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ECONOMIC COOPERATION BETWEEN INDIA AND ISRAEL

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Abstract. The article deals with the India–Israel economic relations within 1990–2020s. The authors stress that the Israeli direction is among the priorities in the external economic policy of India at the present time. The authors examine the importance of mutual trade stressing that it is well balanced and its volume has increased more than twice since 1992. A number of indices are calculated to conclude that the mutual trade is characterized by its high intensity. Intra-industry trade is also relatively high as there is high complementarity of India and Israel economy and the trade balance is usually positive for India. As a whole both India and Israel are interested in one another's market. Countries have been conducting negotiations on creating a free trade zone but due to many obstacles from both parts the agreement is not yet reached. The authors underline that India–Israel investment cooperation has been rather well developing for the latest decade. Israeli investors are more active on Indian market and the average volume of their investments is usually about twice higher than the Indian direct investments to Israeli economy. Nowadays there are more than 300 companies with the participation of Israeli capital registered in India operating mainly in the sphere of medicine, telecommunications, chemical industry, energy, including the use of unconventional energy sources, as well as agriculture. Investments are very diverse in nature: among them there are the organization of manufacturing enterprises, the opening of research centers, the creation of subsidiaries etc. Scientific and technical cooperation is another important direction of India–Israel ties. Thanks to scientific and technical cooperation with Israel, the rapidly developing Indian economy is successfully compensating for the lack of advanced technologies that it needs. In addition to bilateral interaction, the countries also cooperate with each other through the I2U2 Dialogue and two large-scale projects in the field of food security and clean energy are being implemented in India at the present time. At the end of the article the authors underline that there is every reason to sure that economic relations between India and Israel will reach a fundamentally new level in the near future, which will contribute to the further development and modernization of the Indian economy.

Keywords: India, Israel, I2U2, trade cooperation, investments, trade intensity index, Grubel–Lloyd index.

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ЭКОНОМИЧЕСКОЕ СОТРУДНИЧЕСТВО ИНДИИ И ИЗРАИЛЯ

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Аннотация. Анализируется торгово-инвестиционное и научно-техническое сотрудничество Индии с Израилем в 1990–2020-е годы, представлена оценка возможностей расширения их взаи-

модействия и вызовов, с которыми страны могут столкнуться. Рассмотрены основные проекты, реализуемые в рамках группы *I2U2*.

Ключевые слова: Индия, Израиль, западноазиатский квартет (*I2U2*), торговое сотрудничество, инвестиции, индекс интенсивности торговли, индекс Грубеля–Ллойда.

INTRODUCTION

India-Israel relations have undergone fundamental changes over the last three decades. The disintegration of the USSR meant for India, among other things, the loss of an ally that provided up to 75% of its needs in imported weapons [1]. A new partner in this area became Israel, which currently is the second-largest supplier of military equipment to India, after the Russian Federation [2, p. 129], an important source of technology and capital, as well as a sales market for Indian products [3, 4]. After Narendra Modi came to power in 2014, India opted for further deepening of cooperation between the two countries, despite the possible international costs of this decision. The country is very favorably disposed toward Israel: "Any Indian can easily find parallels in the situation of the two states that have to live under the threat of Islamist jihadism and a hostile environment" [5, p. 235].

MUTUAL TRADE

The volume of India-Israel trade has grown from 132 million USD in 1990 to 7,133 million USD in 2021, with a surplus in favor of India (Table 1). This distinguishes it, for example, from trade between India and China, which is characterized by a significant imbalance in favor of China [6]. Overall, Indian-Israeli mutual trade has been characterized by a steady positive

Table 1. Trade between India and Israel, 1990–2021

	1990		2000		2010		2015		2020		2021	
	Billion USD	%	Billion USD	%	Billion USD	%	Billion USD	%	Billion USD	%	Billion USD	%
Exports	0.053	0.3	0.520	1.2	2.798	1.2	2.918	1.1	2.599	1.1	4.378	1.1
Imports	0.079	0.3	0.496	0.9	2.038	0.6	2.082	0.5	1.753	0.5	2.755	0.5
Turnover	0.132	0.3	1.016	1.1	4.836	0.8	5.000	0.8	4.352	0.7	7.133	0.7
Balance	–0.026		0.024		0.760		0.836		0.846		1.623	

Compiled based on: [source 1].

