



المركز العربي للأبحاث ودراسة السياسات
Arab Center for Research & Policy Studies

Situation Assessment | 19 July 2022

The India-Israel-US-UAE Alliance (I2-U2): Background and Objectives

Unit for Political Studies

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Series: [Situation Assessment](#)

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Unit for Political Studies

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On 14 July, during his visit to Israel, US President Joe Biden held a virtual meeting with the leaders of a new economic group known as I2-U2, which includes India, Israel and the UAE, as well as the US. The announcement of the group's establishment has raised many questions concerning its objectives, the timing of its formation, and the interests that unite its parties. Although the joint statement issued after the meeting stressed that the goal of establishing the group is a "particular focus on joint investments and new initiatives in water, energy, transportation, space, health, and food security,"¹ the prevailing belief is that strategic goals stand behind the group's establishment, considering the circumstances that led to its emergence and the nature of the relations and interests linking the members. This was noted by US State Department spokesman Ned Price when he said that the four parties discussed "expanding economic and political cooperation in the Middle East and Asia, including through trade, combating climate change, energy cooperation, and increasing maritime security."²

Context

The group was established in October 2021 during a meeting between the US Secretary of State and his Israeli and Emirati counterparts, to monitor the implementation of the "Abraham Accords," which triggered the normalization process between Israel and the UAE and Bahrain. India, which enjoys strategic relations with Israel, joined the group a few days later, during a visit to Israel by India's Foreign Minister, Subrahmanyam Jaishankar. As a result, the four parties held a virtual meeting while the Indian Foreign Minister was in Israel to attend the Indian Air Force participation in Israel's Blue Flag exercise. While the tripartite group of Israel, the UAE and the United States appears understandable in light of the Abraham Accords, India's accession has aroused several questions regarding motives, as well as the reason for choosing Israel as a setting for the announcement of its accession.

Interests

The four parties to the I2-U2 are linked to a wide network of economic, strategic and security interests, with shared views on many regional and international issues, most prominently the issue of Islamist movements (although the ideology of the ruling party in India is hostile to Islam more generally and not just Islamist movements) despite disparities regarding other issues, such as Iran (with which India entertains friendly relations), and the failure of the UAE and Israel to share the hostile US and India position on China. India, the UAE and Israel have been developing their relations bilaterally in recent years, which eventually made it possible to establish a regional alliance under US auspices.

¹ "Joint Statement of the Leaders of India, Israel, United Arab Emirates, and the United States (I2U2)," The White House Briefing Room, 14/7/2022, accessed on 19/7/2022 at: <https://bit.ly/3B5hTqx>.

² Anirban Bhaumik, "New Quad of India, Israel, US, UAE to launch international forum for economic cooperation," *Deccan Herald*, 19/10/2021, accessed on 19/7/2022 at: <https://bit.ly/3clT1jO>.



1. India-Israel Relations

Following the establishment of diplomatic relations in 1992, Indo-Israel relations have flourished since the ascension of India's nationalist Bharatiya Janata Party (BJP) in 2014; Trade between the two had ballooned to more than four billion dollars by the end of 2016, from one billion in 2000.³ In 2017, Narendra Modi completed the first visit of an Indian Prime Minister to Israel, which was followed by a visit by the former Prime Minister of Israel, Benjamin Netanyahu, to India in January 2018. The progress of Indo-Israeli relations has covered many areas, including research and development and joint manufacturing in the defence sector, science and technology, trade and innovation, agriculture, health, telecommunications, water and smart cities. But the defence and security sector remains the most important issue within the relations between the two countries. Within a few years, Israel became one of the three most important arms exporters to India. During the Indian Foreign Minister's visit to Israel in October 2021, the two countries signed a ten-year defence cooperation agreement. Prior to that, in April 2017, the Israeli and Indian governments signed the biggest deal in the history of the Israeli military industries, valued at two billion dollars.⁴ India is currently the largest importer of Israeli weapons; it imports about 45 percent of all Israeli produced weapons.⁵ Israel is a convenient source of arms for India, because unlike the United States, it does not tie its exports to any conditions.

