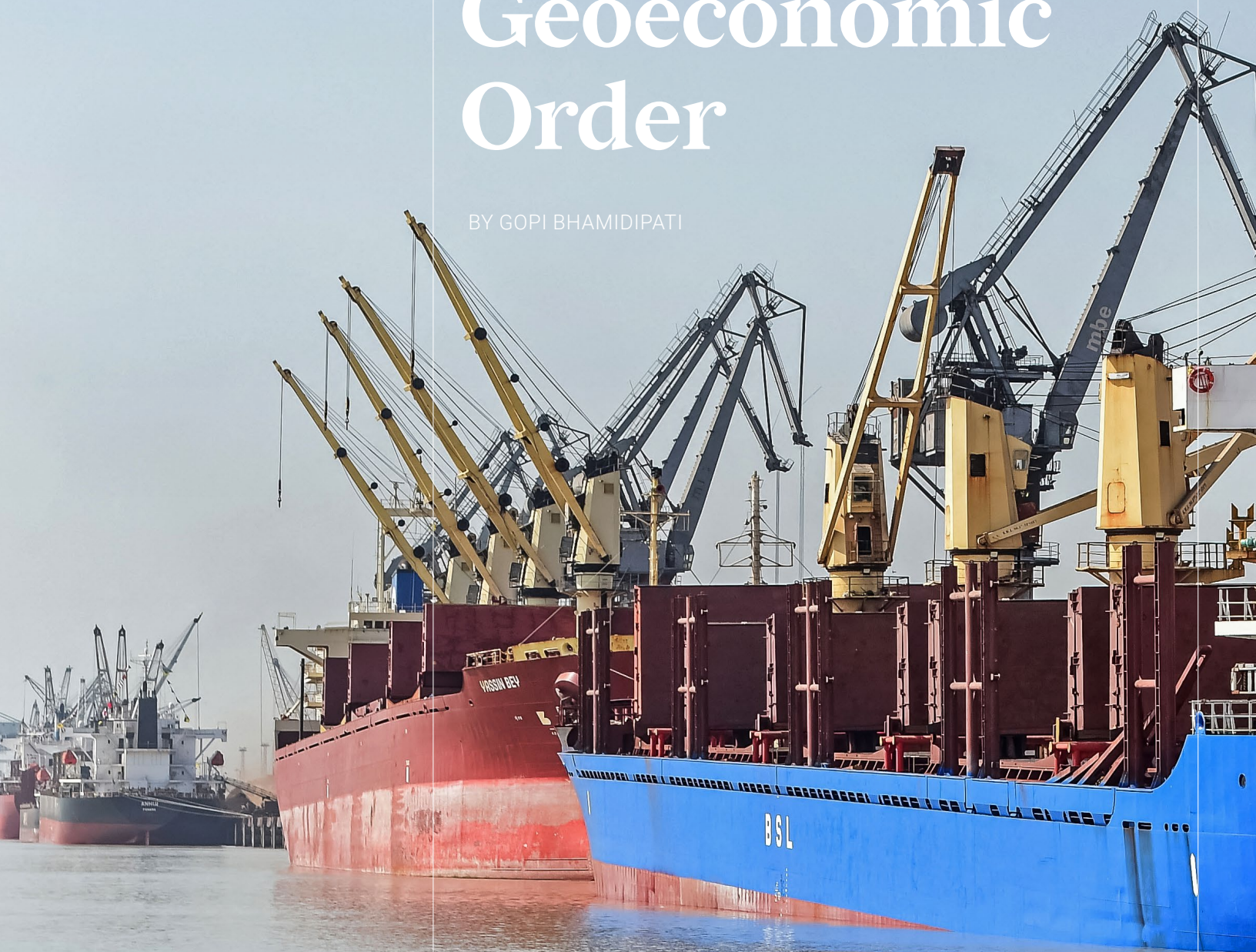


POLICY REPORT
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The Middle East in India's Geoeconomic Order

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NEW LINES INSTITUTE FOR STRATEGY AND POLICY

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Cover Image: Ships are docked at the Deendayal Port Authority in Kandla in India’s Gujarat state on April 5, 2025. (Sam Panthaky / AFP via Getty Images)

EXECUTIVE SUMMARY

The Middle East has become a geostrategic hinge in India's "Greater Indo-Pacific" vision, anchored by energy security, trade corridors, and expatriate ties. India's engagement with the Gulf Cooperation Council states – alongside Iran and Israel – reflects a pragmatic, connectivity-driven strategy. Prime Minister Narendra Modi's recent diplomatic outreach to the UAE, Saudi Arabia, and Kuwait, alongside efforts to revive the India-Middle East-Europe Economic Corridor, underscores the region's centrality in India's economic and strategic calculus.

Unlike the U.S.'s security-first approach – centered on alliance-driven containment – India's framework prioritizes market access, energy flows, and infrastructure partnerships, and leveraging multilateral platforms and critical nodes such as Chabahar Port. This strategy enables India to navigate regional tensions – including the Israel-Iran-U.S. conflict – while advocating dialogue and de-escalation to safeguard its interests.

The Greater Indo-Pacific is an evolving economic and strategic network. India's ability to engage across divides positions it as a stabilizing force in a fractured region. For sustainable growth and regional stability, India's approach offers a model for inclusive, corridor-based cooperation in an era of geopolitical competition.

Indo-Pacific Strategy Issues



India: Multialignment Strategy

Energy, trade, and investment corridors

Technology and infrastructure partnerships

Inclusive engagement with rivals and allies



U.S.: Security-Heavy Doctrine

Military alliances and forward bases

Arms sales and defense cooperation

Counterterrorism and containment focus

Introduction

As global geopolitical gravity tilts toward the Indo-Pacific, it has emerged as the organizing geography of 21st-century statecraft – anchoring the Indian Ocean to the Middle East's energy and trade corridors. For India, the Middle East – especially the Gulf Cooperation Council (GCC) states – has become the geostrategic hinge of its "Greater Indo-Pacific" vision, long viewed through the "3Es" ¹ of energy security, economic growth driven by trade, and expatriate ties, but now elevated to a central role in its comprehensive regional strategy.

This logical evolution of India's regionally integrated approach, grounded in long-standing geoeconomic interests and a consistent emphasis on strategic autonomy, was visibly underscored by Prime Minister Narendra Modi's high-profile visits to the United Arab Emirates (UAE),² and Kuwait earlier this year. Modi renewed India's push to revive the India-Middle East-Europe Economic Corridor (IMEC)³ – a proposed multimodal connectivity initiative linking India with Europe via the Arabian Peninsula, and a critical artery within India's broader Indo-Pacific⁴ strategy – signaling a clear effort to place the region at the heart of India's broader strategic outreach. Further, India's continued⁵ engagement with Iran – despite regional tensions – underscores Iran's relevance⁶ to India's Greater Indo-Pacific strategy: a vital geographic hinge at the intersection of Central and South Asia that links the energy-rich Persian Gulf to the western Indian Ocean.

Therefore, India's vision for a Greater Indo-Pacific is defined not by bloc alignment or proxy competition, but by pragmatic economic cooperation. By contrast, U.S. Indo-Pacific strategy, particularly under the current administration of U.S. President Donald Trump has leaned on alliance-driven "containment"

1 *India and the Gulf Region: Building Strategic Partnerships*. London: International Institute for Strategic Studies, August 2018. <https://www.iiss.org/online-analysis/online-analysis/2018/08/india-gulf-strategic-partnerships/>.

2 Ministry of External Affairs, Government of India. "Prime Minister's Visit to the United Arab Emirates (February 13–14, 2024)." February 14, 2024. https://www.mea.gov.in/press-releases.htm?dtl/37610/Prime_Ministers_visit_to_the_United_Arab_Emirates_February_1314_2024.

