

ANALYSING THE FIRST I2U2 SUMMIT

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(Views expressed in the brief are those of the author, and do not represent those of ISSI)



Image Source: The Hindu ¹

Introduction

On July 14, 2022, the first virtual summit of leaders of the United States (U.S.), United Arab Emirates (UAE), Israel, and India was held amid a scheduled visit of the U.S. President Joe Biden to the Middle East. This new format is referred to as I2U2 representing the first letters of the names of the four countries. It is a continuation of talks between foreign ministers of the U.S., UAE, India, and Israel that was held in October 2021. At that time, it was referred to as “International forum for Economic Cooperation” but now it is officially called I2U2. In October 2021, the UAE called the virtual meeting of foreign ministers of four countries as the West Asian Quad. After the first I2U2 summit, the Indian Prime Minister Narendra Modi stated that “the agenda and vision of I2U2 is both progressive and practical.” While commenting, Israeli PM Yair Lapid called this new group as “correct model.”²

¹ Kallol Bhattacharjee, “India to Give Land for I2U2-Backed Food Parks,” *The Hindu*, July 14, 2022, <https://www.thehindu.com/news/national/positive-agenda-prime-minister-narendra-modi-addresses-first-i2u2-summit-virtually/article65639365.ece>.

² “Remarks by President Biden and Prime Minister Lapid of the State of Israel After Bilateral Meeting,” *The White House*, July 14, 2022, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/07/14/remarks-by-president-biden-and-prime-minister-lapid-of-the-state-of-israel-after-bilateral-meeting/>.

Background of I2U2

I2U2 was initiated in October 2021 when the Indian External Affairs Minister S. Jaishankar visited Israel where he met with his counterpart while the foreign ministers of UAE and U.S. joined them virtually. The main driving force that led to the formation of the new Quad is the Abraham Accords. The latter was signed in August 2020 which normalized the relations between Israel and three Arab states including UAE, Morocco, and Bahrain.³ Israel and the Arab States were arch-rivals but after the historic Abraham Accords, the politics of the Middle East have greatly transformed. It substantiates the statement of British Prime Minister Lord Palmerston that “in international relations, there are no permanent friends or foes. Only thing that is permanent is interest.”⁴ The I2U2 is also stated as the initiative of Israel to enhance its relations with the UAE by entering into a formal agreement.

I2U2: First Summit and Agreements

After the Abraham Accords, the I2U2 was the first step by Israel to increase its influence in the Arab world. In the first virtual summit, leaders of four states agreed to cooperate in the six key sectors including food security, water, health, energy, transport and space. After the meeting, UAE agreed to invest \$2 billion in India to build food parks at the time of food insecurity mainly due to the ongoing war between Ukraine and Russia.⁵ Due to this war, the world is facing food and energy shortages as both Russia and Ukraine are the main producers of gas and grains respectively and blockades by Russia in the Black sea is intensifying the global food shortage.⁶ Hence this summit is part of a “hedging strategy” by four countries to prepare for a future where no one is certain. These four partner states are determined to invest in the energy sector mainly in renewable energy where there is no technology to store the energy derived from renewable sources. The U.S. and UAE will be the investors in a new grouping that is primarily focused on the economy while Israel will provide technology and India will be the ground for installing the technology and investment. The proposed food parks in India are one of the examples.

The Geostrategic Significance of I2U2

After Biden became the President of the U.S. in 2021, the Middle East was not on the priority list of

³ Bhattacharjee, “India to Give Land for I2U2-Backed Food Parks.”

⁴ Artemio V. Panganiban, “No Permanent Friends or Enemies,” *Inquirer*, May 28, 2017, <https://opinion.inquirer.net/104346/no-permanent-friends-enemies>.

⁵ Bhattacharjee, “India to Give Land for I2U2-Backed Food Parks.”

⁶ Michael Kugelman, “Another Quad Rises,” *Foreign Policy*, July 14, 2022, <https://foreignpolicy.com/2022/07/14/i2u2-quad-india-israel-uae-us-south-asia/>.

foreign policy which was focused on “Asia Pacific, Europe and western hemisphere.”⁷ Biden administration decreased engagement in the region especially in Yemen and Iraq which was a symbol of declining value of the Middle East for the U.S. which has been a major player in the politics of the Middle East since the end of the Second World War. In 1980, the U.S. President Jimmy Carter warned about the growing influence of the Soviet Union in the region and stated that “an attempt by any outside force to gain control of the Persian Gulf will be considered a threat to vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force.”⁸ This is also known as the Carter Doctrine, on which U.S. policy towards the Middle East has been based.

