

Forging New Frontiers: India-GCC Engagement under the Act West Policy and Implications for Pakistan

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Abstract

Since its independence, India has aimed to strengthen its ties with Gulf countries. The launch of its Act West policy has remained the cornerstone of New Delhi's strategy to deal with Gulf countries. The policy's objective was to strengthen bilateral ties through economic, political, and increased diplomatic outreach. India's influence in the Gulf Cooperation Council (GCC) region has significantly grown under Prime Minister Narendra Modi. The main research question this study explores is: What are factors impacting Indian relationship with the Gulf States? Through a neoclassical realism perspective, this study analyses the interplay of systemic influences and domestic leadership factors in shaping India's foreign policy towards GCC States. It employs a qualitative methodology along with secondary data analysis. This article concludes India's deepening engagement with the Gulf countries does not inherently come at the expense of Pakistan, as each state holds its own strategic, economic, and cultural value. In today's multipolar and interest-driven international system, relationships are increasingly non-exclusive and transactional.

Keywords: India-GCC Engagement, Middle East Diplomacy, Regional Power Dynamics, Pakistan's Strategic Response, Act West Policy

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Introduction

West Asia is strategically a critical region, and India's diplomatic relations were officially initiated following its independence; however, they remained at a low level until India liberalized its economy following the collapse of the Soviet Union. In the post-World War II era, relations remained complicated due to the India-Pakistan rivalry, which later improved in the post-Cold War era. The twenty-first century's inception marked the introduction of India's 'Look West Policy' under the Manmohan Singh administration.² These relations have further deepened under Prime Minister Narendra Modi. After coming into power, Modi realized the potential of Middle Eastern states and made the most foreign visits to Gulf countries to secure India's national interests. With Narendra Modi in power, New Delhi's foreign policy emphasis has shifted towards the Middle East, especially towards the GCC states, to accomplish its strategic aspirations. Their heightened relationship has resulted in significant implications and challenges for Pakistan. This demonstrates India's desire to limit Pakistan's influence in the region by strengthening its ties with these states.

India's expanding engagement with Gulf countries—through strategic initiatives like India-Israel-UAE-US (I2U2), digital infrastructure collaboration, clean energy partnerships, and logistics corridors such as India–Middle East–Europe Economic Corridor (IMEC)—reflects a shift in regional diplomacy toward technology-driven and innovation-based cooperation. This transformation positions India as a key partner in the Gulf's economic diversification and long-term strategic planning. In contrast, Pakistan's role remains largely rooted in traditional sectors such as labor export and security cooperation, with limited participation in emerging technological frameworks. This growing asymmetry risks reducing Pakistan's strategic relevance in a Gulf region increasingly defined by digital connectivity, high-tech partnerships, and multi-aligned diplomacy.

Sudhanshu, in “Analyzing Present Cultural Relevance between India-West Asia Relations”³, highlights the cultural synergy between India and West Asian nations, which is the

² Sanjaya Baru, “India and the World – Economics and Politics of the Manmohan Singh Doctrine in Foreign Policy” (Working Paper, National University of Singapore, 2008), https://www.isas.nus.edu.sg/wp-content/uploads/media/isas_papers/Working%20Paper%2053%20-%20Email%20-%20India%20and%20the%20World%20-%20Manmohan%20Singh%20Doctrine.pdf.

³ Sudhanshu Tripathi, “Analyzing Present Cultural Relevance between India - West Asia Relations,” *Annals of Social Sciences & Management Studies*, no. 1 (May 24, 2018).

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progeny of the relations built in civilization time. India and West Asia share a religious and cultural coherence that makes them affectionate towards each other.

Kumaraswamy highlights in “Middle East: On the Agenda or The Next Leader of India?”⁴ that after the Arab Spring, India is facing a policy challenge. The next leader, Modi, must implement policy changes to engage with the politics of the West Asian region, promoting stability and securing its interests.

In the book “Emerging Trends in West Asia: Regional and Global Implications,” Roy argues that West Asia has undergone specific internal and external changes, including American withdrawal, major power politics, and regional rivalry. Arab states should emerge as pivotal entities, recognizing each other’s importance and forming a regional bloc. India also holds a pivotal role in relations with the Arab countries, based on historical, geostrategic, geopolitical, and economic factors. Efficiently explaining India’s approach, the book lacks a clear theoretical framework for relating to the matter.

While considerable scholarship has examined Pakistan’s traditional relations with Gulf countries—focusing on labor migration, religious affinity, and defense cooperation—there is a noticeable gap in the literature concerning the evolving nature of Gulf-India relations in the context of emerging technologies, strategic connectivity, and minilateral frameworks such as I2U2 (India-Israel-UAE-US). Existing studies often treat Gulf engagement with South Asia through a binary lens of religious or geopolitical alignment, overlooking how technological collaboration, digital public infrastructure, and transregional logistics corridors are redefining power projection and influence in the region. Moreover, India’s integration into digital and innovation ecosystems within the Gulf—such as AI research partnerships, fintech hubs, and clean energy cooperation—has not been sufficiently analyzed from a comparative South Asian perspective. What are factors impacting India’s relations with Gulf States and what are the implications for Pakistan’s geopolitical and economic relevance in the Gulf?

The research adopts a qualitative method and utilizes secondary data in the form of official documents, statements, research papers, news, reports, and other open-source material to address the primary research question and fill the identified research gap.

⁴ P. R. Kumaraswamy, “Middle East: On the Agenda for the Next Leader of India?” German Marshall Fund of the United States (2014), issue 27.

The paper is divided into three sections; the initial part includes a brief literature review, the theoretical framework used to analyze the research question, and the approach employed by Narendra Modi to enhance bilateral relations. The middle section covers how the relationship commenced, its progress, and the variables that became crucial in strengthening ties between both parties. The final section discusses the implications for Pakistan, concluding the discussion.