3 Dipanjan Roy Chaudhury, "Modi's Saudi Trip to Give India–Middle East–Europe Economic Corridor Much-Needed Boost in West Asia," *The Economic Times*, April 18, 2025, <https://economictimes.indiatimes.com/news/economy/foreign-trade/modis-saudi-trip-to-give-india-middle-east-europe-economic-corridor-much-needed-boost-in-west-asia/articleshow/120414651.cms?from=mdr>.

4 Settimo Cerniglia, "Italia e IMEC: Un Nuovo Orizzonte per l'India nel Cuore dell'Indo-Pacifico," *Med-Or*, June 25, 2024, <https://www.med-or.org/en/news/italia-e-imec-un-nuovo-orizzonte-per-lindia-nel-cuore-dellindo-pacifico>.

5 Iran Press, "Iranian, Indian FMs Discuss Ties at Shanghai Cooperation Organization Summit," July 15, 2025, *Iran Press*, <https://iranpress.com/content/308073/iranian-indian-fms-discuss-ties-shanghai-cooperation-organization-summit>.

6 Tantray, T.L. "India–Iran Relations in the Evolving Indo-Pacific." *Geopolitics Quarterly* (Iranian Association of Geopolitics), 2024. https://journal.iag.ir/article_208386.html.

– directed⁷ primarily at China, and in the Middle East increasingly shaped by counter-Iran security priorities. While the U.S. strategy includes economic elements in the Middle East, evidenced by its candid facilitation in IMEC and the I2U2 framework, where the two diverge is emphasis: U.S. planners tend to layer economic projects under a security umbrella; India leads with market access, energy flows, and infrastructure finance because those are the levers it can access without alliance backing. India cannot simply plug into that model: It shares land borders with China and a hostile Pakistan, depends on Gulf energy, and lacks treaty guarantees. Its Greater Indo-Pacific framework, therefore, grows out of geography: compete where necessary, cooperate where possible, connect across rivals.

Were India to sign onto the security-first U.S. logic in the Middle East, it would further jeopardize relationships that make its geoeconomic strategy viable: energy interdependence with Arab countries, transit access through Iran, and technology and logistics partnerships with Israel. India therefore offers Washington not a junior partner in containment, but a strategic collaborator in building resilient corridors, diversified supply chains, and inclusive regional connectivity – on India’s terms.

This multidimensional engagement called “multialignment” continued to unfold against the backdrop of the 12-day⁸ war involving Israel, Iran, and the United States. For India, the confrontation among its key strategic partners underscored a familiar but dangerous structural dilemma: the challenge of managing regional volatility while safeguarding its strategic interests. Like the Gulf Arab states, both Israel and Iran occupy critical nodes⁹ in India’s Indo-Pacific matrix – Israel through its defense and technology ties, and Iran through energy, transit corridors, and geographic proximity to vital maritime routes. For Washington, too, energy stability and maritime insurance exposure in the Red Sea, Gulf of Hormuz, and the Eastern Mediterranean are economic stakes – not just military ones – highlighting an area of real U.S.-India overlap if approached through corridors rather than coalitions. By refraining from taking sides and consistently advocating¹⁰ dialogue and de-escalation, New Delhi reaffirmed its diplomacy-first posture rooted in a long-term worldview that regards multipolarity and inclusivity as essential to stability. This approach¹¹ treats the Indo-Pacific as a seamless interconnection stretching through the Gulf and East Africa and reflects a connectivity-first strategy grounded in minilateral frameworks such as I2U2 – comprising India, Israel, the United Arab Emirates (UAE), and the United States – as well as strategic nodes like Chabahar Port in southeastern Iran, Duqm Port in Oman, Israel’s Haifa Port, and the IMEC. From this perspective, the Greater Indo-Pacific is not a static map but a living economic reality in constant negotiation.

Geoeconomics Over Geopolitics

As a core component of its Greater Indo-Pacific vision, India has prioritized investment in connectivity corridors over security alliances – choosing geoeconomics over geopolitics in the Middle East. This orientation is best captured through a series of flagship initiatives that form the backbone of New Delhi’s

7 U.S. Department of Defense, “Remarks by Secretary of Defense Pete Hegseth at the 2025 Shangri-La Dialogue in Singapore (As Delivered),” May 31, 2025, *U.S. Department of Defense*, <https://www.defense.gov/News/Speeches/Speech/article/4202494/remarks-by-secretary-of-defense-pete-hegseth-at-the-2025-shangri-la-dialogue-in/> U.S. Department of Defense.

8 AP News, “US Inserts Itself into Israel’s War with Iran, Strikes 3 Iranian Nuclear Sites,” June 21, 2025, *Associated Press*, <https://apnews.com/article/israel-iran-war-nuclear-talks-geneva-news-06-21-2025-a7b0cdaba28b5817467ccf712d214579>.

9 CNBC, “CNBC’s Inside India Newsletter: Iran-Israel War Sparks Fresh Interest in India’s Defense Sector,” June 26, 2025, *CNBC*, <https://www.cnbc.com/2025/06/26/cnbcs-inside-india-newsletter-iran-israel-war-sparks-fresh-interest-in-indias-defense-sector.html>.

10 Press Trust of India, “No Alternative to Dialogue, Diplomacy: India on Iran-Israel Ceasefire,” *NDTV*, June 24, 2025, <https://www.ndtv.com/india-news/no-alternative-to-dialogue-diplomacy-india-on-iran-israel-ceasefire-8750700>.

11 Subrahmanyam Jaishankar, “Indo-Pacific Is a Fact of Life,” *The Hindu*, October 27, 2021, <https://www.thehindu.com/news/national/indo-pacific-is-a-fact-of-life-s-jaishankar/article37194799.ece>.

Indian Connectivity with West Asia

India's major partnerships in the Middle East.

Country	Summary of partnership
 United States	Strategic partner in Indo-Pacific and the Middle East; facilitates IMEC, I2U2, and defense cooperation; emphasizes free navigation, digital standards, and resilient supply chains.
 United Arab Emirates	India's second-largest export destination and CEPA partner; central node in IMEC and I2U2; major energy supplier and home to 3.9 million Indian expatriates.
 Saudi Arabia	IMEC anchor; growing trade and energy partner; expanding investments in Indian infrastructure, connectivity, and renewable sectors.
 Israel	Defense and tech partner; key node in I2U2; over \$2.9B in arms deals; cooperation continues despite Gaza conflict and regional instability risks.
 Iran	Partner in Chabahar port and INSTC corridor; strategic for Central Asia access; U.S. sanctions constrain full potential of India-Iran ties.
 Oman	Vital maritime partner; Duqm port access enhances Indian naval reach; emerging link in Indo-Pacific-Middle East convergence.
 Russia	INSTC co-architect; strategic energy and defense partner; India balances ties despite U.S./EU pressure over Ukraine war.
 China	CPEC and BRI rival India's corridors; India counters with IMEC and INSTC; strategic competition shapes India's Middle East calculus.

Source: Gopi Bhamidipati

Greater Indo-Pacific vision. Chief among them is the IMEC, launched¹² in September 2023 by India, the United States, Saudi Arabia, the UAE, Italy, Germany, France, and the European Union. Although progress on the central segment of the corridor – rail links connecting the UAE, Saudi Arabia, Jordan, and Israel – remains stalled¹³ due to ongoing Middle East conflict, the eastern segment has seen notable momentum.