2. India-UAE Relations

India's great economic growth, accompanied by a parallel increase in its energy needs, added a strategic dimension to its relations with the Gulf region; Energy and sea navigation security have become the glue of these relations, and India has set its sights on strengthening its relations with the Gulf states and building a strategic partnership with them to secure the oil and gas needs for its continued economic growth. India is the third largest oil importer in the world at present, and the Gulf region provides about 70 percent of India's imported oil; the vast majority from the Arab states, and the rest from Iran. Although India's relations with all Gulf countries have undergone extensive development, New Delhi and Abu Dhabi are particularly close, especially since the BJP came to power. In February 2016, the then Crown Prince of Abu Dhabi, Mohammed bin Zayed, paid a visit to India. In January 2017, bin Zayed visited India again as the guest of honour in its National Day celebrations. On the other hand, the Prime Minister of India, Modi, made a visit to Abu Dhabi in February 2018, and then another visit in August 2019, in which he was presented with the Order of Zayed garland, the highest honour in the UAE, and in which the two countries also signed a partnership and strategic

³ Ferry Biedermann, "First Ever Indian PM Visit to Israel Amid Booming Defense Ties," *CNBC*, 30/6/2017, accessed on 19/7/2022, at: <https://goo.gl/mmhLkV>.

⁴ "Israeli Firm Inks Historic \$2 Billion Defense Deal with India," *The Jerusalem Post*, 6/4/2017, accessed on 19/7/2022, at: <https://goo.gl/zxBgmG>.

⁵ Anna Ahronheim, "Israel, India to Build 10-year Defence Cooperation Plan," *The Jerusalem Post*, 31/10/2021, accessed on 19/7/2022, at: <https://bit.ly/3PxjokY>

cooperation agreement that included energy, investment, defence and navigation security sectors. Meanwhile, trade exchange between the two countries amounted to 57 billion dollars in 2019.⁶

In February 2022, the two countries signed a comprehensive economic partnership agreement to increase trade exchange from its current level of \$60 billion to \$115 billion within five years.⁷ As a metaphor for the development of the relationship between the two countries, the UAE insisted on inviting India to attend the ministerial meeting of the Organisation of Islamic Cooperation (OIC) that was held in Abu Dhabi in early 2019, despite Pakistan's threat to boycott the meeting. Later that year, India abolished Kashmir's seven-decade self-rule.

While, by developing its relations with India, the UAE seeks to enhance its technology, security and defence clout, ideology also plays an important role in explaining the development of its relations with India, as well as with Israel, where the UAE agrees with the Israeli and Indian definition of terrorism, generalising and seeking to eliminate all variations of Islamist forces, including joint cooperation to restrict and shutdown Islamic organizations active in representing the interests of Muslims in Europe and the United States.⁸

3. UAE-Israel Relations

Despite the existence of a long history of secret relations between the UAE and Israel dating back, according to some sources, about two decades, security relations have progressed remarkably, especially after the Abraham Accords were signed in 2020. On 18 August 2020, former head of Mossad, Yossi Cohen, visited the UAE, where he met with the Emirati National Security Adviser, Tahnoun bin Zayed, to discuss "prospects for cooperation in the fields of security," and "exchanged points of view on regional developments and on issues of common interest."⁹

In March 2021, the Emirates Defense Advanced Technology Group (EDGE) signed a memorandum of understanding with the Israel Aerospace Industries Company to develop joint security and military production between the two countries and build an advanced anti-drone defence system.¹⁰ In November 2021, the Head of the Arms Export Department of the Israeli Ministry of Defence, Yair Kolas, visited the Dubai International Airshow, accompanied by seven Israeli security, military and cyber companies, in order to enhance the joint security and military cooperation between the two countries, and to design and manufacture unmanned ships capable of implementing M-170 anti-submarine

6 Mustafa Khalifa, "The UAE and India... Deep Relationships Heading with Strength and Confidence towards the Future," *Al Bayan*, 5/4/2019, accessed on 19/7/2022, at: <https://bit.ly/38vrAhj>.

7 Narayanappa Janardhan & Gedaliah Afterman, "New UAE-India Economic Deal Opens the Door for Minilateral Partnership with Israel," *The Arab Gulf States Institute in Washington*, 2/3/2022, accessed on 19/7/2022, at: <https://bit.ly/3lVAd7m>.

8 Adam Taylor, "Why the U.A.E. is Calling 2 American Groups Terrorists," *The Washington Post*, 17/11/2014, accessed on 19/7/2022, at: <https://wapo.st/3lPICYu>

9 "Israel-UAE deal: Mossad spy chief visits Abu Dhabi for security talks" *Middle East Eye*, 18/8/2021, accessed on 19/7/2022 at: <https://bit.ly/3zgAWfU>.