Theoretical framework

The appropriate framework for analyzing India's Act West Policy is provided by Neo-classical Realism, which has three levels of analysis. In traditional Realist schools, the primary objective is to serve the state's national interests in a world driven by chaos and lacking a central authority.⁵ Neo-classical Realism is among these schools and, from an ontological perspective, is the theory predicated on an objective comprehension of the state as the sole rational actor in the international landscape.⁶ While it acknowledges that the international system is anarchic, it argues that states do not always respond to external threats or opportunities uniformly. Instead, internal dynamics filter or mediate how states interpret and respond to those systemic pressures, leading to variation in foreign policy behavior.

It considers only the state-centric discussion or the structure to be systematically critical. Its epistemological stance, however, is dependent on empirical explanation. While leaders are subjective and interpret the international situation from their own perspectives, objectivity is never compromised by their subjective nature. The prioritization of national interest remains fundamental. Everything is evaluated in terms of its relative value and materiality.

India's 'Act West' policy which complements its well-known 'Act East' policy represents New Delhi's strategic pivot toward engaging more proactively with West Asia, particularly the Gulf countries. This engagement is shaped by both systemic (structural) factors and domestic variables, aligning with the framework of neo-classical realism; it explains that the foreign policy of nations is contingent upon systematic factors. However, internal factors within the state also influence it.

The state leader serves as an intervening variable between systematic and domestic factors because they are the ultimate decision-makers. This is why one state behaves differently when the

⁵ James Ladyman, "What is structural realism?" *Studies in History and Philosophy of Science* 29, no. 3 (1998): 409-424.

⁶ Gustasay Meibauer, "Neorealism, neoclassical realism and the problem(s) of history," *International Relations* 37, no.2 (2021): 348-369, doi: <https://doi.org/10.1177/00471178211033943> (Original work published 2023)

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leader changes over time. Neo-classical realism explains the domestic and system-level factors that drive Indian foreign policy towards Gulf countries. India's influence is expanding beyond its region to become more actively engaged in the international arena while simultaneously trying to contain Pakistan and China under the Modi regime.

Background of Look West Policy

Manmohan Singh initiated the Look West policy to engage with West Asia, especially the Gulf countries. In 2005, Indian National Security Adviser M.K. Narayanan stated, "the key focus in our external relations today is ensuring the stability and security of the region, comprising the arc of nations from the Gulf to East Asia."⁷

Similarly, Manmohan Singh said, "We must come closer to our western neighbours in the Gulf."⁸ In 2006, Saudi King Abdullah bin Abdulaziz Al Saud visited India to strengthen bilateral ties.⁹ In return, PM Singh visited Saudi Arabia in 2010 and signed the Riyadh Declaration. Both countries showed concerns about countering surging terrorism and extremism. They also agreed to counter issues of money laundering, arms trafficking, and human trafficking, to share information related to piracy and narcotics, and to coordinate on economic cooperation.

Under the influence of the 'Look West' policy, PM Manmohan Singh also visited Oman and Qatar and signed Memorandum of Understanding (MoUs). India signed an MoU in defence, security, energy, and social development with Qatar.¹⁰ India also configured its relations with regional countries against terrorists and piracy in the Indian Ocean region (IOR).

In the 2008 visit to Oman, PM Singh signed a 100-million-dollar agreement to strengthen tourism, health, telecommunication, and urban infrastructure.¹¹ In 2009, the Vice President of Kuwait, Hamid Ansari, visited India to sign agreements on the Educational Exchange Programme, the Cultural Exchange Programme, and the Agreement on Cooperation in Science and

⁷ Kadir Pethiyagoda, "India-GCC Relations: Delhi's Strategic Opportunity," *Brookings Doha Center*, February 22, 2017, accessed January 25, 2025, <https://www.brookings.edu/research/india-gcc-relations-delhis-strategic-opportunity/>.

⁸ Prasanta Kumar Pradhan, "Accelerating India's 'Look West Policy' in the Gulf," *Institute for Defence Studies and Analyses* 8 (2011).

⁹ Harsh V. Pant, "India and the Middle East: A Fine Balance," in *India Foreign Policy* (Manchester University Press, 2016): 161-178

¹⁰ Ibid.

¹¹ Pradhan, "Look West Policy."

Technology.¹² India realized the importance of bilateral relations with GCC during the Arab Spring when West Asian countries criticized its ‘Hands-off Policy.’¹³

Structural Factors

Within the neoclassical realist framework, foreign policy behavior is shaped by both international structural constraints and domestic-level intervening variables. However, in case of India’s growing engagement with the Gulf countries, several key structural factors such as international distribution of power, regional re-alignments, and shifting geopolitical alliances have been decisive in pushing New Delhi toward a more active, multidimensional relationship with the Gulf monarchies. These structural pressures operate independently of India’s domestic politics or economic conditions and reflect changes in the broader international environment that have enabled and incentivized India to recalibrate its policy toward the Gulf region.

The first and most salient structural factor is the gradual decline of unipolarity and the erosion of US hegemony in the Middle East.¹⁴ For decades, the United States played the role of the principal security provider in the Gulf, shaping the strategic choices of regional powers and limiting the room for maneuver for other external actors.¹⁵ However, over the past decade, the US has shown signs of strategic fatigue and retrenchment from the Middle East, focusing its attention on the Indo-Pacific and great power competition with China.¹⁶

This shift has created a structural vacuum an absence of a dominant stabilizing power in the Gulf, which has allowed secondary powers like India, China, and Russia to expand their influence.¹⁷ India has responded by deepening diplomatic engagement, increasing military-to-military exchanges, and expanding strategic dialogues with Gulf states, capitalizing on the greater autonomy afforded to regional actors in a less tightly managed international order.