Due to the rise of China and the resurgent policies of Russia, the focus of the U.S. shifted away from the Middle East. Beijing and Moscow took advantage of this vacuum and tried to fill it by increasing their presence in the region. Moscow has serious stakes in the region, especially in Syria where it is backing the regime of Bashar-Al-Assad. In addition to this, Putin’s relations with Saudi Prince Muhammad bin Salman grew when the latter was shunned by U.S. over the accusation of his involvement in the killing of Saudi journalist Jamal Khashoggi. China developed economic links with the regional states and has become an economic powerhouse of the region. In 2021, it concluded a “25 year economic and strategic partnership” with Iran. It has signed agreements with Syria and Morocco regarding their participation in the Belt and Road Initiative (BRI), the Chinese project of the century. China has invested 10.5 billion USD in Iraq in 2021, and similarly it has signed agreements with Egypt to invest 18 billion USD. Overall, China has included 21 Arab states in the BRI.⁹

When Washington announced its retreat from the region, the Middle Eastern states started looking for other alternatives such as China and Russia which sparked alarms in the policy circles of the U.S. The Russia-Ukraine conflict has again increased the importance of this region mainly due to the energy reserves of the region. The Middle East is again the priority of the U.S. and by the I2U2 Summit, the U.S. has clarified to the allies that it is not going to leave the region. This was the statement of Joe Biden after his recent visit to the Middle East. He stated in the meeting of GCC+3 that “the United States is invested in building a positive future in the region in partnership with all of you, and the United States is not going anywhere.” He argued that “We will not walk away and leave

⁷ Natasha Bertrand and Lara Seligman, “Biden Deprioritizes the Middle East,” *Politico*, February 22, 2021, <https://www.politico.com/news/2021/02/22/biden-middle-east-foreign-policy-470589>.

⁸ “U.S. Power and Influence in the Middle East: Part One,” *Center for Strategic and International Studies*, March 8, 2022, <https://www.csis.org/analysis/us-power-and-influence-middle-east-part-one>.

⁹ Zvi Mazel, “China’s Growing Economic Impact on the Middle East,” *Geopolitical Intelligence Services*, April 21, 2022, <https://www.gisreportsonline.com/r/china-middle-east/>.

a vacuum to be filled by China, Russia or Iran." He further said that "the US will be an active and engaged partner in the Middle East."¹⁰

The I2U2 is part of this new approach of the U.S. where it is building new multilateral forums of cooperation. Writing in *Foreign Affairs*, Charles Kenny and Scott Morris argued in June 2022 that the U.S. must not copy China by investing in infrastructure products rather it must invest in multilateral institutions to strengthen the Liberal world order.¹¹ The I2U2 is an important step as it is to preserve a region which is geo-economically important for the world. The countries that are part of the group are situated at a place which encompasses three choke points of the world including the Suez Canal, and the straits of Hormuz and Bab-el-Mandeb. The economic significance of the new West Asian Quad becomes clear when one looks at the volume of trade that passes through these chokepoints.¹² Around 12 percent of the world trade passes through this route and the U.S. does not want China or Iran dominance in this region. The growing Beijing-Tehran ties are concerning for the U.S. due to which it is again engaging in the region. In addition to this, Beijing has a military base in Djibouti by which it can have a check on the sea traffic passing through this region. These are the points of concern for the U.S.

Washington needed a presence in the region, so it capitalized on the Abraham Accords by creating a forum of cooperation for a renewed partnership with Israel and UAE which has transformed their bilateral relations into an alliance. Both Israel and UAE have threats from Iran and its proxies. This forum is a start of regional efforts to curtail the influence of Iran.

Convergence and Divergence in I2U2

Jake Sullivan, the National Security Advisor of the U.S., called the I2U2 as the West Asian Quad and compared it with the Indo-Pacific Quad which comprises the U.S., Japan, India, and Australia. The Quadrilateral Security Dialogue or Quad was proposed in 2007, but it actually got prominence in 2019.¹³ The Indo-Pacific Quad partners have convergence of interests, and it is mainly focused on countering China while the new Middle Eastern QUAD lacks a common threat and hence it will take time to emerge as a strong alliance like the Indo-Pacific Quad.