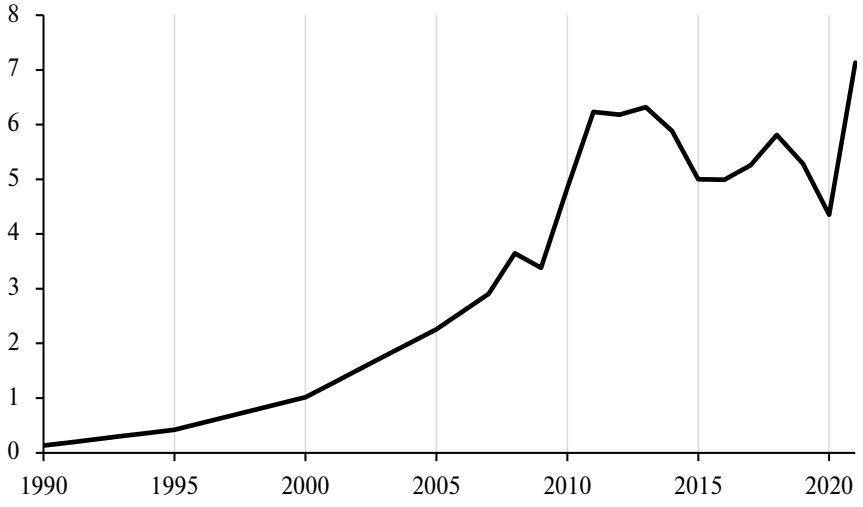

Fig. 1. Mutual trade between India and Israel, 1990–2020, billion USD

Compiled and calculated by the authors based on: [source 1].

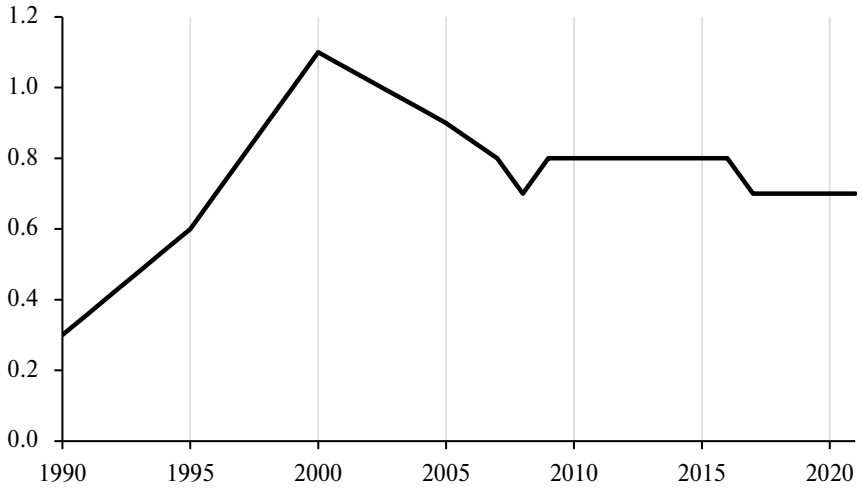

Fig. 2. Israel's share in India's trade turnover, 1990–2020, %

Compiled and calculated by the authors based on: [source 1].

Table 2. Commodity composition of Indian exports to Israel, 2010–2021

Товарные группы	2010		2015		2021	
	Billion USD	%	Billion USD	%	Billion USD	%
Total	2.798	100	2.918	100	4.378	100
Pearls, jewelry, and precious stones	0.919	32.8	1.039	35.6	1.436	32.8
Mineral fuel, oil, and products of their distillation	1.096	39.2	0.869	29.8	1.374	31.4
Electrical machinery and equipment	0.032	1.10	0.107	3.7	0.284	6.5
Plastic products	0.073	2.6	0.056	1.9	0.150	3.4
Organic chemical products	0.162	5.8	0.211	7.2	0.148	3.4
Textiles	0.010	0.3	0.028	0.9	0.073	1.7
Nuclear reactors, boilers, equipment, and mechanical devices	0.020	0.7	0.093	3.2	0.057	1.3
Aircraft and spare parts for them	0.047	1.7	0.055	1.9	0.052	1.2
Other	0.441	15.7	0.461	15.8	0.803	18.3

Compiled based on: [source 3].

trend over the past three decades, except for some short-term periods (Fig. 1). Some fluctuations are mainly due to the fact that "the scope of cooperation depends on the volume of military contracts between the countries" [7, p. 71].

According to the results of 2021, Israel was among the top ten major trading partners of India in the Asian region, behind only the ASEAN countries (total 11.6% of trade turnover), the PRC (11.4%), and the UAE (7.0%) [source 2]. Over the past three decades, Israel's share in India's trade turnover has more than doubled (Fig. 2). This is largely associated with the intensification of cooperation with Asian and African states within the framework of the *Act East Policy* (until 2014, the *Look East Policy*).