10 "EDGE Announces Strategic Deal with IAI to Develop Advanced Unmanned Surface Vessels" *IAI*, 18/11/2021, accessed on 19/7/2022 at: <https://bit.ly/3oc0TqM>.

attacks.¹¹ On the political level, Naftali Bennett made the first visit of an Israeli prime minister to the UAE in December 2021, and then returned to her visit again in June 2022 with reports that Israel had installed radar systems in the UAE to intercept any attacks from Iran.¹² Economically, the volume of trade exchange between the UAE and Israel increased from \$125 million in 2020 to \$700 million in 2021. In March 2022, the UAE announced the establishment of a \$10 billion fund to invest in strategic sectors in Israel, including energy and water, space, healthcare and agricultural technology.¹³

The Tripartite Consensus and the US Position

In this sense, it can be said that the Abraham accords laid the ground to bring together the three partners (India, the UAE, and Israel) within the framework of an Asian-Middle Eastern regional alliance based on shared interests and sponsored by Washington. As soon as public normalization began between Israel and the UAE, the International Federation of Indian-Israeli Chambers of Commerce was established, and Dubai was selected as its main international headquarters. The opening of the headquarters was attended by the heads of the Indian and Israeli diplomatic missions in Abu Dhabi and the UAE ambassador to India, in addition to numerous Indian businessmen in the UAE.

On 14 February 2021, the American Israel Public Affairs Committee (AIPAC) organized a virtual symposium titled “India, Israel, and the Gulf: New Opportunities.” Israel views Dubai as an important bridge to the large Indian market, as Dubai hosts about 500 Indian investment groups, as well as hosting the headquarters of every Indian company operating in the Middle East, in addition to the fact that 23 Indian banks have branches in the Dubai International Financial Center. On the other hand, New Delhi considers the presence of direct flights between Dubai and Tel Aviv helpful in strengthening the relations of Indian companies with Israel. The Israeli representation in Dubai hastened to establish relations with Indian businessmen in the Emirates, while several Indian companies in Dubai announced the launch of activities in Israel in the fields of healthcare, pharmaceuticals, financial services, gold and jewellery trade, and so on. The three countries have shown great interest in developing their cooperation in the field of technology and artificial intelligence, in which Israel and India are pioneers, while the UAE boasts the capital to invest in this sector. Remarkably, according to an opinion poll conducted by the Brookings Institution in 2019, the UAE and Israel are considered the most reliable partners for Indian political elites.

With Washington party to this regional grouping, the three countries hope to gain access to advanced US technology in security, defence, aerospace, healthcare and emerging technologies, and also hope

¹¹ “Edge Announces Strategic Deal with Israel Aerospace Industries to Develop Advanced Unmanned Surface Vessels,” EDGE Group, 18/11/2021, accessed on 19/7/2022, at: <https://bit.ly/3qQ1d06>.

¹² “Iranian Nuclear Negotiations and Escalating Tensions with Israel,” Situation Assessment, Arab Center for Research and Policy Studies, 16/6/2022, accessed on 19/7/2022, at: <https://bit.ly/3PkZFW2>.

¹³ Narayanappa Janardhan & Gedaliah Afterman, “New UAE-India Economic Deal Opens the Door for Minilateral Partnership with Israel,” The Arab Gulf States Institute in Washington, 2/3/2022, accessed on 19/7/2022, at: <https://bit.ly/3lVAd7m>.



to gain access to the best weapons and technology and to cooperate in containing the Islamist groups they consider their greatest threat.

Meanwhile Washington hopes that cooperation with India in the Gulf will replace, if only partially, China, and lead to the emergence and development of a defence-security dimension that can confront China. The US is looking for cooperation not only in terms of defence, but also to compete with Chinese trade, with the emergence of the idea to link Indian ports, such as Mumbai, with ports in Greece through the Jebel Ali port in Dubai, and the establishment of a parallel railway line from the Emirates through Saudi Arabia and Jordan to the port of Haifa. Washington believes that supporting such projects means restructuring global supply chains and international trade lines away from China and the Belt and Road initiative, in line with the vision put forward by the G7 countries at their last meeting, in late June 2022, to provide about 600 billion dollars to finance infrastructure projects that competes with and limit the expansion of Chinese mega projects.