¹⁰ Kate Sullivan, "5 Takeaways from Biden's First Presidential Trip to the Middle East," *CNN*, July 17, 2022, <https://www.cnn.com/2022/07/16/politics/biden-middle-east-trip-takeaways/index.html>.

¹¹ Charles Kenny and Scott Morris, "America Shouldn't Copy China's Belt and Road Initiative," *Foreign Affairs*, June 22, 2022, <https://www.foreignaffairs.com/articles/united-states/2022-06-22/america-shouldnt-copy-chinas-belt-and-road-initiative>.

¹² Levina Neythiri, "I2U2 Partnership – From Hormuz, Bab Al Mandab, Suez & IOR Perspective," *Chanakya Forum*, June 18, 2022, <https://chanakyaforum.com/i2u2-partnership-from-hormuz-bab-al-mandab-suez-ior-perspective/>.

¹³ Sriram Lakshman, "I2U2 Can Become a Regional Feature like the Quad: Jake Sullivan," *The Hindu*, July 14, 2022, <https://www.thehindu.com/news/international/i2u2-can-become-a-regional-feature-like-the-quad-jake-sullivan/article65637011.ece>.

The partnering states of I2U2 have a number of converging interests but one should not ignore the diverging interests as well. The UAE is the only member country among the four which is not a democracy. Similarly, India is at odds in a new grouping because the other three members have a common rival i.e., Iran, while New Delhi has maintained good relations with Tehran. India has invested in the Chabahar Port of Iran to counter the growing significance of the Gwadar Port of Pakistan which is being developed by China under the China-Pakistan Economic Corridor (CPEC). In addition to this, India has been purchasing oil from Iran and was the second largest importer of its oil.

After becoming part of a forum which is being seen as made to counter Iran, it would be difficult for New Delhi to maintain its position of “strategic non-alignment.”¹⁴ However, in the I2U2, India’s primary concern is economic and it has good relations with all the three members of I2U2, but the rivalry of Israel and UAE was a hindrance in the development of such a grouping. The Abraham Accords helped India in bolstering its relations with Israel, UAE, and the U.S. simultaneously. Now, investment in non-military sectors, especially the six outlined in the I2U2 Summit, will benefit India. The latter has a free trade agreement with UAE and they both have bilateral trade of more than 59 billion USD.¹⁵ New Delhi and Tel Aviv are in talks to conclude a free trade agreement which will further boost the trade among the members of the new Quad.

Conclusions

It is a win-win situation for India as it will draw investment which will further boost its industrialization. Furthermore, this new grouping is the symbol of the growing significance of India in world affairs. Because of the increased importance of New Delhi for Washington, the U.S. has approved the “CAATSA¹⁶ sanctions waiver” for India over its purchase of Russian military hardware.¹⁷ India has become a strategic ally of the U.S. which Washington will not try and ignore. For Israel and the UAE, it will be difficult to manage the future trajectory of relations between their economic partner China and to remain a security ally of the U.S. Washington has sent a message to China and Iran that it is not going anywhere and is determined to counter their influence in the region. The Middle East has again become prominent in world affairs especially after the Russia-Ukraine conflict

¹⁴ Kabir Taneja, “The I2U2 Summit: Geoeconomic Cooperation in a Geopolitically Complicated West Asia,” *Observer Research Foundation*, July 14, 2022, <https://www.orfonline.org/expert-speak/the-i2u2-summit-geoeconomic-cooperation-in-a-geopolitically-complicated-west-asia/>.

¹⁵ Elizabeth Roche, “With the World in ‘Turmoil’, a New ‘Quad’ Comes into Place,” *Al Jazeera*, July 14, 2022, <https://www.aljazeera.com/economy/2022/7/14/with-the-world-in-turmoil-a-new-quad-comes-into-place>.

¹⁶ CAATSA stands for Countering America’s Adversaries Through Sanctions Act.

¹⁷ “No CAATSA Sanctions On India - After Historic Nuclear Deal, US ‘Approves’ CAATSA Waiver For India,” *The Eurasian Times*, July 15, 2022, <https://eurasianimes.com/no-caatsa-sanctions-us-approves-caatsa-waiver-to-india/>.

which has revealed the world's dependence on oil and gas. The I2U2 is mainly an economic partnership but the U.S. will work through its allies including India to counter the influence of China, Iran, and Russia.

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