



**Gulf Research Centre Cambridge**  
Knowledge for All

## Workshop 4

# **The GCC and the Indian Ocean: Economic Opportunities and Political Challenges**

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### **Abstract**

The Indian Ocean may well constitute the most critical dimension of GCC foreign policies over the coming 10 years. It will be critical to the GCC states economically, politically and strategically. The importance does not stem only from the varied interests of the states which have coastlines on the Gulf, but also from the wider range of “users” of the Indian Ocean – the states whose navies and commercial fleets traverse and have a presence in the waters of the Indian Ocean. In the former category (the coastal states) the roles, interests, and strategies of the states of the eastern part of Africa, South and South-East Asia, and Australia all need to be taken into account. In the latter category, the key user states are China, Japan, South Korea, the US, and EU states. It is essential that the

GCC states develop a coherent and if possible unified approach to this vital region. At present there seems to be no such approach. This workshop is intended to lay the basis for Gulf governments and elites to develop an appropriate response to the opportunities which the Indian Ocean offers, and the challenges which it poses, for them. There is an emphasis on identifying the full range of factors – economic, political, environmental, strategic, cultural and social – which are likely to affect the GCC states' relations with the other states involved, and integrating these into a coherent analysis of opportunities and benefits. Every attempt will be made to ensure that the workshop is as wide-ranging in its geographical and topic-based coverage as possible. Projections of how new developments in communications infrastructure (roads, railways, and oil pipelines), the build-up of naval strength, and the creation of new institutional frameworks for cooperation among the states concerned will impinge on inter-state relations and regional peace are all relevant to the analysis.

## **Description and Rationale**

### **Perspective**

Of all the dimensions of GCC foreign relations, that which relates to the Indian Ocean may well be the most critical to the future of the GCC states over the coming 10 years. Yet, although attention has been given to GCC relations with some individual countries around the Indian Ocean, there has in recent years been no systematic attempt to provide a comprehensive analysis. At an earlier stage (in the 1970s and 1980s), there was considerable research done on the Gulf countries and the Indian Ocean in terms of the perceived Soviet threat to the sea lanes which transported Gulf oil to the Western industrial nations; from the end of the Cold War, however, such research was deemed to have lost its relevance. In the meantime, the Indian Ocean region has in practice become more important to the global economy, as also to the global strategies of major and regional powers. It has also become critically important to the external economic and political relations of GCC states. Most of the GCC's trade is now transported across the Indian Ocean (eastwards and southwards), rather than along the fringes of the Ocean towards the Red Sea and the Suez Canal. With this dimension of economic involvement and mutual dependence there are major political and strategic issues which inevitably ensue. It is vital that GCC governments and elites engage with these issues, economic and political, and develop an approach which is comprehensive – taking into account the interests and strategies of all the littoral states of the Ocean, as also those of the powers whose navies and commercial fleets are present in the Indian Ocean. This workshop is intended to lay a basis for GCC governments and elites to develop such an approach.

## **Scope of the Proposed Workshop, Geographical and Topic-Related**

The importance of a comprehensive geographical approach has already been mentioned. Given the critical need for the approach to be truly comprehensive geographically, the countries and regions which are relevant will be specified here. They fall into two categories, each of which is equally important:

1. The coastal states of East, South-East, and North-East Africa; the coastal states of South Asia and South-East Asia; and Australia. Iran is also included.
2. The major countries whose navies and commercial fleets are present in the Indian Ocean. This would cover most prominently China, Japan, South Korea, the US, and the leading European countries.

Similarly, the comprehensive topic-related coverage should be emphasized. The whole range of commercial, strategic, security, political and social/communal/cultural factors and dimensions is worthy of consideration. They are all relevant – or at least they could be. For the GCC, as is clear from the workshop title, there are both opportunities and challenges. In practice the “opportunities and challenges” exist in all of the fields. The opportunities are not purely economic and the challenges are not purely political. All need to be taken into account when developing a comprehensive view of the benefits which GCC states can draw from their engagement in the Indian Ocean region (and with all the powers which are present), and the difficulties, threats, and challenges which they face in developing relationships there.

Some specific dimensions which are relevant in considering the GCC’s engagement in the Indian Ocean are:

1. The role of non-state actors and asymmetric threats in the region. Clearly there is a current concern with regard to piracy off the Somali coasts, and some GCC states are already engaged in anti-piracy operations in conjunction with outside powers. In the light of the spread of violent extremist organizations in recent years, it is worth considering the potential for new threats to come from such organizations in the Indian Ocean region and to evaluate strategies for GCC states to cooperate with other Indian Ocean states/users to counter these threats.
2. Environmental issues. The Indian Ocean is currently subject to environmental threats, some coming from climatic change and some related to environmental degradation stemming both from intensified industrialization and heavier use

of the sea lanes. These all affect the Gulf (perhaps even more critically than some others), and most of them require new cooperative measures to be taken by all Indian Ocean coastal states and users. The GCC needs a strategy for engaging in and promoting such cooperation – both within established regional and global institutions, and perhaps in creating new cooperative organizations.