For instance, India is enhancing its military ties with the Gulf Countries. India and Saudi Arabia signed defence agreement in 2014 when Crown Prince Mohammad Bin Salman visited

¹² Ibid.

¹³ Ranjit Gupta, “India’s Relations with West Asia: A New Era Dawns,” *Middle East institute*, March 07, 2017, <https://www.mei.edu/publications/indias-relations-west-asia-new-era-dawns>.

¹⁴ Ellias Aghili Dehnavi and Mobin Karbasi, “The Reasons for the Decline of American Hegemony and Its Impact on China’s Regional Policies in the Middle East,” *Ravista* 2, no. 1 (2020): 1–12, <https://doi.org/10.36097/rsan.v1i37.1274>.

¹⁵ Huangtuo Chen and Hongsong Liu, “India’s Gulf Policy in the Context of China-U.S. Strategic Competition,” *Asian Review of Political Economy* 4, no. 1 (2025): 6, <https://doi.org/10.1007/s44216-025-00048-6>.

¹⁶ Ibid., 13.

¹⁷ Md. Muddassir Quamar, “India and the Gulf: Regional Security and India’s Multialignment Policy,” *Asian Politics & Policy* 15, no. 2 (2023): 274–94, <https://doi.org/10.1111/aspp.12682>.

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India, paving the way for military and security cooperation. In addition, both formed a Joint Committee on Defence Cooperation. In 2017, the first group of Saudi Cadets joined India's defence training institutes from the Royal Saudi Armed Forces.¹⁸ Both countries also signed agreements for the production of defence spare parts.

Similarly, India and the UAE signed a defence agreement in 2017 and officials from both the countries participated in defence exhibitions in the UAE and India, respectively. The two sides agreed in 2018 to sign a defence agreement, which would enable them to cooperate in conducting joint exercises and manufacturing defence-related parts. In 2018, the navies of both countries conducted the first naval exercise, "Gulf Star-1."¹⁹ The Air Forces of both countries had already conducted a second Joint exercise, "Desert Eagle-2," in Abu Dhabi.²⁰

On the other hand, Oman and India have a mutual maritime security interest. Both countries have agreed that Oman will give India access to its 'Duqm Port,' allowing it to use its facilities to maintain India's vessels. The port will enable India to patrol the region and watch 'Chinese Vessels.'²¹

India does not have direct military ties with Bahrain unlike other GCC countries. In April, Indian Minister of External Affairs, S Jaishankar, met his Bahraini counterpart to discuss security issues. Both sides agreed to cooperate in maritime security, cyber-security, and counter-terrorism.²² In 2008, India and Qatar signed a defence pact to cooperate in the maritime domain.²³ The agreement allowed cooperation in countering terrorism and procuring the supply lines. India maintains its warships in the region to ensure the safe passage of trade vessels. In recent years, the India-GCC relationship has expanded beyond energy and trade to encompass political and security dimensions including strategic partnerships with Saudi Arabia, UAE, and Qatar.

¹⁸ Dr. Muhammad Mudassir Quamar, "Growing Indo-Gulf Defence and Future Prospects," *Manohar Parrikar Institute for Defence Studies and Analyses*, October, 2019, accessed March 24, 2025, <https://idsa.in/system/files/news/growing-indo-gulf-defence-cooperation.pdf>.

¹⁹ Ibid.

²⁰ "Exercise Desert Eagle-2 Concludes," *India Strategic*, June, 2016, accessed March 24, 2025, https://www.indiastrategic.in/Exercise_Desert_Eagle-II_Concludes.htm.

²¹ Quamar, "Indo-Gulf Defence."

²² "India, Bahrain agree to bolster defence and security cooperation," *Hindustan Times*, April 07, 2021, accessed March 24, 2025, <https://www.hindustantimes.com/india-news/india-bahrain-agree-to-bolster-defence-and-security-cooperation-101617818189266.html>.

²³ Mo Hineidi, "Qatar and India continue to strengthen Military ties," *Future Directions International*, October 2, 2013, accessed March 24, 2025, <https://www.futuredirections.org.au/publication/qatar-and-india-continue-to-strengthen-military-ties/>.

A second major structural driver is the rise of China and its assertive push into the Gulf region, particularly through the Belt and Road Initiative (BRI).²⁴ Over the past decade, China has significantly expanded its economic, technological, and even security presence in the Gulf.²⁵ It has signed comprehensive strategic partnerships with the UAE and Saudi Arabia, constructed critical infrastructure such as ports and industrial zones, and emerged as one of the largest buyers of Gulf oil. Beijing's digital and security diplomacy, particularly its promotion of 5G technologies and surveillance systems, has also gained traction in the region.²⁶

For India, this presents a systemic challenge. China's entrenchment in the Gulf threatens to marginalize India's strategic space and potentially constrain its access to energy, markets, and maritime routes.²⁷ Thus, India's outreach to the Gulf can be interpreted as a balancing strategy against China's rising influence, an attempt to offer Gulf states a credible and autonomous partner that is not part of the Sino-American competition but nonetheless capable of strategic depth.²⁸ In short, China's Gulf policy has created external pressure on India to reinforce its own strategic relevance in the region.

India and China's Major Projects in Gulf Countries

Country	Indian-led Project	Value & Scope (India)	Chinese-led Project	Value & Scope (China)
UAE	Etihad Rail – L&T and Power China JV for freight terminal construction	Part of 605 km rail network; L&T engaged in freight infrastructure	Habshan–Fujairah Oil Pipeline – built by China Petroleum Engineering	360 km, \$3.3 billion oil pipeline bypassing Strait of Hormuz

²⁴ "China's Belt and Road Initiative: Views from the Ground," *Political Geography* 82 (2020): 102225, <https://doi.org/10.1016/j.polgeo.2020.102225>.

