

The Iran-Israel Conflict and India

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The latest escalation in the conflict between Iran and Israel has forced India to reconsider its strategic calculus. Its decisive refusal to endorse the Shanghai Cooperation Organisation's (SCO) condemnation of Israel's attack on Iran is driven by strategic autonomy. India enjoys friendly relations with both Israel and Iran which has been a test for India's deft diplomacy. (Kathju, 2025; Krishnan, 2025)

India and Israel's civilisational ties date back to over two hundred millennia and have had positive bilateral relations since India's informal recognition of Israel in 1950. Since 1992, both countries have enjoyed full diplomatic relations. India and Israel are strategic partners with India being Israel's biggest client for defence equipment. Israel is also India's largest supplier of defence equipments after Russia. The Russia-Ukraine conflict has caused significant delays in India's military modernisation; hence, Israel has become India's most promising partner in terms of defence supplies. (Rao, 2025; *Welcome to Embassy of India, Tel Aviv, Israel*, 2024) Despite being India's trusted partner for defence equipment imports, the Israel-Iran conflict may cause Israel to divert its resources towards its own military and defence needs leading to delays in military modernisation. This has urged India to further indigenise its defence and military production in the wake of uncertainty of supply. (Bhamidipati, 2025; Rao, 2025) Iran and India have strong historical and civilisational ties which are marked by high-level exchanges, trade and connectivity cooperation as well as people-to-people ties. Historically, Iran was one of India's largest suppliers of oil. This was impacted by the US' sanctions on Iran, which forced India to pull back in fears of inviting sanctions. Nevertheless, it continues to be crucial for India's energy security and regional connectivity. Iran's geographic position is highly important for India's strategic interests. (Bhamidipati, 2025; Suresh, 2015; Pednekar, 2019) The conflict has implications for groupings such as BRICS (of which, Iran recently became a member) and I2U2 (Indo-Abrahamic Alliance/ India-Israel-UAE-US). In I2U2, the US and Israel view Iran as a foe whereas India and UAE are of a more favourable opinion. (World, 2025) At the same time, BRICS has condemned the strikes on Iran, claiming it to be a violation of the UN Charter. (Staff, 2025) India must consider all parties involved in these groupings without alienating any nation. In addition, it must look after its own strategic interests and collaborations while avoiding any tensions. The delicate balancing act that India has opted for serves to maintain the amicable ties that it has fostered with both nations. There are several interests at stake for India if relations with either country were to deteriorate.

India is the fourth largest and fastest growing major economy with a projected GDP of 7.3 billion dollars by 2030. (PIB, 2025) India's energy security is critical for its economic growth and development in the double digits. (*Energy Security in India*, 2025) In response to US aggression against Iran's nuclear facilities, the Iranian parliament has voted for the closure of the Strait of Hormuz, a crucial oil chokepoint which is the lifeline of global energy trade. Nearly thirteen percent of India's energy shipments pass through the strait. (Presstv, 2025) Though a ceasefire between Israel and Iran prevails, the possibility of a closure threatens severe economic fallout leading to surge in oil prices, halts in supply chains and current account deficit. It would be devastating for India's growing energy needs as a developing country and may have wide ranging implications for its defence relations with Saudi Arabia and the UAE. Any further intensification of war may also lead to increased Great Power resource competition because India requires greater energy imports- especially crude oil and liquefied natural gas (LNG). Despite diversifying its energy sources, India is still highly reliant on West Asia, with it occupying nearly forty-one per cent of all imports. If the strait is not secured, India will lag behind other powers such as the US and China causing a dip in the economy. (Kadira Pethiyagoda, 2025; Eldoh, 2025)

Furthermore, India has critical investments in Iran. The development of the Shahid Beheshti Port Terminal, Chabahar project was signed between Indian Ports Global Limited and Iran's Port and Maritime Organisation. It is seen as a counter to China's One Belt, One Road (OBOR) initiative. Located along the Gulf of Oman, the port serves as India's passage to Afghanistan and Central Asia, bypassing Pakistan's Gwadar Port. (Reuters, 2024) India's relies on Central Asia for its vast oil and natural gas reserves and rare earth minerals. It also allows India to access Iranian resources by circumventing naval chokepoints such as the Strait of Hormuz. Additionally, if the connection between India and Afghanistan is severed, China stands to gain more control over the area. (Sen, 2025) Recently, the US rescinded the waiver extended to India over its involvement in the Chabahar port, hampering its progress. (Gaur, 2024; Roche, 2025) Any further escalations would put India's investments and connectivity in jeopardy, to the detriment of its economy and energy security. India also has a large diaspora residing in the West Asia and Israel. The conflict serves to endanger their lives, compelling governments to launch costly evacuations. Additionally, the conflict would reduce inward remittances impacting the economy. (Kadira Pethiyagoda, 2025; Sen, 2025)

The India-Middle East-Europe Economic Corridor (IMEC), unveiled during the G20 Summit in 2023 is transformative trade route linking India to Europe via the Middle East and Israel. Iran possesses asymmetric maritime capabilities and has previously demonstrated their capacity and willingness to disrupt key chokepoints and sea lines of communication, namely the Strait of

Hormuz, Bab el-Mandeb, Gulf of Oman. The conflict would likely result in strategic and extended retaliation. It becomes imperative for India to increase maritime security in the region. India has been active in the Arabian Sea (Western Indian Ocean) and has often, sent military ships as part of its anti-piracy measure to protect ships and convoys (Operation Sankalp –2023). Additionally, the Indian Navy undertakes operational turnarounds in several friendly ports (Oman, UAE, Bahrain) in the Persian Gulf and Arabian Sea. The presence of Houthi rebels and other Iranian-backed militia puts critical infrastructure under threat. Both India and UAE would be forced to reroute to Oman or East African ports or delay maritime logistics which result in other financial losses in terms of insurance premiums and investments. India is the key stakeholder in the corridor which would compel it to strengthen defence and naval partnerships, particularly with the UAE and Saudi Arabia, to safeguard shipping lanes and infrastructure. The International North South Transport Corridor (INSTC) is the only viable alternative which includes Iran as well. It is cost effective and manages to evade the risks involved with shipping through the Red Sea. Direct confrontation between Israel and Iran will put regional connectivity and trading with Russia and Europe at stake. (Bhamidipati, 2025; Eldoh, 2025)

The ongoing conflict is a crisis with deep rooted and multifaceted consequences for India. If the conflict were to be drawn out, India's stance of strategic autonomy in foreign policy becomes a necessity to leverage and strengthen its ties with both nations. Pursuing multi-vector diplomacy, tailored partnerships that safeguard India's strategic interests become indispensable. India must undertake further diversification of energy sources in case imports from the West Asia become untenable. Similarly, it must also enhance maritime and security preparedness as the conflict has scope to extend beyond its region into India's domain.

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