3. Processes of cooperation among the GCC states. At present three GCC states – Oman, the UAE, and Saudi Arabia – have an established naval engagement in the Indian Ocean. Up to the present, these engagements appear to have been developed without a significant measure of coordination between or among them. Consideration needs to be given as to whether there should or could be a coordinated GCC strategy in this, with shared base facilities (such as in Djibouti) where appropriate. Existing naval agreements between GCC and outside states would need to be given attention in such a process.
4. Population movements. A significant proportion of the world's population movements, especially that of migrant labour, takes place around and across the Indian Ocean. The impact of this on relations between Indian Ocean states, and on development issues within those states (especially when these may result in state instability) need consideration.
5. New communications infrastructure. Both India and China are playing an active role in developing roads, railways, and oil pipelines which link the “hinterland” of Indian Ocean region to the coastal cities and ports – such that goods from the inner region can reach relevant coastlines and then be transported across the Ocean. There are also strategic dimensions to these developments. These new communications channels will have a major impact on how the Indian Ocean coastal and user states develop, and on the scale of what is at stake in seas of the region. At present the GCC states are not well integrated into these growing networks. The implications and effects of this need to be assessed, as also the opportunities if the GCC chooses to engage more with them – especially if this is done on a collaborative GCC basis.
6. Food security and the exploitation of marine resources in the Indian Ocean. The GCC states have already invested in agricultural schemes around the Indian Ocean, aimed at promoting their food security, and some (Oman in particular) have fishing fleets. Overall, however, they play a relatively minor role in the exploitation of the marine resources of the Indian Ocean – despite the huge resource wealth of the Indian Ocean's seas and sea-bed. Opportunities and challenges in developing such a role need to be considered, with an

emphasis again on cooperation possibilities – both between and among the GCC states themselves, and between the GCC states and others.

## **Anticipated Participants**

The perspectives outlined will indicate the scope and range of the papers which would be relevant to the workshop. Listed below are some central questions which need to be addressed in the course of the workshop and around which papers could be framed. Given the large number of states involved, papers should not be too narrowly focused, and where relevant should consider regional perspectives. The form taken by papers and the coverage given, however, need to be determined by the proposer.

1. What are the trade flows from the GCC to and across the Indian Ocean (subdivided by state or grouping of states)?
2. How important are the various dimensions of the trade flows to the economic well-being of the Gulf area?
3. What are the current economic, political strategies being pursued by the major Indian Ocean states and users (see the earlier definition of the geographical area covered), and how do these impinge on the GCC states collectively?
4. What is the military and naval balance in the region, and how may it develop in the future?
5. What impact will the new communications infrastructure currently being developed (roads, railways, pipelines) have on the Indian Ocean, and how may this affect the GCC? Could the GCC play a role in this?
6. What cooperation/engagement do the GCC states (or the GCC as a body) have with existing institutions committed to economic or strategic cooperation in the Indian Ocean region (whether Indian Ocean coastal states or user states)? What new forms of cooperation/engagement could the GCC states seek to initiate?
7. What is the potential for the GCC states to work together with other Indian Ocean coastal states and users to establish a cooperative framework for future interaction in the region?
8. What are the strategic threats to the GCC states (individually or collectively) which could emanate from the Indian Ocean? This includes asymmetric and non-traditional threats.
9. What resources are there in the Indian Ocean seas and sea-bed which could be usefully exploited by GCC countries, and what measures of cooperation with other countries would be useful to bring this about?
10. In what ways could the GCC states best cooperate in this area? Are new GCC institutions required?

11. What are the environmental and other problems confronting the Indian Ocean region, how do they impinge on the Gulf region, and what cooperative measures could be proposed to help resolve them?
12. What are the population and migration problems confronting the Indian Ocean region, how do they impinge on the Gulf region, and what cooperative measures could be proposed to help resolve them?
13. Are there possibilities of GCC-Iranian cooperation in any of the dimensions of Indian Ocean security?
14. Could GCC cooperative efforts in the Indian Ocean be integrated with strategies/interests being pursued by other Arab countries (Egypt? Sudan? Iraq?)?
15. Do the GCC states have a basis for, and an inclination to promote, the concept of a social/cultural Indian Ocean identity?