The share of India in Israel's total trade turnover is much higher: in 2021, it amounted to 3.64% (3.53% in exports and 3.72% in imports) [source 1]. India is Israel's second-largest trading partner in Asia after China and the ninth-largest in the world [8, p. 121]. Israel began penetrating Asian markets back in the 1990s. From 1992 to 1995, the annual increase in the value of exports by 11–18% was ensured by 28% at the expense of Asian countries [9, p. 45]. Israel rightly believed that the growth of effective demand in India could create a truly huge sales market.

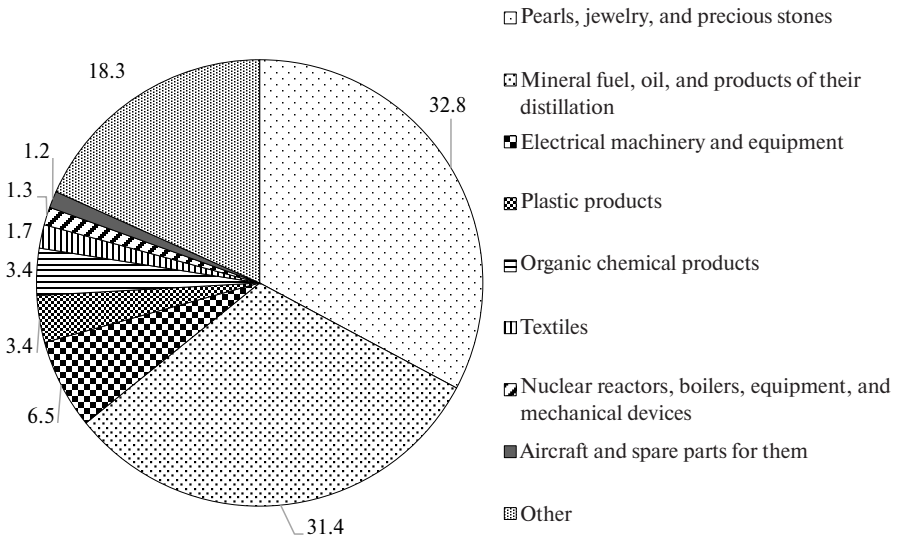

Fig. 3. Commodity composition of Indian exports to Israel, 2021, %

Compiled and calculated by the authors based on: [source 3].

Table 3. Commodity composition of Indian imports from Israel, 2010–2021

Commodity groups	2010		2015		2021	
	Billion USD	%	Billion USD	%	Billion USD	%
Total	2.038	100	2.082	100	2.755	100
Pearls, jewelry, and precious stones	0.984	48.3	0.951	45.7	1.202	43.6
Electrical machinery and equipment	0.230	11.3	0.390	18.7	0.652	23.7
Mineral fertilizers	0.331	16.2	0.114	5.5	0.120	4.4
Nuclear reactors, boilers, equipment, and mechanical devices	0.071	3.5	0.120	5.8	0.105	3.8
Optical, photographic, cinematographic, measuring, and control tools and devices	0.091	4.5	0.111	5.3	0.072	2.6
Other	0.331	16.2	0.396	19.0	0.604	21.9

Compiled based on: [source 3].

For a long time, Indian-Israeli trade was limited to two commodity groups – rough diamonds and chemical products [10]. In the 2000s, India's export basket significantly expanded to include machinery, plastic products, agricultural and food products (Table 2). Currently, India exports Israel pearls, jewelry, precious stones, mineral fuels, oil and petroleum products, products of mechanical engineering, and the chemical industry, among others (Fig. 3). The most important items imported into India from Israel include precious stones, electrical machinery and equipment, fertilizers, nuclear reactors, boilers, equipment and mechanical devices, and optical, photographic, cinematographic, measuring, and control tools and devices (Table 3, Fig. 4).

To determine the degree of trade efficiency, the authors calculated the Grubel-Lloyd index according to the formula:

$$GL_{kt} = 1 - \frac{|X_{kt} - M_{kt}|}{X_{kt} + M_{kt}},$$

where X_{kt} is the exports of the industry k in the period t; M_{kt} is the imports of the industry k in the period t.