India, the UAE, and other Gulf countries in partnership with the U.S. are ramping up efforts¹⁴ to advance IMEC as a key trade corridor, aiming to lower transit costs and reduce reliance on the Suez Canal. During 2022-23, India's trade with the GCC reached 15.8 percent of its total global trade¹⁵ – surpassing its 11.6 percent trade with the EU – while members of the GCC supplied over 55 percent of India's crude oil. With the UAE and Saudi Arabia serving as India's third- and fourth-largest trading partners, the geoeconomic rationale for fast-tracking the N7 Initiative¹⁶ – which promotes flagship projects like I2U2 and IMEC – becomes clear: to harness the region's manufacturing, technology, and financial strengths for shared growth and enhanced connectivity.

While IMEC, if completed as planned, is projected to reduce shipping time between India and Europe by up to 40 percent and lower transportation costs by 30 percent—enhancing connectivity across countries that together represent a \$47 trillion economy¹⁷ and nearly one-fifth of global trade—the I2U2 bloc is already making headway. It has launched a \$2 billion climate-smart food corridor¹⁸ in India, driven by Emirati investment and American and Israeli agritech, along with a 300-megawatt¹⁹ hybrid renewable energy project in Gujarat, supported by a \$330 million U.S. feasibility study. The mainstay of the I2U2 unilateral initiative is India's bilateral strategic partnerships with the UAE in the

12 U.S. Department of Defense, "Remarks by President Biden at Meeting for Partnership for Global Infrastructure and Investment," September 9, 2023, *The White House*, <https://bidenwhitehouse.archives.gov/briefing-room/speeches-remarks/2023/09/09/remarks-by-president-biden-at-meeting-for-partnership-for-global-infrastructure-and-investment/>.

13 Dr. Mohamed EL Doh, "Israel-Iran War Casts Shadow over IMEC Corridor Ambitions," *Geopolitical Monitor*, June 19, 2025, <https://www.geopoliticalmonitor.com/israel-iran-war-casts-shadow-over-imec-corridor-ambitions/>.

14 "India-UAE Hold Talks on India-Middle East-Europe Economic Corridor," *Maritime Gateway*, March 5, 2025, <https://www.maritimegateway.com/india-uae-hold-talks-on-india-middle-east-europe-economic-corridor/>.

15 International Institute for Strategic Studies (IISS), "The Gulf Region's Growing Importance for India," February 21, 2024, *IISS Online Analysis*.

16 Atlantic Council, "N7 Initiative Hosts High-Level I2U2 Dialogue in New Delhi," *Atlantic Council*, April 23, 2025, <https://www.atlanticcouncil.org/news/announcements/n7-initiative-hosts-high-level-i2u2-dialogue-in-new-delhi/>.

17 Jyoti Vij, "India – Middle East – Europe Economic Corridor: A New Global Binding Force," *Gulf News*, July 19, 2025, <https://www.gulfnews.com/opinion/op-eds/india-middle-east-europe-economic-corridor-a-new-global-binding-force-1.500203227>.

18 Press Trust of India, "India, UAE to Set Up Food Corridor at \$2 Billion Investment: Piyush Goyal," *The Economic Times*, October 7, 2024, [https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uae-to-set-up-food-corridor-at-\\$2-billion-investment-piyush-goyal/articleshow/114015728.cms?from=mdr](https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uae-to-set-up-food-corridor-at-$2-billion-investment-piyush-goyal/articleshow/114015728.cms?from=mdr).

19 Narayanappa Janardhan, "UAE-India Green Deals Present Multilateral Opportunities," *Arab Gulf States Institute in Washington*, November 7, 2024, <https://agsi.org/analysis/uae-india-green-deals-present-multilateral-opportunities/>.

For India ... Israel's growing centrality in Middle Eastern conflicts threatens to make it the most vulnerable ... link in an otherwise geoeconomically aligned strategy.

fields of sustainable development, energy security, and green economy on one hand and science and technology transfer agreements, agricultural research, and military cooperation²⁰ with Israel on the other.

The UAE is India's third-largest trading partner and second-largest export destination, with India's expatriate community in the UAE – estimated at approximately 3.9 million, or nearly 30 percent²¹ of the UAE's population, and the UAE's largest diaspora group – underscoring the deep socio-economic ties between the two countries. In FY 2024-25, this community contributed \$21.6 billion in remittances²² to India's record-breaking \$135.46 billion total.²³ Further, the India UAE Comprehensive Economic Partnership Agreement, signed in 2022, diversified²⁴ bilateral trade, nearly doubling from \$43.3 billion in 2020-21 to \$85.61 billion in 2023-24 and reaching \$105.76 billion in 2024-25. Likewise, as one of the world's largest weapons importers by value, India accounted for 10 percent of international arms purchases²⁵ from 2008 to 2023. Over the past 10 years, India has imported \$2.9 billion worth of military hardware from Israel, including combat drones and missiles.

This cooperation continued even after the Oct. 7, 2023, Hamas attacks, with reports²⁶ of the first private uncrewed aerial vehicle (UAV) manufacturing facility in India delivering more than 20 Hermes 900 medium-altitude, long-endurance UAVs to Israel. Although Israel remains a key node in India's Greater Indo-Pacific vision – particularly through its role in I2U2 and its technological synergies – its increasing identification (along with Iran) as a source of regional instability, due to the Gaza war and military adventurism,²⁷ risks undermining its strategic utility. For India, which has anchored its vision in connectivity and commerce, Israel's growing centrality in Middle Eastern conflicts threatens to make it the most vulnerable, and potentially disruptive, link in an otherwise geoeconomically aligned strategy.

In this context, India's pragmatic neutrality during the Israel-Iran conflict underscored its commitment to this geoeconomic vision. As Iranian missiles struck²⁸ near Haifa – home to a key port jointly operated by the Adani Group – India found itself in a uniquely precarious position. Haifa, an important commercial hub acquired²⁹ by India in 2023, symbolizes New Delhi's expanding maritime footprint in the Eastern Mediterranean. At the same time, Iran remains integral to India's regional strategy through its Chabahar Port,³⁰ vital for access to Afghanistan and Central Asia. India continues to operate Chabahar Port in southeastern Iran under a 10-year lease, offering a critical maritime outlet to

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- 20 Sameer Patil, "Israel's Love Affair With India," *Tablet Magazine*, May 7, 2024, <https://www.tabletmag.com/sections/israel-middle-east/articles/israel-love-affair-with-india>.
- 21 Ishani Duttagupta, "Indian Diaspora Plays Significant Part in Shaping UAE's Social and Economic Fabric, Says Indiaspora Report," *The Times of India*, February 25, 2025, 11:49 IST, <https://timesofindia.indiatimes.com/india/indian-diaspora-plays-significant-part-in-shaping-uaes-social-and-economic-fabric-says-indiaspora-report/articleshow/118548315.cms>.
- 22 Vadim Kouznetsov, "UAE Leads GCC Remittance Market: India Receives Record \$129.4 Billion in 2024," *JobXDubai*, April 8, 2025, <https://blog.jobxdubai.com/2025/04/08/uae-gcc-remittance-market-india-record/>.
- 23 Gayatri Nayak, "Diaspora Remittances Hit New Record at \$135.46 bn in FY25," *The Economic Times* (ET Bureau), June 30, 2025, <https://economictimes.indiatimes.com/nri/invest/diaspora-remittances-hit-new-record-at-135-46-bn-in-fy25/articleshow/122144367.cms?from=mdr>.
- 24 *Qatar Tribune*, "India-UAE CEPA Doubles Bilateral Trade in 3 Years," *Qatar Tribune*, June 15, 2025, <https://www.qatar-tribune.com/article/181157/business/india-uae-cepa-doubles-bilateral-trade-in-3-years>.
- 25 Stockholm International Peace Research Institute (SIPRI), *Trends in International Arms Transfers, 2024* (Fact Sheet, March 2025), accessed [Date you accessed the file], https://www.sipri.org/sites/default/files/2025-03/fs_2503_at_2024_0.pdf.
- 26 Neelam Mathews, "India sends newly assembled MALE UAVs to Israel," *Shephard Media*, February 2, 2024.
- 27 Amr Hamzawy, "Israel's and Iran's Military Adventurism Has Put the Middle East in an Alarmingly Dangerous Situation," *Emissary* (blog), Carnegie Endowment for International Peace, June 16, 2025, <https://carnegieendowment.org/emissary/2025/06/israel-iran-war-regional-stability-military-adventurism-proxies?lang=en>.
- 28 "Iran Strikes Tel Aviv and Haifa as Israel Conflict Enters Fourth Day," *The Guardian*, June 16, 2025, <https://www.theguardian.com/world/2025/jun/16/israel-iran-conflict-tel-aviv-haifa-missile-strike>.
- 29 "The Economic Times," *Why Adani's \$1.2 Billion Stake in Haifa Port Is More Than Just Business*, June 17, 2025, 11:26 AM IST, *The Economic Times*, <https://economictimes.indiatimes.com/industry/transportation/shipping/-transport/iran-israel-conflict-adani-haifa-port-missile-strike-stake-importance/articleshow/121900351.cms?from=mdr>.
- 30 TOI Business Desk, "Iran-Israel Conflict: India Keeping Tab on Chabahar Port, International North-South Transport Corridor, Why It's Important," *The Times of India*, June 20, 2025, 1:29 PM IST, <https://timesofindia.indiatimes.com/business/india-business/iran-israel-conflict-india-keeping-tab-on-chabahar-port-international-north-south-transport-corridor-why-its-important/articleshow/121970531.cms>.