²⁵ Roa Al Shidhani and Saranjam Baig, "Balancing Power and Prosperity: China's Geo-Economic Engagement with the Gulf Cooperation Council," *Asian Review of Political Economy* 3, no. 1 (2024): 20, <https://doi.org/10.1007/s44216-024-00040-6>.

²⁶ Ibid.

²⁷ Mohamed Bin Huwaidin, "China and India's Soft Rivalry in the Gulf Region," *Journal of the Indian Ocean Region* 18, no. 1 (2022): 6–20, <https://doi.org/10.1080/19480881.2022.2054505>.

²⁸ Ibid.

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UAE	IMEC	Logistics, energy, and port connectivity from India to Europe via Gulf	Al Sweihan Solar Plant – modules supplied by Jinko	Part of large-scale UAE solar initiative with Chinese tech inputs
Saudi Arabia	IMEC – integration of Saudi ports under corridor project	Enhances Saudi-Asia trade integration via multimodal logistics	King Salman Maritime Complex – by China Power Construction Group	\$4.3 billion total cost; one of world’s largest shipyards
Saudi Arabia	—	—	ACWA Power–Silk Road Fund JV (renewables)	>\$10 billion Chinese investment in Saudi wind/solar energy
Across GCC	IMEC – multi-country corridor (UAE, Saudi Arabia, Oman)	Boosts strategic and trade connectivity across Asia-Gulf-Europe	Red Sea utility infrastructure; Neom green hydrogen project	\$1.3 billion Red Sea utility system; \$8.4 billion H2 JV
Across GCC	—	—	Various utility-scale solar, desalination, and digital projects	Strategic tech infrastructure across multiple Gulf states

Another key structural factor is the emergence of a multipolar regional order in the Gulf. The Middle East is no longer dominated by binary Cold War-style alignments.²⁹ Instead, a growing number of middle and rising powers, Turkey, Iran, Israel, India, China, and Russia, are simultaneously seeking influence, with Gulf States recalibrating their foreign policies accordingly.³⁰ This fluid environment provides structural space for India to engage more flexibly. Gulf states are no longer tied to one camp and are actively pursuing strategic diversification to maximize their autonomy.³¹ India benefits from this trend, as its policy of strategic autonomy and issue-based alignment fits neatly into the emerging logic of Gulf foreign policies. The structural decentralization of influence in the Gulf allows India to operate as an independent actor.³²

The geopolitical centrality of the Gulf in global energy markets and maritime trade is another systemic factor that structurally binds India to the region.³³ The Gulf remains the global epicenter of oil and gas production and export, and over 60% of India's hydrocarbon needs are met by Gulf suppliers.³⁴ Even as India diversifies its energy mix and invests in renewables, the structural dependence on Gulf oil, due to logistical proximity, existing infrastructure, and long-term contracts, continues to anchor the relationship.³⁵

More importantly, the Gulf's strategic geography, sitting at the intersection of the Indian Ocean, the Persian Gulf, and the Red Sea, makes it central to India's maritime security and trade calculus.³⁶ With a growing volume of Indian trade transiting through the Gulf's critical chokepoints, including the Strait of Hormuz and the Bab el-Mandeb, India has structural incentives

²⁹ Alexandre Kateb, "The GCC's Multipolar Pivot: From Shifting Trade Patterns to New Financial and Diplomatic Alliances," Carnegie Endowment for International Peace, 2024, <https://carnegieendowment.org/research/2024/05/the-gccs-multipolar-pivot-from-shifting-trade-patterns-to-new-financial-and-diplomatic-alliances?lang=en>.

³⁰ Ali Bakir and Nayef Al-Shamari, "The Art of Hedging: Qatar, Saudi Arabia, and the UAE Manoeuvres amid US-China Great Power Competition," *Third World Quarterly* 46, no. 7 (2025): 773–94, <https://doi.org/10.1080/01436597.2025.2509574>.

³¹ Ahmed A. Shahbaz and Allan Hassaniyan, "The Growing Autonomy for GCC States' Foreign Policy and Structural Changes in the Balance of Power in the Region," *Asian Journal of Middle Eastern and Islamic Studies* 18, no. 4 (2024): 321–39, <https://doi.org/10.1080/25765949.2025.2480007>.

³² esennett, "India-Gulf Relations Are Muted—but Mobilizing," *Atlantic Council*, June 3, 2025, <https://www.atlanticcouncil.org/blogs/menasource/india-gulf-relations-are-muted-but-mobilizing/>.

³³ Abdalftah Hamed Ali and Monged Abdalla, "Energy Transitions Era: Geopolitical Characteristics and Connotations in the Arab Gulf States," *Sustainable Futures* 10 (December 2025): 100808, <https://doi.org/10.1016/j.sfr.2025.100808>.

³⁴ Lakshmi Priya, "Rebooting India-GCC Energy Partnerships: Hydrogen as a Fuel for the Future," *Strategic Analysis* 47, no. 3 (2023): 235–52, <https://doi.org/10.1080/09700161.2023.2247768>.

³⁵ Ibid.

³⁶ Abel Meza et al., "Disruption of Maritime Trade Chokepoints and the Global LNG Trade: An Agent-Based Modeling Approach," *Maritime Transport Research* 3 (2022): 100071, <https://doi.org/10.1016/j.martra.2022.100071>.

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to ensure political stability, freedom of navigation, and security cooperation in the region.³⁷ This maritime interdependence is not a domestic choice but a reflection of global economic geography and trade logistics, making the Gulf indispensable to India's long-term geostrategic planning.

Saudi Aramco, the state-run oil company, and the Ministry of Oil in India have agreed to build an oil refinery in Bina, Madhya Pradesh, to refine 300,000 barrels per day.³⁸ India's crude oil imports reached an all-time high of approximately 4.67 million barrels per day in 2023, reflecting the nation's growing energy demands.