The analysis shows that in two of the three leading commodity categories, Indian-Israeli intra-industry trade reached a very high level by 2021: for machinery, mechanical devices, nuclear reactors, and boilers, the intensity index (II) was 0.705, and for electrical machinery and equipment, it was 0.608 (Table 4). For precious

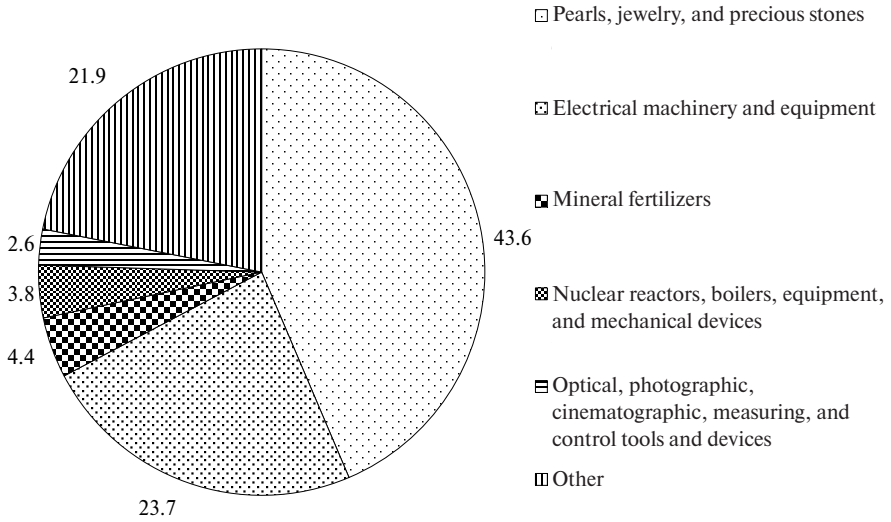

Fig. 4. Commodity composition of Indian imports from Israel

Compiled and calculated by the authors based on: [source 3].

Table 4. Grubel-Lloyd index in mutual trade between India and Israel, 2010–2021

Number of the commodity group	Name of the commodity group	Grubel-Lloyd index		
		2010	2015	2021
71	Natural or cultured pearls, precious and ornamental stones, precious metals, metals clad with precious metals, and products made from them	0.966	0.956	0.911
84	Nuclear reactors, boilers, equipment and mechanical devices	0.433	0.873	0.705
85	Electrical machinery and equipment	0.242	0.431	0.608

Compiled based on: [source 3].

Table 5. Mutual trade intensity index, 2010–2021

Year	India – Israel	Israel – India
2010	3.2225	1.5245
2011	3.0644	1.4882
2012	3.2832	1.4222
2013	3.4040	1.4093
2014	2.9523	1.3806
2015	2.9044	1.3667
2016	2.6856	1.5206
2017	2.8001	1.2846
2018	2.9683	1.2471
2019	2.7625	1.1193
2020	2.3667	1.6699
2021	2.6073	1.6811

Compiled based on: [source 1].

and semi-precious stones, the indicator slightly decreased to 0.911. Thus, trade is predominantly intra-industry, and its efficiency in the analyzed commodity groups is high, which bodes well for its future sustainability. This is a result of the growing mutual interest between Indian and Israeli business communities.

The intensity index (II) of India-Israel and Israel-India mutual trade from 2010 to 2021, as calculated by the authors, shows high values in both cases and is consistently above one (Table 5). During this period, the index ranged from 2.5 to 3.2, with the peak occurring between 2010 and 2013. Consequently, the volume of Indian-Israeli trade is much higher than one might expect given the current scale of India's participation in world trade. India is successfully expanding into the Israeli market, which is indicative of the increasing competitiveness of Indian goods.

Since 2000, the Intensity Index (II) of Israel's trade with India has also consistently exceeded one, and in 2010 and 2020–2021, it rose above 1.5, implying a very high intensity of trade (Fig. 5). Despite the fact that the II of India's trade with Israel is approximately one and a half