Central Asia via the International North-South Transport Corridor (INSTC).³¹

Those ports, along with Duqm in Oman, are not just commercial investments but also key nodes in India's Greater Indo-Pacific vision connecting Europe, the Middle East, and Central Asia. In particular, Duqm port³² offers India a secure maritime foothold, serving as a key link in IMEC's eastern corridor and providing a crucial hedge against disruptions in the Persian Gulf. India retains logistical access rights at Duqm, processing over 3.5 million TEUs (20-foot equivalent units) per year while sitting strategically along the Arabian Sea. Amid rising regional instability, Duqm's location on the Arabian Sea coast enhances India's strategic flexibility to reroute trade and energy flows.

These frameworks prioritize the control and protection of vital sea lines of communication and maritime chokepoints – including the Suez Canal, Bab al-Mandeb, the Strait of Hormuz, and the Strait of Malacca – deemed critical to global trade and strategic dominance. However, the Iran-Israel conflict threatens³³ to militarize these maritime corridors, with even the slightest escalation risking disruption of oil flows and shipping lanes that serve as lifelines for India's economy.

Notwithstanding India's geoeconomic and connectivity-driven approach, U.S.-centric Indo-Pacific narratives predominantly remain anchored in security imperatives. At the 2025 Shangri-La Dialogue, U.S. Secretary of Defense Pete Hegseth outlined³⁴ the Trump administration's Indo-Pacific vision in unapologetically hard-power terms. He cast China as the principal strategic threat and pressed³⁵ allies such as Japan to spend at least 3.5 percent of their Gross Domestic Product (GDP) on defense, deepening a militarized policy trajectory that diverges from India's economic-first focus. To be sure, Trump has publicly praised³⁶ the IMEC as "one of the greatest trade routes in all of history" during Modi's February visit to Washington – and signaled³⁷ an economic agenda eyeing \$2 trillion in deals in the Middle East during his May trip that included visits to the UAE, Qatar, and Saudi Arabia. Yet the broader U.S. policy posture toward the Indo-Pacific continues to reinforce a security-led tilt aimed at China and Iran, hollowing out the nonmilitary economic pillars required to meaningfully integrate the Middle East into a robust regional strategy.

Washington's maximum-pressure approach to Iran reinforces this security over economy-first approach. The U.S. airstrikes on Iranian nuclear facilities undertaken amid the Israel-Iran crisis may satisfy coercive signaling but also undermine³⁸ the very cross-theater stability that IMEC-style corridors depend on. Rather than advancing the kind of inclusive, infrastructure-led vision India is promoting, the U.S. security policy approach leaves no coherent American architecture to connect India with the Gulf and Mediterranean supply chains at

31 "India Keeping Tab on Chabahar Port & INSTC Projects," *Maritime Gateway*, accessed August 2025, <https://www.maritimeway.com/india-keeping-tab-on-chabahar-port-instc-projects/>.

32 Naga Bindhu Madhuri Annem, "Oman's Integration into IMEC: Strategic Imperatives for Enhancement of the IMEC Eastern Corridor," *Maritime India Journal*, July 9, 2025, <https://maritimeindia.org/omans-integration-into-imec-strategic-imperatives-for-enhancement-of-the-imec-eastern-corridor/>.

33 ANI, "Rising Israel-Iran Conflict, India Faces Growing Threats to Its Energy Security, Trade Routes, and Commercial Ties: GTRI," *The Economic Times*, June 16, 2025, 10:12 AM IST, <https://economictimes.indiatimes.com/news/india/rising-israel-iran-conflict-india-faces-growing-threats-to-its-energy-security-trade-routes-and-commercial-ties-gtri/articleshow/121874517.cms?from=mdr>.

34 U.S. Department of Defense, "Remarks by Secretary of Defense Pete Hegseth at the 2025 Shangri-La Dialogue in Singapore (As Delivered)," May 31, 2025, *U.S. Department of Defense*, <https://www.defense.gov/News/Speeches/Speech/article/4202494/remarks-by-secretary-of-defense-pete-hegseth-at-the-2025-shangri-la-dialogue-in/>.

35 Mainichi Japan, "US Reportedly Asked Japan to Raise Defense Spending to 3.5% of GDP," *Mainichi Japan*, June 21, 2025, <https://mainichi.jp/english/articles/20250621/p2g/00m/0na/009000c>.

36 Danny Kemp, "Meeting Modi, Trump Names Israel as a Waypoint on Proposed US-India Trade Route," *The Times of Israel*, February 14, 2025, 5:26 a.m., <https://www.timesofisrael.com/meeting-modi-trump-names-israel-as-a-waypoint-on-proposed-us-india-trade-route/>.

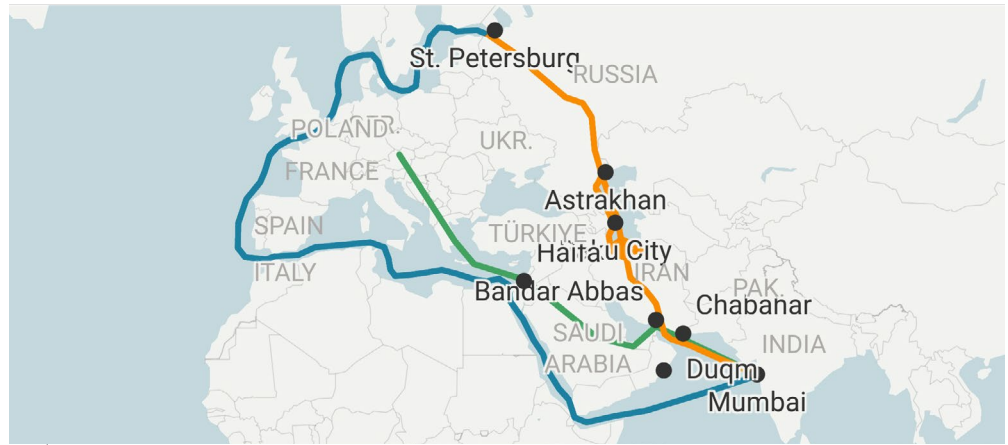
37 Hashmi, Sameer. "Did Trump Really Strike Gulf Deals Worth \$2tn?" *BBC News*, May 20, 2025. <https://www.bbc.com/news/articles/cn5yxp2v77ro>.