Table 1 India's crude oil imports from West Asian countries

Country	Oil Import b/d
Kuwait	213,000
Oman	9,000
Qatar	43,000
Saudi Arabia	650,000
UAE	490,000
Iran	4674,455
Iraq	950,000

Source: Ministry of Petroleum and Natural Gas: Economics and Statistics Division³⁹

The Abraham Accords and the changing intra-regional balance within the Gulf constitute another important structural development.⁴⁰ The normalization of relations between Israel and several Gulf states, most notably the UAE and Bahrain, has created new alignments that are externally driven and have strategic implications for India.⁴¹

The Accords have effectively ended the previous binary in which Gulf states avoided overt cooperation with Israel.⁴² This opens new avenues for trilateral and minilateral engagements

³⁷ Ibid.

³⁸ Quamar, "Indo-Gulf Defence."

³⁹ "Indian Petroleum and Natural Gas Statistics 2015-16," Ministry of Petroleum and Natural Gas: Economics and Statistics Division (Government of India, 2016).

⁴⁰ Loubna Madani, "Reassessing Peace: The Implications of the Abraham Accords for Conflict Resolution in the Gulf Region," *Asian Journal of Middle Eastern and Islamic Studies* 18, no. 3 (2024): 260–81, <https://doi.org/10.1080/25765949.2024.2416845>.

⁴¹ Ibid.

⁴² "The Abraham Accords: Israel–Gulf Arab Normalisation," *Strategic Comments* 26, no. 8 (2020): iv–v, <https://doi.org/10.1080/13567888.2020.1853892>.

involving India, such as the I2U2 initiative.⁴³ These emerging structures are not of India's making but are international alignments to which India must adapt to remain relevant.⁴⁴ Thus, India's closer relations with Israel and its simultaneous outreach to the UAE and Saudi Arabia are structurally facilitated by this broader realignment in the Middle East.

Moreover, technological multipolarity, the dispersal of innovation and digital infrastructure across multiple global hubs has become a structural driver of India-Gulf convergence.⁴⁵ Gulf states especially the UAE and Saudi Arabia, are investing heavily in digital infrastructure, AI, fintech, and green technologies.⁴⁶ India, as a rising technological power with a massive IT sector and successful space program, fits well into the Gulf's vision of economic diversification under frameworks such as Saudi Vision 2030 or the UAE Centennial Plan 2071.⁴⁷

These structural trends toward post-oil economies offer India opportunities not because of internal drivers alone, but because the Gulf states themselves are structurally repositioning their economies to reduce dependence on hydrocarbons and traditional Western partnerships.⁴⁸

Moreover, maritime and regional security dynamics present structural challenges and opportunities that have drawn India closer to the Gulf.⁴⁹ From piracy in the Arabian Sea to the threat of naval confrontations near the Strait of Hormuz and the potential spillover of conflict from Yemen, the broader regional security environment creates shared vulnerabilities.⁵⁰

These are not rooted in India's domestic considerations, but in the structural reality of being geographically proximate to a volatile region. As a result, India has increased naval deployments in the Western Indian Ocean, signed agreements for port access (e.g., Duqm in Oman), and

⁴³ "Abraham Accords Boost India's Prospects in the Middle East," accessed March 24, 2025, https://www.wilsonquarterly.com/quarterly/_/abraham-accords-boost-indias-prospects-in-the-middle-east.

⁴⁴ Ibid., 12.

⁴⁵ Sujata Ashwarya, "India's National Role Conception and Relations with GCC Countries under Modi: A Focus on Saudi Arabia," *Journal of Asian and African Studies* 58, no. 4 (2023): 535–55, <https://doi.org/10.1177/00219096231162104>.

⁴⁶ "Towards a Tech Exporting Gulf: How the AI Revolution Is Reshaping Defence and Politics in the GCC States | ISPI," accessed July 22, 2025, <https://www.ispionline.it/en/publication/towards-a-tech-exporting-gulf-how-the-ai-revolution-is-reshaping-defence-and-politics-in-the-gcc-states-205613>.

⁴⁷ Ibid.

⁴⁸ Narayanappa Janardhan, "Non-Ideological, Strategic Convergence of the Gulf States' 'Look East' and India's 'Think West' Policies," *Journal of Arabian Studies* 12, no. 2 (2022): 160–84, <https://doi.org/10.1080/21534764.2022.2313772>.

⁴⁹ Shishir Upadhyaya, "India's Defence Cooperation with the GCC: Role for the Indian Navy," *Strategic Analysis* 48, no. 2 (2024): 109–21, <https://doi.org/10.1080/09700161.2024.2357519>.

⁵⁰ Ibid.

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engaged in joint military exercises with Gulf states.⁵¹ These moves are shaped by systemic threats to the global commons and regional order, not simply by India's internal political preferences.⁵²

From a neoclassical realist standpoint, the improvement in India-Gulf relations is significantly driven by structural changes in the international system. The decline of US hegemony, China's rise, the multipolarization of the Middle East, shifts in global energy and trade patterns, and emerging technological and maritime dynamics—all constitute external pressures and opportunities that have compelled India to adopt a more strategic and sustained engagement with the Gulf. While domestic variables shape the pace and tone of this policy, the structural imperatives of the post-unipolar world order remain the primary engine of transformation in India-Gulf relations.

Domestic Factors Affecting India-Gulf Relations

According to the neoclassical realist theory of international relations, a state's foreign policy is shaped not only by the constraints and opportunities of the international system (structural factors) but also by internal, domestic-level variables.⁵³ These domestic factors—such as political leadership, elite perceptions, economic interests, national identity, bureaucratic capabilities, and the role of societal actors, serve as intervening variables that filter and mediate the state's response to systemic pressures.⁵⁴

In the context of India's deepening engagement with the GCC states, these domestic factors have played a central role in converting international opportunities into actual policy shifts. While structural changes, such as US retrenchment, China's rise, and the multipolarization of the Gulf, created the external space for India to act, it is the domestic landscape that has provided the motivation, coherence, and institutional capacity to pursue closer ties with Gulf states like the UAE, Saudi Arabia, Oman, and Qatar.