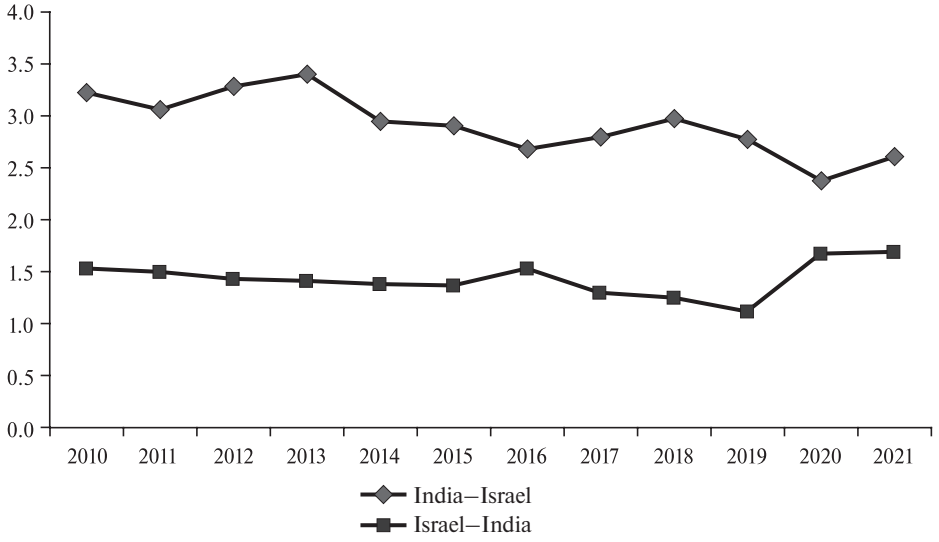

Fig. 5. Mutual trade intensity index, 2010–2021

Compiled and calculated by the authors based on: [source 1].

times higher than the corresponding indicator of Israel's trade with India, and India's share in Israel's foreign trade is higher than the corresponding indicator in Indian foreign trade, there is reason to believe that the parties are almost equally interested in trading with each other.

Trade in services is also actively developing between the countries (in 2015 – 328 million USD[1], and in contrast to commodity trade, India traditionally has a negative balance here. The parties actively cooperate in the field of information and communication technology (ICT) (on average 11.6% of Israeli exports of services to India and 27.5% of imports), consulting (18.6% of Israeli exports of services to India), as well as tourism services.

India-Israel Free Trade Agreement. Negotiations on concluding a new *India-Israel Free Trade Agreement*, designed to increase the volume of mutual trade to 10 billion UD, began in May 2010. After seven rounds, they achieved a stalemate [source 4].

The Israeli side was dissatisfied with India's unwillingness to reduce the high rates of its import duties, primarily on automotive, agricultural, and food products (for example, import duty rates on wine and dairy products average about 30%). Besides, the Israeli side voiced complaints concerning limited access to the Indian market for Israeli investors[2] and non-compliance with patent laws. Israel insisted on strengthening intellectual property protection and including a section on sustainable development with social and environmental conditions in the future agreement, with which India strongly disagreed. India, for its part, complained about Israel's numerous tariff and non-tariff barriers, objectively hindering the imports of products. India also insisted on simplifying the procedure for granting visas to Indian highly qualified specialists, including those employed in the tertiary sector.

Negotiations on the free trade zone resumed in May 2021. It is estimated that the deal can bring substantial profits to each party. Meanwhile, "even without a free trade zone, mutual trade works wonders" [source 4].

INVESTMENT COOPERATION

India-Israel investment cooperation is characterized by significant activity of Israeli investors (Table 6). The accumulated volume of Israeli investments in the Indian economy as of September 1, 2022 amounted to 280.6 million USD. Israel ranks 44th among the sources of foreign direct investment (FDI) in India (0.1% of the total vol-

[1] More recent data are not available.

[2] India to this day, despite the implementation of large-scale liberal reforms, pursues a restrictive investment policy. A number of sectors of the Indian economy remain closed or only partially open to foreign investors.

Table 6. Annual inflow of Israeli capital into the Indian economy, 2017–2019

Indicator	2017	2018	2019
Volume of Israeli FDI in India, million USD	55	55	44
India's share in Israel's FDI, %	0.7	0.9	0.5
Israel's share in India's FDI, %	0.14	0.13	0.01

Compiled based on: [source 6].

Table 7. Indian capital in the Israeli economy, 2017–2021

Indicator	2017	2018	2019	2020	2021
Volume of Indian FDI in Israel, million USD	1.47	4.48	4.20	2.97	3.11
Israel's share in India's FDI, %	0.01	0.04	0.03	0.03	0.02
India's share in Israel's FDI, %	0.01	0.02	0.02	0.01	0.01

Compiled based on: [source 6].

ume) [source 5]. Over 300 companies with Israeli capital are registered in India, operating mainly in the fields of medicine, telecommunications, chemical industry, energy, including non-conventional energy sources, and agriculture.