38 Dr. Mohamed ELDoh, "Israel-Iran War Casts Shadow over IMEC Corridor Ambitions," *Geopolitical Monitor*, June 19, 2025, <https://www.geopoliticalmonitor.com/israel-iran-war-casts-shadow-over-imec-corridor-ambitions/>.

IMEC and INSTC Corridors

Regional transit corridors

- International North-South Transport Corridor (INSTC)
- India–Middle East–Europe Economic Corridor (IMEC)
- Maritime route



Sources: Gopi Bhamidipati, Created with Datawrapper

a moment when partners are looking³⁹ for alternatives.

The result is a scenario where such policy vacuums are increasingly filled by strategic hedging, non-Western partnerships, and India's own Greater Indo-Pacific model. For countries from the Gulf to Southeast Asia, and for New Delhi in particular, the lesson is clear: geoeconomic connectivity will move forward where security coalitions cannot.

Keeping Corridors Open in a Fragmented Indo-Pacific

India's Greater Indo-Pacific strategy with the Middle East at its center depends on keeping multiple, often adversarial, relationships at least operationally functional. The test is no longer rhetorical alignment but whether ports load, tankers sail, and corridor financing survives geopolitical crises and regional chaos. Recent crises have posed an especially severe test for India's multi-alignment policy: the worsening of the Gaza crisis, the war between Israel and Iran, an intensifying U.S.-China rivalry with its renewed tit-for-tat tariff exchanges, and the brief India-Pakistan war in April. Yet New Delhi's core objective, to protect and expand the geoeconomic pathways that give substance to the Greater Indo Pacific, holds.

In line with this, after four years of high-altitude confrontation, India and China agreed⁴⁰ in October 2024 to begin a phased disengagement at remaining friction points in eastern Ladakh and the western sector of the Line of Actual Control. While this accord did not restore trust, it eased crisis intensity at a time when New Delhi was redirecting diplomatic focus toward its westward geoeconomic agenda. In September 2024, Modi met⁴¹ with Palestinian Authority President Mahmoud Abbas on the sidelines of the Summit of the Future in New York, signaling India's neutrality and even-handed approach amid rising Middle East tensions. Soon after, India and the UAE signed⁴² a virtual trade corridor agreement to streamline documentation, accelerate customs processes, and cut transit times across India-Gulf supply chains, laying the practical groundwork for IMEC and other connectivity initiatives. Meanwhile, India's trade with China, its second largest trading partner after the U.S., has proven resilient despite ongoing strategic competition: their two-way trade in goods reached

39 Gedaliah Afterman and Carla Dondera, "Gamechanger or Fantasy? Trump's Evolving Middle East Strategy," *The Cairo Review of Global Affairs*, June 19, 2025, <https://www.thecairoreview.com/essays/gamechanger-or-fantasy-trumps-evolving-middle-east-strategy/>.

40 "China Confirms Agreement to End Standoff in Eastern Ladakh," *The Hindu*, October 22, 2024, <https://www.thehindu.com/news/national/china-confirms-agreement-to-end-standoff-in-eastern-ladakh/article68782172.ece>.

41 Press Information Bureau, Government of India, "Prime Minister Meets President of Palestine," *Press Information Bureau (PIB)*, September 22, 2024, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2057698>.

42 "India Readies Its Ports to Power the Ambitious IMEC Corridor," *Business Today*, updated September 11, 2024, <https://www.businesstoday.in/latest/economy/story/india-readies-its-ports-to-power-the-ambitious-imec-corridor-445481-2024-09-11>.

\$127.71 billion⁴³ in 2024-25, underscoring New Delhi's ability to compartmentalize geopolitical rivalries while deepening commercial and infrastructure linkages.

Meanwhile, India is actively leveraging overlapping multilateral platforms – BRICS+ (expanded from the original Brazil, Russia, India, China, and South Africa grouping to include the UAE, Egypt, Iran, and Ethiopia) and the Shanghai Cooperation Organization (SCO), where China and Iran sit across the table – to keep dialogue open across rival blocs. During External Affairs Minister S. Jaishankar's July visit⁴⁴ to Beijing – his first since the 2020 Galwan Valley clash – and in discussions on the sidelines of an SCO regional security meeting in Tianjin, he called⁴⁵ for an “open exchange of views” in what he described as a region in flux. The sequencing captured India's balancing method: Shortly afterward, Jaishankar joined his counterparts for a July meeting of the Quadrilateral Security Dialogue (Quad) in Washington, and days later, Modi was in Rio de Janeiro for the BRICS+ summit. There, India pointedly distanced⁴⁶ itself from language echoed in an earlier SCO statement condemning Israeli military action against Iran, signaling that it will engage across groupings without inheriting their hardline positions.

Further, India has quietly positioned itself as a diplomatic bridge between East and West, especially noticeable in its calibrated approach to the Russia-Ukraine war, where New Delhi has avoided full alignment while quietly advancing dialogue, maintaining open channels with both Moscow and Kyiv, and urging⁴⁷ cessation of hostilities in international forums such as the G20 and BRICS. These forums provide India with essential avenues for energy coordination, banking mechanisms, and crisis communication – capabilities that a U.S.-style containment doctrine would undermine. India cannot advance corridors like IMEC or deepen economic cooperation through platforms like I2U2 if every multilateral engagement is reduced to the binary “with us or with China or Iran.” What is often described as multialignment is, in fact, India's strategic risk management designed to preserve connectivity and protect its economic interests.

India Working With – Not For – the U.S.

Despite periodic differences, Modi has kept engagement with Washington on track where interests converge. This includes Trump's tariff volatility – including his recent announcement of a 25% tariff on Indian goods plus penalties for buying Russian oil – as well as Washington's calibrated posture toward Pakistan, illustrated by a private White House dinner⁴⁸ for Pakistani Army Chief Asim Munir following the India-Pakistan clash. It also includes direct U.S. involvement in the 12-day Israel-Iran war, the threat of secondary EU and unilateral U.S. sanctions on India for maintaining trade ties with Russia, and the still-ongoing conflict in Gaza. Following the new⁴⁹ round of tariffs that have increased India-U.S. tensions, New Delhi's preparations for Trump's first

43 Manoj Kumar, et al., “India Trade Deficit with China Widens to Record \$99.2 Bln Amid Dumping Concerns,” *Reuters*, April 16, 2025, <https://www.reuters.com/markets/asia/india-trade-deficit-with-china-widens-record-992-bln-amid-dumping-concerns-2025-04-16/>

44 HT News Desk, “What S Jaishankar Said after Meeting President Xi Jinping in China,” *Hindustan Times*, updated July 15, 2025, <https://www.hindustantimes.com/india-news/conveyed-pm-modi-s-greetings-jaishankar-meets-president-xi-jinping-in-china-101752553202594.html>

45 Shakeel Sobhan, with *Reuters and Indian media*, “India's Jaishankar Hails ‘Positive Trajectory’ in China Ties,” *DW*, July 14, 2025, <https://www.dw.com/en/india-china-call-for-stronger-cooperation-during-jaishankars-beijing-visit/a-73265940>

46 Chatham House, *Expert Comment*, “Back-to-back BRICS and Quad Meetings Highlight India's Increasingly Difficult Balancing Act,” July 4, 2025, *Chatham House*, <https://www.chathamhouse.org/2025/07/back-back-brics-and-quad-meetings-highlight-indias-increasingly-difficult-balancing-act>

47 Press Trust of India, “BRICS Remains a Powerful Force for Global Good: PM Narendra Modi,” *The Indian Express*, July 6, 2025, <https://www.indianexpress.com/article/india/brics-remains-a-powerful-force-for-global-good-pm-narendra-modi-10110210/>

48 “With a 2-hr Closed-Door Meeting, Trump May Have Made It Difficult for Asim Munir,” *Firstpost*, June 18, 2025, <https://www.firstpost.com/world/with-a-2-hour-closed-door-meeting-trump-may-have-made-it-difficult-for-pakistan-army-chief-asim-munir-13899319.html>

49 Josh Boak, Rajesh Roy, and Fatima Hussein, “Trump to Put Additional 25 % Import Taxes on India, Bringing Combined Tariffs to 50 %,” *AP News*, August 6, 2025, <https://apnews.com/article/trump-india-russia-oil-tariffs-2db9dc22d7b56624bdceb2e15c134d60>

high-visibility reception in his second term are uncertain.⁵⁰ Previously, Trump was expected⁵¹ to attend the scheduled Quad summit in New Delhi in the fall.