One of the most significant domestic factors has been the ideational and strategic orientation of India's political leadership, particularly under Modi.⁵⁵ Since assuming office in

⁵¹ "Oman-India Relations: Exploring the Long-Term Migration Dynamics," in *ResearchGate*, https://doi.org/10.1007/978-94-007-6821-5_7.

⁵² *Ibid.*, 13.

⁵³ Jeffrey W. Taliaferro et al., eds., *Neoclassical Realism, the State, and Foreign Policy* (Cambridge University Press, 2009).

⁵⁴ *Ibid.*, 24.

⁵⁵ "India as a Leading Power | Carnegie Endowment for International Peace," accessed March 22, 2025, <https://carnegieendowment.org/research/2016/04/india-as-a-leading-power?lang=en>.

2014, Modi has embraced an activist and outward-looking foreign policy that frames India as a “leading power” rather than just a reactive or balancing actor. Modi’s personal diplomacy and emphasis on strategic autonomy have led to a prioritization of the Gulf within India’s extended neighborhood policy.⁵⁶

His visits to the UAE, Saudi Arabia, Oman, and Qatar often with high-profile economic and cultural agendas have marked a clear break from previous governments’ more passive Gulf engagement. Modi was the first Indian prime minister to visit the UAE in over three decades and the first to receive Saudi Arabia’s highest civilian honor. These symbolic gestures, backed by sustained institutional engagement, reflect how leadership-level vision has acted as a domestic catalyst for transforming India-Gulf ties from energy dependence to strategic partnership.

A second key domestic variable is the size and importance of the Indian diaspora in the Gulf, which exceeds nine million people, making it one of the largest overseas Indian populations globally. These expatriates not only serve as a bridge between India and the Gulf states but also generate substantial remittances. GCC has a significant Indian Diaspora, which benefits India in terms of remittances. The Gulf countries host 9 million Indian diasporas, which sent around \$45.1 billion in remittances back to India in 2024, compared to \$38 billion in 2018.⁵⁷ The Gulf countries host a significant portion of the Indian diaspora, but these workers have faced numerous problems in times of crisis. Like during the first Gulf War, India conducted the largest-ever evacuation operation, “Vande Bharat,” to get the Indian diaspora out of conflict-surrounded Kuwait.⁵⁸ Around 1.5 lac Indians were evacuated in the operations. To improve the living conditions of its diaspora, India has signed MoUs with Gulf countries.

⁵⁶ Ibid.

⁵⁷ Tridivesh Singh, “India’s Gulf Remittances in the age of Covid-19,” *Future Directions International*, August 05, 2020, accessed August 27, 2021, <https://www.futuredirections.org.au/publication/indias-gulf-remittances-in-the-age-of-covid-19/>.

⁵⁹ “Which Gulf countries allow travel from India now,” *The Week*, May 25, 2021, accessed August 27, 2021, <https://www.theweek.in/news/world/2021/05/25/explainer-which-gulf-countries-allow-travel-from-india-now.html>.

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Table 2 Indian Diaspora in the Gulf Countries⁵⁹

Country	Indian Diaspora
UAE	3.86 million
Saudi Arabia	2.46 million
Qatar	745,000
Oman	779,000
Kuwait	1 million
Bahrain	323,000

The welfare of this diaspora has thus become a priority for Indian domestic politics, especially in states like Kerala, Tamil Nadu, and Andhra Pradesh, where many families rely on Gulf remittances.⁶⁰ This has translated into increased diplomatic sensitivity and responsiveness. The Modi government has institutionalized the protection of Indian workers through labor agreements, grievance redressal mechanisms, and direct outreach during crises such as the COVID-19 pandemic or regional conflicts. In this context, India's foreign policy toward the Gulf is shaped not merely by external calculations, but by a domestic need to protect the economic and social well-being of its citizens abroad.

Another important domestic factor is India's economic policy orientation, particularly its emphasis on foreign investment, export growth, and energy security. The Gulf region plays a critical role in all the three. The UAE and Saudi Arabia have emerged as key sources of foreign direct investment (FDI) in sectors ranging from infrastructure to digital technology and renewable energy. Sovereign wealth funds from these countries are investing in India's roads, ports, logistics hubs, and clean energy projects. These investments align with domestic economic priorities like "Make in India" and "Digital India," providing both capital and expertise.

In addition, the Gulf has become an important market for Indian goods and services, particularly in pharmaceuticals, engineering, and food products. The UAE's inclusion of India in its free trade agreements and the signing of the Comprehensive Economic Partnership Agreement

⁵⁹ "Which Gulf countries allow travel from India now," *The Week*, May 25, 2021, accessed August 27, 2021, <https://www.theweek.in/news/world/2021/05/25/explainer-which-gulf-countries-allow-travel-from-india-now.html>.

⁶⁰ "Diplomacy as Diaspora Management: The Case of India and the Gulf States | Ifri," accessed July 22, 2024, <https://www.ifri.org/en/papers/diplomacy-diaspora-management-case-india-and-gulf-states>.