Investments are very diverse, including setting up production enterprises, opening research and development centers, and creating subsidiaries. Investments in real estate are also growing. Israeli companies with significant investments in India include *Teva Pharmaceuticals*, *Ecoppia*, *Aqwise*, *Polemix*, *Eli Hajaj*, *Rivulis*, *Alumayer*, *Plasson*, *Huliot*, *Metzerplas*, *Avgol*, *IDE*, *Netafim*, *ADAMA*, *Mellanox*, *Dan Hotels*, etc. In 2019, the company *NeoLync*, registered in India as *UTL Neolync*, was approved to participate in the *PLI*[3] electronics manufacturing project, while *Tower Semiconductor Ltd*. in May 2022 announced a $3 billion investment in *Analog Semiconductor Fab* in Karnataka.

Indian investors have also shown interest in the Israeli market recently (Table 7). According to the Indian Embassy in Tel Aviv, as of December 2022, India's FDI in the Israeli economy reached 136.85 million USD. Indian companies are strengthening their presence through mergers and acquisitions, as well as opening branches of their companies. Since 2007, a branch of the largest commercial bank *State Bank of India* has been operating in Israel.

In the *IT* sector, *Tata Consultancy Services*, *Infosys Limited*, *Tech Mahindra*, and *Wipro Limited* are active; these companies made major investments in Israel in 2015–2016. The presence of Indian companies in Israel's pharmaceutical industry is also significant; Indian *Sun Pharma* can be distinguished here, which holds a 66.7% stake in Israel's *Taro Pharmaceutical Industries*.

The successes of Indian capital in the field of mechanical engineering are notable. Thus, in 2007, *Jain Irrigation Systems Ltd*. purchased *NaanDan*, an Israeli company producing irrigation equipment. *NaanDanJain Irrigation Ltd*. is now the world's leading manufacturer and supplier of irrigation and drip irrigation equipment. The company offers a wide range of technologies and is present in many countries of the world. In 2017, the Indian company *Saisanket Enterprises Private Limited* purchased *Shtula Metal Industries Ltd*., a leading Israeli manufacturer of metal parts and devices. In 2019, Indian *Lohia Group*, a manufacturer of plastic packaging machines, as well as industrial sewing threads, purchased Israel's *Light & Strong Limited*, specializing in the production of hydrocarbon and plastic fibers for aerospace and military applications.

The presence of Indian capital in the Israeli port industry is also increasing. In July 2022, a consortium of India's *Adani Ports and Special Economic Zone Ltd (APSEZ)* and Israel's *Gadot Group* won a $1.18 billion tender to privatize the Port of Haifa *(Haifa Port Company Ltd*.),

[3] The *Production Linked Incentive (PLI)* provides a financial incentive to develop domestic manufacturing and attract investment in targeted segments of telecommunication and network products.

through which about half of Israel's containerized cargo passes.

SCIENTIFIC AND TECHNOLOGICAL COOPERATION

Scientific and technological ties between India and Israel are strengthening. The Agreement on Science and Technology (1993) gave impetus to active cooperation in such areas as *IT*, biotechnology, lasers, and electronic optics [11, p. 120]. In 1994, a $3 million India-Israel science and technology fund was established to promote the development of joint R&D, and in 2005, the *India-Israel Initiative for Industrial R&D* (*i4RD*) was launched. In 2017, the countries signed seven memorandums of understanding and cooperation in the areas of innovation, technology, water resources, agriculture, space, and science, and in 2018, they signed nine agreements on cooperation in cybersecurity, oil and gas, solar energy, space, air transportation, medicine, and movie production [source 7].

Mutual Indian-Israeli scientific and technological cooperation is developing in a wide range of areas: from joint developments and their implementation in the field of agriculture to *IT*, space (a corresponding agreement was signed in 2002), and combating climate change. A number of joint projects in the field of alternative energy are currently underway. Israel has joined the International Solar Alliance, as well as the Indian initiative to reduce dependence on fossil fuels. Besides, the two countries demonstrate that they are prepared to invest in the future, expressing their commitment to the idea of sustainable development and joining green technology initiatives in other countries. The mutual interest of the parties is understandable. India, which is actively introducing digital technologies, including in the defense industry, hopes to receive Israel's advanced developments [12, p. 134]. Israel, for its part, is interested in entering the vast Indian market.

Currently, the most prominent is the *Israel-India Industrial R&D and Technological Innovation Fund* (*I4F*)[4] with a capital of $40 million. It was established in 2017 to promote mutually beneficial cooperation in the high-tech sector by supporting joint research and development in agriculture, water, energy, health, and ICT, aimed at industrial implementation. Its tasks also include attracting Indian companies to open development centers in the Israeli market and fund Israeli technology ecosystems. By July 2022, the foundation had funded over 20 R&D projects, including *Appolo-Zebra*, which enables early-stage diagnosis of tuberculosis using artificial intelligence [13].