Yet, the divergence between India and the U.S. is widening, particularly on Indo-Pacific engagement. In his second term, Trump has stalled several nonmilitary economic pillars: the Indo-Pacific Economic Framework has been deprioritized;⁵² a Pentagon review⁵³ has injected uncertainty into AUKUS, the trilateral alliance of Australia, the United Kingdom, and the U.S.; and a follow-through on Quad economic deliverables has lagged.⁵⁴ India interprets Washington's security-first tilt as a narrowing of strategic imagination – one that sidelines the economic and infrastructural frameworks essential for geopolitical interests.

Equally, among Middle Eastern partners witnessing this drift, there is growing skepticism⁵⁵ about Washington's ability or willingness to integrate the region into a broader Indo-Pacific economic vision. Hegseth's 2025 Shangri-La Dialogue address reinforced a perception of disconnect. His focus on deterrence, defense spending, and China as the principal threat ignored the region's immediate realities – most notably Israel's Gaza campaign and its humanitarian fallout. In Abu Dhabi, Riyadh, and Muscat, this omission was read⁵⁶ as proof that Washington continues to treat the Middle East as a security platform rather than a co-equal economic pillar in its Indo-Pacific framework.

India's nuanced economic partnership-focused approach offers a stark contrast. This difference is why Gulf states, frustrated by Washington's hard-power lens, increasingly see India as a bridge-builder rather than a proxy. For India, collaboration with the U.S. remains important, but not at the expense of its own connectivity-driven strategy – a model that emphasizes and reinforces the sentiment that India should be working with, but not for, Washington.

Corridor Exposure and Oil Price Volatility: Israel, Iran, and Maritime Risk

India's interests are tied to Middle Eastern stability. As hostilities escalated, oil markets reacted⁵⁷ sharply, with oil futures jumping by over 2 percent. For India, the economic risks⁵⁸ of a prolonged conflict in the region are severe. Nearly two-thirds of its crude oil and half of its liquefied natural gas imports transit through the Strait of Hormuz.⁵⁹ Regional disruptions drive up oil prices, shipping costs, and insurance premiums, costly for an economy like India's, which depends on imports for 80 percent of its energy needs. While India's trade ties with Israel and Iran are significant,⁶⁰ with exports to Iran totaling \$1.2 billion and imports at \$441.8 million, while exports to Israel reached \$2.1 billion and

50 Khushboo Razdan, "US-India Tensions Cast Doubt on Future of Quad, as Well as Possible Trump Visit," *South China Morning Post*, August 6, 2025, <https://www.scmp.com/news/us/diplomacy/article/3320879/us-india-tensions-cast-doubt-future-quad-well-possible-trump-visit>.

51 Anirban Bhaumik, "US President-Elect Donald Trump May Visit India in 2025 to Attend Quad Summit," *Deccan Herald*, November 6, 2024, <https://www.deccanherald.com/india/donald-trump-may-visit-india-in-2025-to-attend-quad-summit-3265377>.

52 Eka Khorbaladze, "Can Trump Revitalize the Indo-Pacific to Win Back American Leadership?," *China-US Focus*, February 14, 2025, <https://www.chinausfocus.com/foreign-policy/can-trump-revitalize-the-indo-pacific-to-win-back-american-leadership>.

53 Lindsay Maizland and Clara Fong, "United States to Review AUKUS Pact," *Council on Foreign Relations*, June 12, 2025, <https://www.cfr.org/article/united-states-review-aukus-pact>.

54 HT Editorial, "Reimagining Quad in the Shadow of Trump," *Hindustan Times*, June 30, 2025, <https://www.hindustantimes.com/editorials/reimagining-quad-in-the-shadow-of-trump-101751294711286.html>.

55 "Saudi Arabia Voices 'Great Concern' Over US Strikes on Iran, Leads Calls for Restraint, De-escalation," *Arab News*, June 22, 2025, updated June 23, 2025, <https://www.arabnews.com/node/2605350/saudi-arabia>.

56 Dina Esfandiary, "How a Single Strike Rattled the Gulf's Illusion of Stability," *Time*, July 1, 2025, <https://time.com/7299042/strike-rattled-gulfs-illusion-stability/>.

57 Sweta Singh, "US Joins Iran-Israel War, Stoking Worries about Oil Volatility," *CNBC*, June 23, 2025, <https://www.cncb.com/2025/06/23/us-joins-iran-israel-war-stoking-worries-about-oil-volatility.html>.

58 Nikkei Asia, "Israel-Iran War Threatens India's Regional Energy, Transport Links," *Nikkei Asia*, June 21, 2025, <https://asia.nikkei.com/spotlight/iran-tensions/israel-iran-war-threatens-india-s-regional-energy-transport-links>.

59 "Strait of Hormuz: Iran Threatens World's Key Oil Lifeline at Just 33 km Wide," *The Economic Times*, June 18, 2025, <https://economictimes.indiatimes.com/news/international/world-news/strait-of-hormuz-iran-israel-war-world-key-oil-lifeline-33-km-wide/articleshow/121923203.cms?from=mdr>.

60 Joe Mathew, "Iran-Israel Conflict Can Threaten India's Trade Momentum, but Exporters Express Hope to Stay Resilient amid Rising Costs," *Fortune India*, June 23, 2025, <https://www.fortuneindia.com/business-news/iran-israel-conflict-can-threaten-indias-trade-momentum-but-exporters-express-hope-to-stay-resilient-amid-rising-costs/124291>.

Gwadar and Chabahar Ports Region

Regional transit corridors

- CPEC
- Transit and Transportation Corridor



Sources: Datawrapper, Created with Datawrapper

imports \$1.6 billion, India's trade with the wider Middle East region is disproportionately larger, with exports amounting to \$8.6 billion and imports reaching \$33.1 billion.

Meanwhile, continuing instability across the Middle East has placed India's westward connectivity agenda, including the INSTC, IMEC, and the development⁶¹ of Iran's Chabahar Port – under heightened risk. The INSTC, a 7,200-kilometer (4,474-mile) multimodal network linking St. Petersburg, Russia, with Mumbai via Iran, and IMEC's eastern corridor both hinge on uninterrupted maritime flows through the Gulf. Chabahar alone handled more than 2 million metric tons of cargo in FY 2024-2025, much of it fertilizer and wheat bound for Afghanistan, underscoring India's financial stake (about \$120 million in equipment commitments and a \$250 million credit line to Tehran for associated infrastructure).