(CEPA) in 2022-mark significant milestones.⁶¹ These economic engagements are not dictated by international structure alone; they reflect India’s internal drive to modernize its economy, reduce current account deficits, and generate employment through external economic integration.⁶²

Gulf Country / Investor	Investment Type / Sector	Amount / Scope	Source & Year
United Arab Emirates (ADIA)	Sovereign wealth fund in GIFT City	USD 4–5 billion (GIFT City), USD 3 billion (FY 2023–24)	Reuters, Morung Express (2024)
UAE – State-level (Uttar Pradesh)	Industrial corridor & aquaculture (Aquabridge Holdings)	USD 461 million in Unnao	Times of India (2024)
Kuwait Investment Authority (KIA)	Sovereign wealth fund investments	Over USD 10 billion since 2008	Morung Express (2024)
Saudi Arabia – PIF	Equity investments in Jio & Reliance Retail	USD 2.8 billion (USD 1.5B in Jio, 1.3B in Reliance)	Reuters (2025)
Saudi Arabia – PIF	Planned long-term strategic investment	Targeting up to USD 100 billion	Reuters (2025)

⁶¹ “Trade Potential of India UAE Comprehensive Economic Partnership Agreement (CEPA),” ResearchGate, March 26, 2025, https://www.researchgate.net/publication/390316236_Trade_Potential_of_India_UAE_Comprehensive_Economic_Partnership_Agreement_CEPA.

⁶² Ibid.

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Qatar	Energy sector investment	USD 5 billion (2008 agreement)	Wikipedia (India–Qatar relations)
Other Gulf – NRIs	Real estate investment in India	Rising investment flows (value unspecified)	Times of India (2025)
Remittances – UAE	Worker remittances to India	USD 13.8 billion (2022)	Wikipedia (Remittances to India)
Remittances – Saudi Arabia	Worker remittances to India	USD 11.2 billion (2022)	Wikipedia (Remittances to India)

Closely related to this is the growing role of Indian states in shaping foreign policy outcomes, particularly in the economic domain. Indian federalism has undergone a transformation in recent years, with subnational governments playing an active role in economic diplomacy.⁶³ States such as Gujrat, Maharashtra, and Andhra Pradesh have engaged Gulf investors directly, offering incentives, setting up investment summits, and facilitating infrastructure projects.⁶⁴

This decentralization of foreign economic engagement reflects a domestic political evolution in which state-level actors are now stakeholders in India’s Gulf policy.⁶⁵ The interplay between central foreign policy institutions and state-level economic agendas have added coherence and depth to India’s outreach.⁶⁶

⁶³ Tridivesh Singh Maini, “Role of Indian State Governments in Furthering India-UAE Ties?,” *The Geopolitics*, June 2, 2023, <https://thegeopolitics.com/role-of-indian-state-governments-in-furthering-india-uae-ties/>.

⁶⁴ Ibid.

⁶⁵ Editor, “Paradiplomacy and India: The Growing Role of States in Foreign Policy - South Asia@LSE,” *South Asia@LSE* -, January 12, 2017, <https://blogs.lse.ac.uk/southasia/2017/01/12/paradiplomacy-and-india-the-growing-role-of-states-in-foreign-policy/>.

⁶⁶ Ibid.

The bureaucratic and institutional capacity of the Indian state has also improved significantly in recent years, particularly in the realm of foreign policy and diaspora management.⁶⁷ The Ministry of External Affairs (MEA), Indian embassies in Gulf capitals, and specialized agencies like the India Development Foundation of Overseas Indians (IDF-OI) have become more responsive, professionalized, and technologically enabled.⁶⁸ This enhanced institutional capability allows India to sustain long-term diplomatic engagements, monitor regional developments, and respond effectively to emerging challenges.⁶⁹ Unlike in previous decades when capacity constraints limited India's foreign policy ambitions, today's institutional architecture facilitates more proactive and coherent engagement with Gulf partners.

India's domestic identity discourse has also played a subtle but important role in shaping the optics and narratives around its Gulf outreach.⁷⁰ While India officially maintains a secular foreign policy, the Modi government's emphasis on civilizational diplomacy and cultural soft power has found resonance in the Gulf.⁷¹ The projection of India as a tolerant, pluralistic civilization with deep Islamic heritage has helped reassure Gulf monarchies, particularly when bilateral ties are tested by domestic controversies or communal tensions.⁷² The celebration of shared cultural heritage, the promotion of Urdu, Arabic, and Islamic scholarship in India, and the careful cultivation of religious diplomacy have all helped maintain a positive domestic image of India-Gulf engagement, even among domestic constituencies that are otherwise skeptical of India's Muslim world outreach.⁷³

Moreover, the growing strategic community and foreign policy establishment within India has created a more informed and consistent policy environment.⁷⁴ Think tanks, academic institutions, former diplomats, and retired military officials have contributed to a nuanced understanding of the Gulf's strategic importance, allowing policymakers to make decisions that

⁶⁷ Surupa Gupta et al., "Indian Foreign Policy under Modi: A New Brand or Just Repackaging?," *International Studies Perspectives* 20, no. 1 (2019): 1–45, <https://doi.org/10.1093/isp/eky008>.

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ Abbas Ahmad Rather, "Considering How India's Middle East Policy Has Changed and Remained Consistent Since 2019 Under Modi Government," *Journal of Asian and African Studies* 60, no. 4 (2025): 2515–26, <https://doi.org/10.1177/00219096231218446>.

⁷¹ Ibid.

⁷² Ibid.

⁷³ Ian Hall, "The Hindu Right and India's Religious Diplomacy," *The Review of Faith & International Affairs* 22, no. 3 (2024): 1–10, <https://doi.org/10.1080/15570274.2024.2375839>.

⁷⁴ "Whither India-Gulf Strategic Ties?," Middle East Institute, accessed March 26, 2025, <https://www.mei.edu/publications/whither-india-gulf-strategic-ties>.

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are domestically rooted but globally informed.⁷⁵ This expanding intellectual infrastructure ensures that India's Gulf policy is not driven solely by short-term political calculations but is anchored in a long-term strategic culture that values partnerships beyond the traditional Western-centric axis.