## **Workshop Director Profiles**

**Amb. Talmiz Ahmad** joined the Indian Foreign Service in 1974. Early in his career, he was posted to Kuwait and Baghdad, was Charge d'Affaires in Sanaa in 1979-81, and then Consul General in Jeddah (1987-90). He headed the Gulf/Haj Division in the Ministry of External Affairs in 1998-2000. He was Ambassador to Saudi Arabia twice (2000-03 and 2010-11); to Oman (2003-04), and the UAE (2007-10). He was also Additional Secretary responsible for international cooperation in the Ministry of Petroleum and Natural Gas, and Director General of the Indian Council of World Affairs, India's premier foreign policy think-tank (2004-17). At the end of his tenure as Ambassador to Saudi Arabia in August 2011, the Saudi government conferred on him the King Abdulaziz Medal First Class in recognition of his role in the promotion of Indo-Saudi relations. After retirement from the Indian Foreign Service, he joined the corporate sector for three years as the Dubai-based president of an Indo-German joint venture, with responsibility for business development in West Asia, North Africa, and Central Asia. He is now an independent consultant based in Dubai and is advising Indian and local companies on business expansion and diversification.

He has authored three books: *Reform in the Arab World: External Influences and Regional Debates* (2005); *Children of Abraham at War: the Clash of Messianic Militarisms* (2010), and *The Islamist Challenge in West Asia: Doctrinal and Political Competitions after the Arab Spring* (2013). He writes and lectures frequently on political Islam, the politics and economics of the Middle East, and energy security issues.

**Prof. Tim Niblock** is Emeritus Professor of Middle Eastern Politics at the University of Exeter. He is also currently Visiting Professor at Shaanxi Normal University, Xi'an, and has held the position of Vice-President of the European Association for Middle Eastern Studies, and Vice-President of the British Society for Middle East Studies. He was the founding Director of the Institute of Arab and Islamic Studies at the University of Exeter, and previously served at the University of Khartoum, the University of Reading, and the University of Durham.

Among his published books are: *The United States and the Gulf: Shifting Pressures, Strategies and Alignments* (jointly edited with Steve Hook); *Security Dynamics of East Asia in the Gulf Region* (edited, with Yang Guang, 2014); *Asia-Gulf Economic Relations in the 21st Century. The Local to Global Transformation* (edited, with Monica Malik, 2013), *The Political Economy of Saudi Arabia* (2007), *Saudi Arabia: Power, Legitimacy and Survival* (2006), 'Pariah States' and Sanctions in the Middle East: Iraq, Libya and Sudan (2001), *Class and Power in Sudan* (1987), *Iraq: the Contemporary State* (edited, 1982), *State, Society and Economy in Saudi Arabia* (edited, 1981), and *Social and Economic Development in the Arab Gulf* (edited, 1980).

**Prof. Degang Sun** is Professor and Deputy Director of the Middle East Studies Institute of Shanghai International Studies University, China. He was an academic visitor to the Middle East Centre, Oxford University, and Oxford Centre for Islamic Studies (2012-2013). His research interest is China and the Middle East. His most recent works are: *Quasi-alliance Diplomacy in Theory and Practice: An Empirical Studies of the Relations between Great Powers and the Middle East* (Beijing: World Affairs, 2012); "China's Response to the Revolts in the Arab World: A Case of Pragmatic Diplomacy," (*Mediterranean Politics*, Vol. 19, No. 1, 2014, with Professor Yahia Zoubir); and "China's Economic Diplomacy towards the Arab Countries: Challenges Ahead?" (*Journal of Contemporary China*, forthcoming, with Prof. Yahia Zoubir).

## **Selected Readings**

It is hoped that contributors will take note of the series of Gerlach publications which have emerged from earlier Gulf Research Meetings on the Gulf countries' relations with the external world (especially those with Asian and African countries). The three convenors have contributed substantively to these works. The publications are:

Niblock, T. (ed.), with Monica Malik, *Asia-Gulf Economic Relations in the 21<sup>st</sup> Century*. Berlin and London: Gerlach, 2012.

Niblock, T. (ed.), with Yang Guang, *Security Dynamics of East Asia in the Gulf Region*. Berlin: Gerlach, 2013.

Gupta, R., Abubaker Bagader, Talmiz Ahmad, and N.Janardhan (eds), *A New Gulf Security Architecture: Prospects and Challenges for an Asian Role*. Berlin: Gerlach, 2014.

Hook, S., and Tim Niblock (eds), *The United States and the Gulf*. Berlin: Gerlach, 2015.  
Abusharaf, R.M., and Dale Eickelman (eds), *Africa and the Gulf Region: Blurred Boundaries and Shifting Ties*. Berlin: Gerlach, 2015.

Niblock, T., with Sun Degang and Alejandra Galindo (eds.), *The Arab States of the Gulf and BRICS*. Berlin: Gerlach, 2016.

Niblock, T., with Talmiz Ahmad and Sun Degang (eds), *Collective Security and Security Cooperation in the Gulf*, Berlin: Gerlach, forthcoming 2017.