India's involvement⁶² in upgrading Iran's Chabahar Port since 2003 is a direct counter to Pakistan's Gwadar Port, developed under China's Belt and Road Initiative (BRI) as part of the China-Pakistan Economic Corridor (CPEC), through which Beijing would gain strategic access to the Arabian Sea and a foothold near the Strait of Hormuz. By developing Chabahar, India is not only bypassing Pakistan for access to Afghanistan and Central Asia but also advancing a connectivity model that rivals China's BRI. This is precisely why U.S. sanctions and hardline anti-Iran policies risk undermining an India-led Greater Indo Pacific model that could serve as a balancing force against China's growing regional influence.

At the height of Israel-Iran tensions in June, missile alerts and air-defense activity across Israel's maritime gateways – Haifa in the north, Ashdod near Gaza, and Eilat on the Red Sea – slowed vessel turnarounds and pushed war-risk premiums⁶³ higher on Red Sea and Gulf routes. After an Iranian strike damaged a power unit, Bazan shut its Haifa oil refinery on June 16; nearly 30 vessels (many general cargo) rode at anchor in Haifa Bay even as terminals were reported operational, and carriers grew more cautious about calling on Israeli ports amid Houthi threats to target Israel-linked shipping. For India, the signal was clear: Haifa,⁶⁴ a key node for transit of India-linked cargo into the Eastern Mediterranean and onward to Europe, is exposed to the same shock chain that runs through the Gulf energy lanes central to its Greater Indo-Pacific vision.

India's response – quiet engagement, de-escalation calls, and strict nonalignment amid tensions in the Middle East – was ultimately about protecting these maritime assets and keeping its Greater Indo-Pacific corridor vision intact. However, while maritime resiliency can be engineered; continental passage cannot. India's westward overland connectivity still runs into the political hard wall of its frozen relationship with Pakistan. That structural gap now defines the limits of India's geoeconomic strategy.

The Pakistan Dilemma

India's Greater Indo-Pacific strategy leans heavily on westward connectivity – linking ports, pipelines, data cables, and trade platforms across the Persian Gulf and into Europe. Yet Pakistan's geography remains the unsolved variable.

61 TOI Business Desk, "Iran–Israel Conflict: India Keeping Tab on Chabahar Port, International North–South Transport Corridor; Why It's Important," *The Times of India*, June 20, 2025, 1:29 PM IST, <https://timesofindia.indiatimes.com/business/india-business/iran-israel-conflict-india-keeping-tab-on-chabahar-port-international-north-south-transport-corridor-why-it-important/articleshow/121970531.cms>.

62 *The Chabahar Gambit: India's Play for Influence in Central Asia*, Observer Research Foundation, September 30, 2024, <https://www.orfonline.org/research/the-chabahar-gambit-india-s-play-for-influence-in-central-asia>.

63 "Israel–Iran Conflict Leads to Jump in Shipping Insurance Costs in Middle East," *CNBC*, June 19, 2025, <https://www.cnbc.com/2025/06/19/israel-iran-conflict-shipping-insurance-costs-jump-in-the-middle-east.html>.

64 "Iran Strikes Tel Aviv and Haifa as Israel Conflict Enters Fourth Day," *The Guardian*, June 16, 2025, <https://www.theguardian.com/world/2025/jun/16/israel-iran-conflict-tel-aviv-haifa-missile-strike>.

Meanwhile, the United States balances security cooperation with Pakistan and expanding commercial ties with India – but its Iran policy and sanctions architecture often cut across India’s workarounds to Pakistan.

Sitting at the hinge⁶⁵ of South Asia and the Middle East, Pakistan could, in theory, provide the most direct overland link between India and the energy-rich Gulf littoral. In practice, entrenched political hostility, suspended diplomatic channels, and periodic crises have kept that land bridge closed. Airspace interruptions, customs suspensions, and the freezing⁶⁶ of limited bilateral trade mechanisms have reinforced a hard structural barrier inside what should be a continuous commercial arc.

India’s response has been to build around Pakistan rather than through it. The Chabahar Port project gives India sea access to Afghanistan and onward into Central Asia without touching Pakistani territory. The INSTC extends that routing farther north toward Russia and Europe, while IMEC aims to move India-Gulf-Europe cargo westward. Add to this India-UAE digital payment links⁶⁷, energy storage⁶⁸ partnerships with Saudi Arabia and growing Indian commercial calls at Duqm⁶⁹ as a Hormuz hedge, and the pattern is clear: where Pakistan blocks transit, India is substituting maritime, multimodal, and Gulf-anchored corridors to operationalize its Greater Indo-Pacific strategy.

But bypassing is not cost-free – and Pakistan’s alignment choices magnify the stakes. China’s investment in Gwadar⁷⁰ under CPEC, itself a flagship of BRI, gives Beijing a strategic foothold near the Strait of Hormuz and inside a geography India cannot access. Overland energy or fiber links that might have run cheaply across the subcontinent must instead span longer sea lines, making corridor resilience dependent on vulnerable chokepoints like Hormuz and Bab al-Mandeb as well as political stability in Iran.

Meanwhile, the United States balances security cooperation with Pakistan and expanding commercial ties with India – but its Iran policy and sanctions architecture often cut across India’s workarounds to Pakistan (Chabahar, INSTC, IMEC). If Washington wants a sustainable counterweight to China’s BRI footprint in Gwadar and CPEC, backing India’s corridor alternatives is the practical play. However, the nuanced U.S. engagement with Pakistan fuels unease in New Delhi.

India reads U.S.-Pakistan military signaling against a backdrop of U.S. pressure on Iran and a security-first Indo-Pacific agenda and worries that Washington is undercutting the very geoeconomic alternatives such as Chabahar and IMEC that could balance China’s reach. The GCC offers a model for managing⁷¹ this dynamic – engaging both India and Pakistan in parallel, balancing security where necessary, with commerce where possible, without allowing one relationship to undermine the other. The United States could take a page from this playbook.

Until some form of functional connectivity – whether limited trade, humanitarian transit, or energy arrangements – becomes feasible between India and Pakistan, the overland dimension of India’s Greater Indo-Pacific vision will remain fundamentally constrained. Maritime workarounds can carry growth, but they cannot erase geography. Pakistan is the weak joint in the system, and how

65 *The Cradle*. “The Hidden War: Powers Clash over Global Trade Corridors,” accessed August 2025, [https://thecradle.co/articles-id/30926](https://thecradle.co/articles/id/30926).

66 *France 24*, “India Orders Pakistani Citizens to Leave, Islamabad Closes Border after Kashmir Attack,” April 24, 2025, <https://www.france24.com/en/asia-pacific/20250424-india-will-identify-track-and-punish-kashmir-attack-perpetrators-modi-says>.

67 *The Times of India*, “No Cash? No Problem: India-UAE Payments Go Digital with UPI-AANI Link,” *The Times of India*, July 29, 2025, <https://timesofindia.indiatimes.com/world/middle-east/no-cash-no-problem-india-uae-payments-go-digital-with-upi-aani-link/articleshow/122379940.cms>.

68 SaudiEnergyConsulting, “Saudi Arabia-India Energy Cooperation Expands with New Agreements,” *SaudiEnergyConsulting Insights*, accessed August 2025, <https://saudienergyconsulting.com/insights/articles/saudi-arabia-india-energy-cooperation-expands-with-new-agreements>.

69 “The Significance of Duqm Port for India,” *Maritime Gateway*, February 15, 2022, <https://www.maritimegateway.com/the-significance-of-duqm-port-for-india/>.

70 Asifa Zafar, “The Strategic Importance of Gwadar Port in Regional Connectivity and Rivalries,” *Advance Social Science Archive Journal* 3, no. 2 (2025): 1694–1705, <https://assajournal.com/index.php/36/article/view/456>.

