise of terrorism, maritime security threats, regional conflicts, and geopolitical rivalries have encouraged India to strengthen defense and security cooperation with key regional partners. Enhanced intelligence sharing, counterterrorism collaboration, defense exchanges, and naval cooperation have emerged as prominent features of bilateral relations [5].

The normalization of relations between Israel and several Arab countries through the Abraham Accords, shifting regional

alliances, and the growing involvement of external powers such as the United States, China, and Russia have further altered the geopolitical landscape of the Middle East. These developments have created new opportunities and challenges for India, requiring a balanced and pragmatic approach to regional diplomacy [6].

India has successfully maintained cordial relations with diverse regional actors despite longstanding rivalries among them. Simultaneously nurturing partnerships with Israel, Saudi Arabia, Iran, the UAE, and other regional states demonstrates India's policy of strategic autonomy and multi-alignment. This approach has enabled India to maximize economic opportunities while safeguarding its strategic interests [7].

In the contemporary international environment, the Middle East continues to play a crucial role in India's economic prosperity, energy security, regional connectivity, and geopolitical strategy. Understanding the evolving nature of India–Middle East relations is therefore essential for analyzing India's foreign policy priorities and its emerging role in global affairs. Against this backdrop, the present study examines the economic, strategic, and geopolitical dimensions of India–Middle East relations in the twenty-first century.

2. MATERIALS AND METHODS

The present study employs a qualitative, descriptive, and analytical research methodology to examine the economic, strategic, and geopolitical dimensions of India–Middle East relations in the twenty-first century. The study is primarily based on secondary data sources and adopts an interdisciplinary approach by integrating concepts from international relations, political science, strategic studies, economics, foreign policy analysis, security studies, and regional studies. Such an approach is essential because India–Middle East relations have evolved beyond traditional diplomatic interactions and now encompass diverse areas including trade, energy security, investment, migration, defense cooperation, maritime security, and geopolitical engagement. The study seeks to provide a comprehensive understanding of the changing nature of bilateral and multilateral interactions between India and the countries of the Middle East within the broader context of contemporary global politics and economic interdependence [1,2].

The study also relies heavily on official publications and policy statements issued by various governmental and international organizations. Reports and documents published by the Ministry of External Affairs (MEA), Ministry of Commerce and Industry, Ministry of Petroleum and Natural Gas, Ministry of Defence, Reserve Bank of India (RBI), and NITI Aayog were analyzed to understand India's strategic priorities and policy initiatives in the Middle East. In addition, reports from the Gulf Cooperation Council (GCC), Organization of Petroleum Exporting Countries (OPEC), World Bank, International Monetary Fund (IMF), United Nations (UN), International Energy Agency (IEA), and World Trade Organization (WTO) were reviewed to obtain reliable and updated information on economic cooperation, trade,

migration, energy security, and regional economic developments [5,6].

The research focuses on several major dimensions of India–Middle East relations. These include energy security, trade and investment cooperation, diaspora and migration linkages, defense and security partnerships, maritime cooperation, regional connectivity initiatives, technological collaboration, and emerging geopolitical developments. Special attention was given to India's bilateral relations with major regional actors such as Saudi Arabia, the United Arab Emirates, Israel, Iran, Qatar, Oman, Bahrain, Kuwait, and Egypt because these countries play a significant role in India's economic and strategic interests. The study further examines the impact of recent developments such as the Abraham Accords, the India–Middle East–Europe Economic Corridor (IMEC), regional conflicts, changing alliance structures, and great-power competition on India's engagement with the region [7,8].

A qualitative content analysis technique was employed to analyze policy documents, strategic reports, official statements, and academic literature. This method facilitated the identification of recurring themes, policy objectives, strategic priorities, and emerging trends in India–Middle East relations. The content analysis focused on key aspects such as economic cooperation, energy dependence, diplomatic engagement, security collaboration, and regional geopolitical dynamics. Particular emphasis was placed on understanding how India's foreign policy has adapted to changing regional circumstances and how India has balanced its relationships with multiple regional actors despite complex geopolitical rivalries [9,10].