In the 2010s, major Indian companies began to actively invest in the accelerated development of Israel's innovation ecosystem. For example, in 2013, *Tata Group* invested $5 million in the *Momentum Fund of Ramot*, a technology transfer center at Tel Aviv University. In 2016, *Tata Group* joined efforts with several leading global players to establish a new technology incubator called *i3 Equity Partners (i3*), focused on developing next-generation Internet of Things technologies. One more example is *Wipro Limited*, a company specializing in software, cybersecurity, and the Internet of Things, which has invested in the Israeli venture capital company *TLV Partners*.

The Indian corporation *Sun Pharmaceutical Industries Ltd.* successfully cooperates with the Weizmann Institute of Science and Technion – Israel Institute of Technology. In 2017, *Reliance Industries Limited* announced an investment of $25 million to establish the Jerusalem Innovation Incubator *(JII*) in partnership with Israel's leading crowdfunding platform *OurCrowd* to support startups in the areas of big data, artificial intelligence, Internet of Things, financial technology, data storage systems, and computer vision. In November 2017, Indian *L&T Technology Services*, which conducts R&D in areas such as semiconductors, Internet of Things, and industrial and medical devices, opened an R&D center in Jerusalem and a sales office in Tel Aviv.

The company *Anthill Ventures* from Hyderabad invests in startups in Tel Aviv and has concluded a partnership agreement with the Holon Institute of Technology for investing in Israeli startups to

[4] An example for *I4F* was the *Israel-US Binational Industrial Research and Development Foundation* (*BIRD-F*). Since 1977, it has invested in approximately 1,000 projects in the fields of telecommunications, electronics, computer software, and medical equipment, generating a profit of more than $10 billion.

determine target technology categories and open markets for them in India and Southeast Asia. In March 2021, *Indian Oil Corporation Limited* launched *Phinergy*, a joint venture with an Israeli startup, to manufacture aluminum-air battery systems in India. In March 2022, *Ola Electric* invested $5 million in *StoreDot*, an Israeli battery company specializing in extremely fast charging technology, as part of its plans to manufacture advanced chemical cells and new energy systems in India.

Obviously, Indian-Israeli scientific and technological cooperation will intensify. India's *IT* industry is now shifting from business process outsourcing to the development of startups, many of which are already successfully competing in education and healthcare, ridesharing, and online commerce. The experience of Israel, which has created a successfully functioning innovation system virtually from scratch, may serve as a positive example for India [13]. Thus, at the end of 2020, a Memorandum of Understanding and Cooperation in the field of technological innovation was signed between the Israeli Startup Center and the Indian International Center for Entrepreneurship and Technology (*iCreate*), providing for the launch of a joint program to accelerate innovation and technological cooperation between startups and corporations from the two countries [source 7].

AGRICULTURE AND WATER TECHNOLOGIES

Indian agriculture plays a major role in the socio-economic development of the country: it accounts on average for 14–15% of GDP, and over 41% of the economically active population, up to 60% of people, still live in rural areas. It is an important source of raw materials for industry, and the share of agricultural goods and products in India's exports is currently around 12%. Nevertheless, Indian agriculture is largely traditional in nature and dependent on weather factors. Moreover, due to the natural limitation of agriculturally used areas, the opportunities for their use are not so extensive.

For its part, Israeli agriculture widely uses the achievements of modern science [14, p. 95]. Limited water and land resources and a small economically active population contribute to the effective organization of agricultural activities in the country. The most outstanding developments include drip irrigation, when water is delivered directly to the root of the plant, as well as electromagnetic water treatment for improving the health of livestock and increasing crop yields. The country also designs and manufactures a variety of equipment for soil cultivation, sowing, planting, harvesting, sorting, and packaging of agricultural products; a special soil containing vermiculite has been developed. Thus, the complementarity of the two countries' subsystems is evident.

The legal basis for cooperation in this field is the Integrated Work Plan signed in 2006, and its coordinators are the *Center for International Cooperation of Israel's Ministry of Foreign Affairs* (*MASHAV*) and the *Center for International Agricultural Development Cooperation of Israel's Ministry of Agriculture and Rural Development* (*CINADCO*). Bilateral projects are implemented according to Three-Year Work Programs. Currently, the fifth such program (2021–2023) is being implemented, aimed at establishing new and expanding existing centers of advanced experience in agriculture, making them self-sustainable, and encouraging private sector companies to cooperate more actively.