71 Emil Avdaliani, “Unexpected Facilitators: Gulf States and the India-Pakistan Conflict,” GRC Commentary & Analysis, Gulf Research Center, June 2025, <https://www.grc.net/documents/6860e3656befeUnexpectedFacilitatorsGulfStatesandtheIndiaPakistanConflict2.pdf>.

Washington handles its parallel relationships with Islamabad and New Delhi will either widen that fracture or help bridge it.

Multilateralism Without Military Alignment

India's strategic autonomy and a multialignment⁷² strategy remains central to its Greater Indo-Pacific vision. Rather than binding itself to rigid alliances, New Delhi leverages overlapping partnerships that enhance economic and connectivity outcomes – especially those involving the Middle East. The official expansion of BRICS+ in January 2024 has provided India with a platform for financial coordination⁷³, energy diplomacy, and infrastructure financing that complements IMEC and I2U2 initiatives. Similarly, India's presence in the SCO, where Iran became a member⁷⁴ in 2023, offers a forum for crisis management and corridor security discussions.

The U.S. has advanced the economic components of its Indo-Pacific strategy – especially through frameworks like the Quad and the Indo-Pacific Economic Framework (IPEF) – particularly under President Joe Biden, whose administration broadened⁷⁵ the regional approach beyond the narrowly China-centric posture of both the first and second Trump administrations. Biden's strategy⁷⁶ identified Beijing as one of several challenges – including climate change, pandemics, and economic coercion – rather than a sole U.S. adversary, thereby aligning more closely with India's multidimensional interests. This translated into cooperative initiatives like the IPEF, supply chain resilience efforts, and digital standard setting. However, these economic components remained largely confined to the Pacific theater and did not extend deeply into the Middle East – an area now returning to a more security-first orientation under Trump's second term.

India fills that gap by pairing Gulf finance, Iranian access, and diversified Asian markets under a flexible, multidimensional and non-alliance⁷⁷ umbrella. In this context, India's participation in these multilateral groupings is pragmatic rather than ideological. While China is a competitor, particularly in infrastructure projects across the Gulf, it is also an indispensable⁷⁸ economic partner. India's ability to maintain such dual-track engagement allows it to focus on trade corridors and energy flows rather than bloc politics.

This approach contrasts sharply with the U.S. approach, especially during Trump's second term, that emphasizes defense spending, naval deterrence, and containment strategies that often sideline economic integration with the Middle East.

72 Aparna Pande, "India's Multi-Alignment and Rising Geopolitical Profile," GIS Reports, Hudson Institute, updated July 2025, <https://www.hudson.org/foreign-policy/indias-multi-alignment-rising-geopolitical-profile-aparna-pande>.

73 Marc Owen Jones, "BRICS and the Arab Gulf: The Perks of Membership," *Carnegie Endowment for International Peace*, January 2024, <https://carnegieendowment.org/sada/2024/01/brics-and-the-arab-gulf-the-perks-of-membership?lang=en>.

74 Kyle Orton, "Iran Becomes Full Member of Shanghai Cooperation Organization," *Foundation for Defense of Democracies*, July 6, 2023, <https://www.fdd.org/analysis/2023/07/06/iran-becomes-full-member-of-shanghai-cooperation-organization/>.

75 Jayadeva Ranade, *Trump to Biden: Indo-Pacific Strategy* (Singapore: National University of Singapore, East Asia Institute, March 2023), <https://research.nus.edu.sg/eai/wp-content/uploads/2023/03/EAIBB-No.-1668-Trump-to-Biden-Indo-Pacific-Strategy-2-1.pdf>.

76 The White House, "The United States' Enduring Commitment to the Indo-Pacific Region," statement, January 10, 2025, <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2025/01/10/the-united-states-enduring-commitment-to-the-indo-pacific-region/>.

77 Ankit Panda, "The Indo-Pacific Chooses Options, Not Sides," *War on the Rocks*, July 8, 2025, <https://warontherocks.com/2025/07/the-indo-pacific-chooses-options-not-sides/>.

78 Anirban Bhaumik, "India-China Economic Interdependence: Collaboration amid Rivalry in Global Supply Chains," *Australian Outlook*, June 19, 2025, <https://www.internationalaffairs.org.au/australianoutlook/india-china-economic-interdependence-collaboration-amid-rivalry-in-global-supply-chains/>.

Policy Recommendations

It is in Washington's strategic and economic interests to align with India's Greater Indo-Pacific vision – one that places Middle Eastern energy, logistics, and finance at the core of a shared geoeconomic agenda. U.S. Indo-Pacific engagement already mixes security and economics; the missing piece is depth in the Middle East. Aligning with India's corridor-led approach would extend American commercial influence into the very energy and shipping arteries most exposed to crisis. The U.S. should:

1 PRIORITIZE INFRASTRUCTURE OVER CONTAINMENT

Co-finance IMEC segments and scale I2U2 food- and energy-security projects – not only to reinforce India's connectivity-first strategy, but to strengthen U.S. supply-chain resilience, diversify energy routes beyond chokepoints, and expand Washington's economic footprint across the Gulf and Eastern Mediterranean.

2 RECOGNIZE THE GULF AS STRATEGIC, NOT PERIPHERAL

Treat India and Gulf partners as co-architects of regional economic corridors, not just defense outposts; doing so secures U.S. access to critical energy flows, opens new markets for American capital and technology, and helps counter China's infrastructure diplomacy.

3 AVOID ZERO-SUM CHOICES ON IRAN

India's Chabahar Port operations and Iran trade are vital to westward connectivity; narrowly tailored sanctions carve-outs would keep a non-Chinese corridor open to Afghanistan and Central Asia, stabilize Gulf-linked flows, and give Washington leverage over supply chains on which it also relies.

4 VIEW INDIA'S STRATEGIC AUTONOMY AS A U.S. ASSET

India's ability to engage across divides – China, the UAE, Saudi Arabia, Iran, and Israel – makes it a natural stabilizer in a fractured region, reducing the demand for costly U.S. interventions while reinforcing a more balanced, rules-respecting order that advances U.S. strategic and economic interests.

5 ALIGN WITH GULF-INDIA CORRIDOR STANDARDS EARLY

Support customs digitization, port interoperability, and maritime insurance risk-sharing across IMEC and Gulf-linked trade lanes where India and the UAE are already setting standards. This ensures Washington gains early oversight of cargo flows, mitigates shipping and energy risks, opens markets for U.S. logistics and fintech companies, and blocks China from dominating regional operating rules.

By embracing these measures, the U.S. would not only strengthen India's Greater Indo-Pacific strategy but also ensure that its own role in the Middle East remains relevant amid growing rivalries and rising Chinese economic influence.

The Strategic Value of a 'Greater' Indo-Pacific

India is redrawing the map of the Indo-Pacific by placing the Middle East, especially the Gulf Arab states, Israel, and Iran, at its strategic center. For the United States, recognizing this shift means treating the Middle East as an economic hinge within the Indo-Pacific, not just a security platform, and partnering where Indian, Gulf, and U.S. interests overlap in trade, energy, and corridor resilience. For India, this is a clear recognition that energy security, logistics, and trade flows connecting the Indian Ocean, the Arabian Peninsula, and the Eastern Mediterranean now define regional stability. Initiatives like IMEC, I2U2, and Chabahar signal that India's Indo-Pacific is anchored as much in the Middle East as in the traditional Asia-Pacific arc.

This poses a clear choice for the United States: Work with India on this expanded vision – prioritizing corridors, co-financing infrastructure, and engaging GCC economies – or risk watching China and others fill the space with competing frameworks and alternative strategic partnerships. India’s Greater Indo-Pacific model offers Washington a partner that is both pragmatic and independent – a connector, not a subordinate. The U.S. can either adapt to this reality or see its influence in the region diminish.



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