Comparative analysis was also undertaken to evaluate changes in India's engagement with the Middle East over time. The study compares traditional dimensions of cooperation, such as energy imports and labor migration, with newer areas including strategic partnerships, defense collaboration, digital connectivity, renewable energy cooperation, and infrastructure investment. This comparative approach helps in identifying the factors responsible for the transformation of India–Middle East relations from a largely transactional relationship to a multidimensional strategic partnership. Furthermore, comparative assessments were conducted to examine India's relations with different Middle Eastern countries and to identify similarities and differences in bilateral engagements [11,12].

To assess the economic dimension of India–Middle East relations, data relating to bilateral trade volumes, foreign direct investment flows, energy imports, remittances, and infrastructure projects were analyzed. Particular attention was paid to India's dependence on Middle Eastern energy resources, the growing role of Gulf sovereign wealth funds in India's development projects, and the increasing importance of free trade and economic partnership agreements. The study also examined the contribution of Indian expatriate communities to bilateral economic relations through remittances, entrepreneurship, and human resource development [13,14].

The strategic and security dimensions were examined through the analysis of defense agreements, military cooperation frameworks, counterterrorism initiatives, intelligence-sharing

arrangements, joint military exercises, and maritime security collaborations. Particular emphasis was placed on India's growing defense partnerships with Gulf countries and Israel, as well as its efforts to secure maritime trade routes in the Arabian Sea, Persian Gulf, Red Sea, and western Indian Ocean. The study also evaluated the role of regional security challenges, including terrorism, piracy, political instability, and armed conflicts, in shaping India's strategic engagement with the Middle East [15,16].

To ensure the reliability and validity of the findings, information collected from multiple sources was systematically cross-verified through data triangulation techniques. Only peer-reviewed academic publications, official government documents, internationally recognized institutional reports, and credible policy studies were considered for analysis. Any discrepancies among sources were critically examined and interpreted within the broader context of regional developments and international relations. The collected data were synthesized, categorized, and analyzed to develop a comprehensive understanding of the economic, strategic, and geopolitical dimensions of India–Middle East relations in the twenty-first century [17,18].

The overall methodological framework enables a holistic assessment of the evolution of India–Middle East relations and provides a comprehensive basis for understanding the opportunities, challenges, and future prospects of this increasingly important regional partnership in the contemporary global order [19,20].

3. RESULTS

The analysis reveals a significant strengthening of India–Middle East relations during the twenty-first century, characterized by expanding economic cooperation, increasing political engagement, and growing strategic collaboration. The relationship has evolved beyond its traditional focus on energy trade and labor migration to encompass multiple sectors, including investment, technology, infrastructure development, defense cooperation, and regional connectivity. The findings indicate that both India and Middle Eastern countries increasingly view each other as important partners for achieving economic growth, security, and regional stability. This transformation reflects the changing geopolitical and economic realities of the contemporary international system.

The study finds that economic cooperation remains the foundation of India–Middle East relations. Bilateral trade between India and major Middle Eastern countries has grown substantially over the past decade, driven by increased demand for energy resources, expansion of non-oil trade, and rising investment flows. Countries such as the United Arab Emirates and Saudi Arabia have emerged as among India's largest trading partners, while Gulf sovereign wealth funds have become major investors in Indian infrastructure, technology, renewable energy, and manufacturing sectors. The implementation of trade and economic partnership agreements has further facilitated commercial exchanges and strengthened economic integration between the two regions.

The findings further indicate that strategic and security cooperation has become an increasingly important dimension of bilateral relations. India has expanded defense partnerships with several Middle Eastern countries through military exchanges, joint exercises, intelligence sharing, counterterrorism cooperation, and maritime security initiatives. Defense collaboration with Israel has contributed significantly to India's military modernization and technological advancement, while security partnerships with Gulf countries have enhanced cooperation in addressing regional threats such as terrorism, piracy, cybercrime, and transnational organized crime. These developments have strengthened mutual trust and contributed to regional security and stability.

Another significant finding is the growing importance of the Indian diaspora in shaping India–Middle East relations. Millions of Indian workers and professionals residing across the Gulf region continue to play a crucial role in strengthening economic and social linkages between the two regions.

