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Recalibrating India–GCC Relations in the wake of Gulf War

In the emerging post-war order, India is uniquely positioned — not as a military power, but as a trusted interlocutor, economic partner, and connectivity anchor. In the aftermath of the US-Israel-Iran war, India has a unique opportunity to shape a Middle East order that serves Indian interests while advancing regional stability, says Dr Ausaf Sayeed.





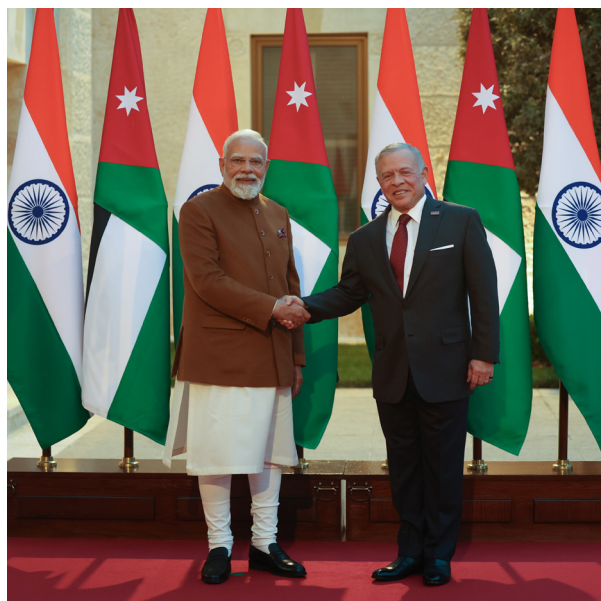
India's relationship with the six-nation Gulf Cooperation Council (GCC) — comprising Saudi Arabia, the UAE, Kuwait, Qatar, Bahrain, and Oman — has undergone a fundamental transformation over the past three decades. What began as a transactional engagement driven by oil imports and diaspora remittances has evolved into a multidimensional strategic architecture spanning energy, trade, investment, defence, and connectivity. The GCC states are home to nearly 10 million Indians, and bilateral trade stood at approximately USD 178.56 billion in FY 2024–25, with projections pointing to USD 195 billion in FY 2025–26.

This transformation accelerated markedly after 2014. Prime Minister Narendra Modi undertook 21 visits to the region, anchoring formal strategic partnerships with the UAE, Saudi Arabia, Oman, Kuwait, Qatar, Egypt, and Israel

— the most densely networked set of ties India has maintained with any single region. The September 2024 India–GCC Foreign Ministers' Strategic Dialogue produced a Joint Action Plan (2024–2028) covering trade, energy, security, health, and transport. Modi's April 2025 visit to Riyadh concluded agreements worth USD 100 billion spanning energy, infrastructure, and critical minerals. India is poised to launch formal Free Trade Agreement negotiations with GCC, following the signing of the Terms of Reference.

Security, Defence, and Maritime Cooperation

Defence and maritime security have become central pillars of India–GCC engagement, driven by the imperative to safeguard energy imports, protect the diaspora, secure trade routes, and



counterbalance China's expanding regional footprint.

Joint exercises have proliferated: *Desert Cyclone II* with the UAE (December 2025), *Sada Tanaseeq* with Saudi Arabia, and the *Al Najah* and *Eastern Bridge* exercises with Oman. India's defence exports reached a record USD 2.8 billion in FY 2024–25 — with 40–45% directed to the Middle East — comprising UAVs, naval patrol vessels, radar systems, and ammunition, with BrahMos cruise missiles emerging as a high-value prospective export given active Gulf interest. A Letter of Intent for a Strategic Defence Partnership was signed with the UAE in January 2026.

The Strait of Hormuz carries 40–50% of India's crude oil imports and 60% of its natural gas imports, making its security an existential economic question. India's upgraded access to Oman's Duqm Port, associate membership of the Combined Maritime Forces (CMF), and engagement through the Indian Ocean Naval Symposium (IONS) and Indian Ocean Rim Association (IORA) reflect an expanding operational footprint. White-shipping agreements and Maritime Domain Awareness mechanisms have deepened this dimension, though India's influence has historically been

constrained by GCC states' reliance on US security guarantees and Pakistan's competing military ties with several Arab capitals

Balancing Israel and Iran

No challenge has been more complex for Indian policymakers than managing deepening ties with Israel while preserving engagement with Iran — the two relationships representing structurally incompatible security architectures, held in tandem through deliberate strategic ambiguity. India's defence partnership with Israel — built around the Barak-8 missile system, Israeli UAVs, and intelligence cooperation — was elevated to a 'Special Strategic Partnership for Peace, Innovation and Prosperity' during Prime Minister Modi's visit to Tel Aviv on February 25–26, 2026, two days before the outbreak of US-Israeli strikes on Iran.

Iran embodied a different strategic logic: access to Central Asia via Chabahar Port, integration with the International North-South Transport Corridor (INSTC), and a hedge against Pakistan's chokehold on overland connectivity. India had signed a ten-year development agreement in May 2024 and disbursed its full USD 120 million commitment by August 2025. Yet the Trump administration's revocation of

sanctions waivers in late 2025, followed by a February 2026 executive order imposing secondary tariffs of 25% on countries doing business with Iran, left India exposed. The Union Budget 2026–27 carried no fresh Chabahar allocation — the MEA citing completed contractual obligations — but the timing was telling: with Washington’s sanctions waiver set to expire in late April 2026, India’s strategic posture appeared ambiguous at precisely the moment it could least afford ambiguity. The India–Middle East–Europe Economic Corridor (IMEC) corridor, announced during India’s G20 Presidency in September 2023 to link Indian ports through GCC territory and Israel to European markets, similarly stalled — illustrating how India’s connectivity ambitions had become entangled with the region’s most volatile fault lines.

The Tipping Point

The assassination of Iran’s Supreme Leader Ali Khamenei on February 28, 2026, coincided with coordinated US (Operation Epic Fury) and Israeli (Operation Lion’s Roar) airstrikes on Iranian nuclear and military infrastructure, marking a strategic rupture of first-order magnitude. Iran’s closure of the Strait of Hormuz triggered an acute energy crisis: Brent crude surged from USD 80 to USD 120 per barrel between March 2 and March 9; LPG shortages sparked protests across Indian cities; and QatarEnergy declared *force majeure* on LNG production on March 4.

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