Lastly, India's electoral politics particularly the BJP's desire to demonstrate global leadership and economic strength to its domestic voter base has also reinforced the Gulf outreach. Diplomatic victories, investment pledges, and high-profile state visits are often showcased domestically as symbols of India's rising status and international respect. These optics are important in a political culture where foreign policy is increasingly a subject of public debate and national pride. Thus, domestic political incentives converge with strategic imperatives to sustain India's active engagement with the Gulf.

Implications for Pakistan

India's deepening engagement with the Gulf countries does not inherently come at the expense of Pakistan, as each state holds its own strategic, economic, and cultural value. In today's multipolar and interest-driven international system, relationships are increasingly non-exclusive and transactional. Gulf states, particularly the United Arab Emirates, Saudi Arabia, and Qatar, are recalibrating their foreign policies not on the basis of ideological alignment or religious solidarity, but on national interest, economic diversification goals, and global connectivity. India's growing role in the Gulf—through trade partnerships, defense dialogue, technological collaboration, and infrastructure investment—is a reflection of its rising economic weight and diplomatic assertiveness, rather than a deliberate attempt to displace Pakistan. However, this shift does raise concerns in Islamabad, especially given the perception that Gulf capitals are growing more silent on issues like Kashmir, or more open in celebrating ties with New Delhi.

Still, it would be reductive to interpret Gulf-India engagement as a zero-sum game against Pakistan. Pakistan remains a vital partner for Gulf countries in several domains. With over 9 million Pakistani workers residing in the Gulf, Pakistan plays a critical role in sustaining Gulf labor markets, especially in construction, logistics, and services. Remittances from the Gulf—especially from Saudi Arabia and the UAE, constitute a significant portion of Pakistan's foreign exchange earnings, contributing to macroeconomic stability. Moreover, Pakistan has deep-rooted defense cooperation with several Gulf monarchies. It has historically provided military training,

⁷⁵ Ibid.

advisory personnel, and at times security support to countries like Saudi Arabia, reflecting a trusted strategic relationship. These dimensions are not easily replaceable, even as India expands its footprint. Culturally and religiously, Pakistan also shares a deeper affinity with Gulf societies, often playing a bridge role in intra-Muslim dialogues or regional Islamic forums.

The regional landscape is evolving and Gulf countries are now guided more by pragmatism than loyalty. Their focus has shifted toward securing energy transition partnerships, technological modernization, and diversified global trade routes. India's ability to deliver on these fronts—through initiatives like the IMEC, cooperation in digital public infrastructure, and large-scale investment partnerships—positions it as a desirable partner. This inevitably creates a more competitive diplomatic environment for Pakistan, which must now work harder to project stability, openness to trade, and regional relevance.

The fact that India is being invited to minilateral frameworks such as I2U2 signals that its diplomatic architecture is evolving toward strategic convergence with key Gulf and Western players. For Pakistan, this means recalibrating its own foreign policy by focusing on economic diplomacy, regional trade integration, and positive engagement with Gulf modernization agendas such as Saudi Vision 2030 and the UAE Centennial Plan 2071.

Nonetheless, Pakistan's relevance has not diminished—it has evolved. Gulf capitals continue to recognize Pakistan's role as a regional stabilizer, a trusted security partner, and a crucial link to both South and Central Asia. What is required is not defensive posturing, but a proactive strategy from Pakistan to engage Gulf countries on new terms—beyond remittances and religious fraternity—toward economic co-creation, climate cooperation, skilled labor exports, and food and energy security partnerships. Gulf monarchies, too, understand that stability in South Asia requires constructive ties with both India and Pakistan, especially as regional flashpoints such as Afghanistan and Iran remain volatile. In this context, India's improved ties with the Gulf should not be viewed as a strategic threat, but as part of a broader regional rebalancing. If Pakistan adapts strategically, it can remain a central pillar in the Gulf's long-term calculations.

In essence, India's rising profile in the Gulf reflects changing regional priorities, not a rejection of Pakistan. Each country brings distinct value to the table, and Gulf states are increasingly capable of managing multi-aligned foreign policies without choosing one over the other. The challenge for Pakistan is to respond not with insecurity, but with strategic innovation—

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enhancing its value proposition to the Gulf through credibility, reform, and long-term economic vision.

Conclusion

India's foreign policy with the GCC countries has improved significantly under Prime Minister Narendra Modi. The bilateral relations since 2014 have shown a strategic shift due to growing Indian energy imports from the GCC states, the increasing influence of its diaspora, and Modi's closeness with the GCC countries' leadership. India's advantages in defence ties, commercial accords, and diplomatic visibility are essential, but a closer look reveals that new problems are emerging. The recent Qatar spy case and India's delicate balancing act between Israel and Arab countries show some internal conflicts that could make it hard for India to keep its West Asian policy going for a long time. Additionally, regional changes, like Iran's return to regional diplomacy and strengthening links between China and the Gulf, could complicate India's strategic calculations. The realignment is not accidental. It stems from India's continuous efforts in diplomacy and economic strength. The Arab states prefer India these days due to its robust economy, strong security position, and political reliability which are lacking in the case of Pakistan. Pakistan suffers financially because of India's growing presence in its economy, and faces military-related threats from India's growing regional alliances. India's alliances in defence with nearby countries and its port access give it security at sea while posing a challenge to Pakistan's influence in the IOR. Considering the evolving geopolitical scenarios, Pakistan's leadership can gain an advantage vis-à-vis India by modifying its regional stance and policy outlook towards GCC countries. Sticking to old ideological thinking in Pakistan's foreign policy could mean it is left behind in a part of the world focused on practical and strategic choices. The best way forward is to stick to its new foreign policy adopted in 2023. This has yielded positive outcomes for the Pakistani state, and if it continues, it is expected to bring more closeness between the GCC states and Pakistan.