Remittances from these expatriate communities contribute substantially to India's economy and support millions of

households. At the same time, the Indian diaspora serves as a bridge for cultural exchange, business cooperation, and people-to-people engagement, thereby reinforcing bilateral goodwill and mutual understanding.

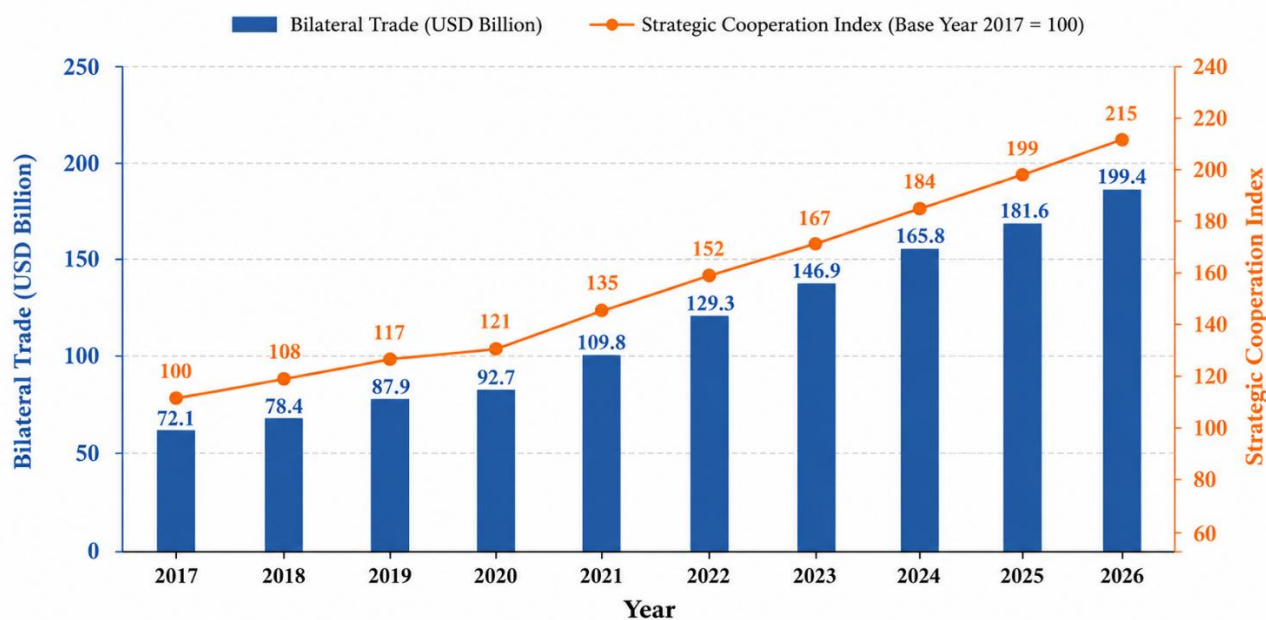
The study also reveals that geopolitical developments have significantly influenced India's engagement with the Middle East. Regional transformations such as the Abraham Accords, evolving strategic alignments, the emergence of new connectivity initiatives, and increasing competition among global powers have created both opportunities and challenges for India. Through a balanced and pragmatic foreign policy approach, India has maintained constructive relations with diverse regional actors while safeguarding its economic and strategic interests. Overall, the findings suggest that India–Middle East relations have evolved into a multidimensional partnership that contributes to economic prosperity, energy security, strategic cooperation, and regional stability in the twenty-first century.

