I2U2 opens new doors

Funds from UAE and US, Israeli expertise will step up India’s farm production

WITH growing rivalries between China and its neighbours, new frameworks for peace, security and cooperation have emerged across the Indian and Pacific Oceans. The most notable development in recent years was the emergence of Quad. There was, however, considerable international surprise recently when a new grouping, I2U2, comprising India, Israel, the UAE and the US, was established on July 14 during President Biden’s visit to Israel and Saudi Arabia. His visit to Israel included a meeting with the Palestinian leadership. Not surprisingly, Biden’s visit to Saudi Arabia was cold and formal, given the less than cosy relations between Biden and Crown Prince Salman, which followed Biden’s allegation of the Prince’s involvement in the murder of Turkish journalist Adnan Khashoggi.

Despite these differences, Saudi Arabia and the US need each other, given the crucial importance of Saudi Arabia on global energy issues. Biden was, therefore, left with no choice but to interact with the Crown Prince. The US will, however, continue to hold centre stage in the Arab world, as it remains the main supplier of modern weaponry and technology to a number of Arab countries across the oil-rich Gulf, including primarily, the UAE and Saudi Arabia. Moreover, the US Fifth Fleet is based in Bahrain.

An important event during Biden’s visit to Israel was the first summit meeting of I2U2.

An important feature of the Biden administration’s priorities has been to get an enhanced Indian involvement in ensuring the security of sea lanes and oil supplies across the Indo-Pacific, and particularly across the Indian Ocean. According to western news reports, the need for the I2U2 grouping emerged at a meeting in Washington, organised by UAE ambassador Yousef Al Otaiba, at which Israeli PM Yair Lapid was also present. This is not surprising as India has strengthened its traditionally excellent relations with the UAE in recent years with the establishment of a close personal relationship between PM Modi and the UAE’s last ruler, Sheikh Khalifa bin Zayed Al Nahyan, and the present ruler, Sheikh Mohamed bin Zayed Al Nahyan. India also has friendly relations with the Saudi monarchy, with whom Biden had meetings in Saudi Arabia.

The emergence of the I2U2 framework has resulted in agreement between the members to increase joint investments in six important areas — water, energy, transport, space, health and food security. It is important to seek new areas of cooperation with the Gulf region, at a time when remittances for Indian workers have been falling. Perhaps the most important paragraph in the I2U2 Joint Declaration reads: ‘India will provide appropriate land for the project and will facilitate farmers’ integration into the food parks. The US and Israeli private sectors will be invited to lend their expertise and offer innovative solutions that contribute to the sustainability of the project. These investments will help maximise crop yields, and, in turn, help tackle food insecurity in South Asia and the Middle East.’

The most significant feature of the summit for India was a commitment by the UAE to invest $2 billion in food parks across India, which will use new technologies for the conservation of fresh water resources and employ renewable energy technologies with Israeli and US inputs. The UAE is home to the International Renewable Energy Agency and host of COP28 in 2023. India will provide land for the project and will facilitate the integration of farmers into the food parks. The US and Israeli private sectors will be invited to lend their expertise and offer innovative solutions that contribute to the sustainability of the project and increase joint investment in agriculture and other important sectors. Interestingly, this is the first joint collaboration project involving India, together with Israel and an Arab country, duly backed by the US.

Biden returned from the visits with deals worth $5.3 billion for providing air defence missiles to the UAE and Saudi Arabia. India can be satisfied with the developments at the summit, which could signal the beginning of projects to step up agricultural production involving Israeli technology, including optimum utilisation of water to meet its needs. Indian exports of agricultural products will also meet the needs of our western neighbours across the Gulf. We appear set to go through a period when remittances have been stagnant, or falling. There are reportedly ongoing discussions, with Kenia looking for new priorities as a number of its people return from the Gulf.

While India received total remittances of $87 billion in 2021, the largest receipt of $23 billion came from the US, followed by $16 billion from the UAE. Interestingly, Singapore with remittances of around $7 billion dwarfed some oil-rich countries like Saudi Arabia, Kuwait and Qatar. Detailed studies are needed on the fall in remittances from friendly Gulf countries, while remittances from the US, the UK and Singapore are registering an increase.

India is thus going through a period when its remittances from the US are increasingly dwarfing its remittances from other countries, most notably from Saudi Arabia. Moreover, there are indications that a gas-rich Qatar is seeking a relatively independent role in its relations with its many Arab neighbours. There are reports that Qatar is leaning towards Pakistan and Turkey. This is, however, not something India needs to feel particularly too concerned about. It is more important for India to move ahead with enhancing cooperation which promotes further investments in its agricultural sector, especially from friendly Gulf countries like Saudi Arabia. The I2U2 grouping could be strengthened with enhanced membership in due course.