The new program also aims to modernize the infrastructure of villages located near these centers and turn them into villages of advanced experience. It is planned to create a modular agricultural ecosystem in eight states of India, as well as selected centers of advanced experience in 75 villages. Currently, there are already 29 centers in 12 states of India (such as Bihar, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Mizoram, Andhra Pradesh, and West Bengal). The countries have set a target to establish one such center in each state. Indian specialists are trained in Israel on a regular basis. Besides, Indian officials and business delegations regularly visit Israel's triennial international agricultural exhibition *Agritech* to learn about advances in agriculture.

Joint developments in the field of water technology are a relatively new area in Indian-Israeli

cooperation. Its legal basis is the Memorandum of Understanding for cooperation in the field of water resources management and development signed in November 2016. Within the framework of this direction, a number of joint projects are successfully implemented in India with the participation of leading Israeli companies to address the most acute problems with the provision of clean drinking water in certain regions. To date, the Israeli company *IDE* has built a number of desalination plants in the states of Punjab and Uttar Pradesh. In the 2010s, desalination plants were put into operation in Nemelli (Tamil Nadu) with a capacity of 100,000 m^3/day and Jamnagar (Gujarat) with a capacity of 160,000 m^3/day.

The leading Israeli international engineering company *Tahal Group*, which operates in more than 30 countries, is implementing a $74 million project to design, construct, and operate a water supply system in 131 villages in the state of Karnataka. *Aqwise*, an Israeli company manufacturing advanced water treatment systems, together with Indian *Triveni Engineering* built a treatment plant on the Yamuna River, which provides clean drinking water to nearly 2 million people in the state of Uttar Pradesh. Another Israeli company, *Ayala*, won a contract in February 2017 to clean up an eight-kilometer area along the Yamuna River in Delhi.

WEST ASIAN QUARTET – *I2U2* DIALOG

Along with bilateral cooperation, the countries also cooperate in a multilateral format – the *I2U2* Dialogue[5], which was established at the virtual meeting of countries' leaders in October 2021. Drawing an analogy with the *Indo-Pacific Quad*, which includes the US, Japan, and Australia along with India, some political analysts have already called this group *Quad-2*. The officially declared goals of *I2U2* are to promote cooperation on geo-economic initiatives (increased economic and political cooperation in the Middle East and Asia), including trade, energy, climate change, coordination of efforts on common important interests, as well as in the areas of infrastructure, technology, and maritime security.

In July 2022, the leaders of the US, India, Israel, and the UAE, meeting in person at the *I2U2* summit, agreed to implement two large-scale food security and clean energy projects in the territory of India. The first project implies the creation of integrated food parks across India, where modern technologies will be actively introduced to increase crop yields, reduce food waste and spoilage, as well as save fresh water and utilize renewable energy. It is stipulated that the UAE will allocate 2 billion USD for creating such parks, while the US and Israel will provide the necessary technologies [source 8]. In general, this project aims to ensure food security not only in India but also in the countries of South Asia and the Middle East as a whole.

The second project involves creating a 300 MW power plant in the Gujarat state, which will utilize wind and solar energy, as well as provide an additional battery energy storage system. The US has already allocated $330 million to India for implementing this project, while Israel and the UAE are providing the necessary technologies.

It is evident that the alliance of India and Israel with the US and UAE once again confirms the commitment of all participating countries to the region. If for the US, the *I2U2* format is a mechanism for expanding its own initiatives in the area of infrastructure investment with the participation of its partners in South Asia and the Middle East and the opportunity to compete with a similar Chinese initiative, then for India and Israel, it is one more platform for closer interaction with each other. Overall, experts say that the "Alliance of Four" is a sound geostrategic partnership, able to weaken China's economic expansionism in the Middle East.

RESULTS AND CONCLUSIONS

India is currently reexamining its foreign economic ties, increasingly renouncing those that do not work and deepening the more promising ones. The focus on Israel has emerged as one of the priorities. The increasing volume of Indi-

[5] The name of the block is formed from the first letters of the English names of the states – I (India, Israel) and U (USA, UAE).

an-Israeli economic cooperation, along with its dynamic nature, is impressive. Through scientific and technical cooperation with Israel, the rapidly developing Indian economy successfully compensates for its lack of advanced technologies. Israel, in turn, has found in India not just a buyer for its goods, including military-industrial products, but also an engaged partner in the implementation of bilateral investment projects, particularly in the area of advanced technologies. There is reason to believe that Indian-Israeli economic relations in the next two decades will reach a new level, promoting the modernization of the Indian economy, accelerating economic development in both countries, and consolidating their positions in the Asian region.

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