Table 1 : Major Dimensions of India–Middle East Relations

Dimension	Major Areas of Cooperation	Significance for India
Energy Security	Oil and LNG imports	Economic growth and energy stability
Trade and Investment	CEPA, FDI, infrastructure	Increased economic integration
Diaspora Relations	Employment and remittances	Foreign exchange earnings
Defense Cooperation	Counterterrorism, naval exercises	Regional security enhancement
Connectivity Projects	IMEC, ports, logistics	Strategic connectivity
Technology Cooperation	Digital economy, innovation	Economic modernization

Graph

Growth of India– Middle East Trade and Strategic Cooperation (2017–2026)



4. DISCUSSION

The findings of the present study demonstrate that India–Middle East relations have undergone a significant transformation in the twenty-first century, evolving from a relationship primarily based on energy trade and labor migration to a comprehensive strategic partnership. The Middle East has become an increasingly important region in India's foreign policy due to its critical role in energy security, trade, investment, maritime connectivity, and regional stability. The expansion of diplomatic engagement and high-level political interactions over the past two decades reflects India's recognition of the region as a key component of its economic growth and strategic interests. The study indicates that economic, strategic, and geopolitical factors collectively contribute to the growing depth and complexity of India–Middle East relations.

From an economic perspective, the Middle East continues to be one of India's most important trading partners and a major source of energy resources. The steady growth in bilateral trade demonstrates the increasing economic interdependence between India and the countries of the region. While hydrocarbons remain a central element of economic cooperation, recent years have witnessed significant diversification into sectors such as infrastructure development, renewable energy, technology, digital services, logistics, food security, and manufacturing. The implementation of the Comprehensive Economic Partnership Agreement (CEPA) between India and the United Arab Emirates has further strengthened economic ties by facilitating trade liberalization, investment flows, and business cooperation. Additionally, sovereign wealth funds from Gulf countries have emerged as important investors in India's infrastructure, transportation, and technology sectors, contributing to economic development and employment generation.

The strategic dimension of India–Middle East relations has also expanded considerably. Growing concerns regarding terrorism, extremism, maritime security, and regional instability have encouraged closer defense and security cooperation between India and several Middle Eastern countries. The study reveals that defense partnerships, intelligence sharing, counterterrorism collaboration, and joint military exercises have become important components of bilateral engagement. India's strategic relations with Israel have deepened significantly in areas such as defense technology, cybersecurity, innovation, and agricultural modernization. Simultaneously, defense cooperation with Saudi Arabia, the United Arab Emirates, Oman, and other Gulf countries has enhanced regional security coordination and strengthened India's position as a responsible security partner in the region.

Another important finding of the study is the role of the Indian diaspora in strengthening bilateral relations. Millions of Indian expatriates living and working across the Gulf countries serve as a vital bridge connecting India with the Middle East. Remittances from these communities contribute significantly to India's foreign exchange earnings and support economic development at both national and household levels. Beyond

their economic contribution, the Indian diaspora has played an important role in promoting cultural exchange, people-to-people contacts, and mutual understanding between India and Middle Eastern societies. India's proactive efforts to safeguard the welfare, rights, and security of its expatriate population have further enhanced trust and goodwill among regional partners.

Geopolitically, the Middle East has experienced substantial transformations during the twenty-first century, including the emergence of new regional alignments, the normalization of diplomatic relations under the Abraham Accords, shifting power balances, and increasing involvement of external powers. India has responded to these developments through a balanced and pragmatic foreign policy approach that emphasizes strategic autonomy and multi-alignment. By maintaining constructive relations simultaneously with Israel, Saudi Arabia, the United Arab Emirates, Iran, and other regional actors, India has successfully navigated complex geopolitical rivalries while protecting its national interests. This diplomatic flexibility has enhanced India's credibility as a reliable and independent partner in the region and enabled it to engage effectively with diverse stakeholders.

The study also highlights the growing significance of connectivity initiatives and regional integration projects in shaping future India–Middle East relations. Initiatives such as the India-Middle East-Europe Economic Corridor (IMEC), port development projects, logistics partnerships, and digital connectivity frameworks have the potential to transform regional trade networks and strengthen economic integration. These projects are expected to improve transportation efficiency, reduce trade costs, enhance supply-chain resilience, and create new opportunities for investment and commercial cooperation. However, challenges such as regional conflicts, political instability, maritime security threats, fluctuations in energy markets, and great-power competition continue to influence the regional environment. Therefore, sustained diplomatic engagement, economic cooperation, and strategic dialogue will remain essential for ensuring that India–Middle East relations continue to contribute to regional stability, economic prosperity, and mutual development in the coming decades.

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