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വൈത്യകം  
ത്രൈമാസിക ലക്കം: 46

# Ishal Paithrkam

Online issue 31

print issue 46

June 2026



**Mahakavi Moyinkutty Vaidyar**

**Mappila Kala Akademi**

Department of Cultural Affairs

Government of Kerala-India

June 2026

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പകർപ്പാവകാശം: പ്രസാധകർക്ക്

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**പ്രസാധകർ**

മഹാകവി മോയിൻകുട്ടി വൈദ്യർ

മാപ്പിള കലാ അക്കാദമി

കൊണ്ടോട്ടി: 673 638

ഫോൺ: 0483 2711432

**Ishal Paithrkam**

**E-ISSN: 2582-550X**

Peer-Reviewed

Two issue per year

Bilingual

Issue: 46

Online issue: 31

June: 2026

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**Editor**

Dr. Shamshad hussain. KT

**Publisher**

The Secretary, Mahakavi

Moyinkutty Vaidyar mappila

Kala Academy, Department of

Cultural affairs, Government

of Kerala, Kondotty Post

Pin: 673638

India

Ph: +91 483 2711432

**Printed at**

Kerala state C APT

Kozhikode

[www.mappilakalaacademy.org](http://www.mappilakalaacademy.org)

[www.ishalpaithrkam.info](http://www.ishalpaithrkam.info)

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## **Next-Generation Economic Diplomacy: Aligning Saudi Vision 2030 with India's Make in India Initiative**

**Dr. Rincy Mathew**

This article explores the evolving economic and strategic partnership between India and Saudi Arabia, framed by the alignment of Saudi Vision 2030 and India's Make in India initiative. Historically based on energy trade and labour migration, the bilateral relationship is undergoing a profound transformation towards next-generation economic diplomacy. This study examines the evolution of next-generation economic diplomacy through the strategic alignment of Saudi Vision 2030 with India's Make in India initiative, anchored in contemporary South-South Cooperation (SSC) theories. Moving beyond traditional paradigms, South-South Cooperation offers robust conceptual frameworks—Development Compact, Polyilateral Development, decolonial solidarity, and networked diplomacy—that illuminate the depth of this bilateral partnership. Key collaborative platforms—including the India–Middle East–Europe Economic Corridor (IMEC) and the India–Saudi Arabia Strategic Partnership Council—are examined as facilitators of this multidimensional cooperation. The article highlights the complementarities of Saudi capital and infrastructure capabilities with India's technological expertise and market potential, underscoring opportunities in fintech, cybersecurity, urban innovation, and defence production. It concludes that this dynamic alignment not only enhances

bilateral interdependence but also positions both nations as influential players in shaping a resilient, multipolar global economic order. Furthermore, the partnership reflects an evolving model of strategic economic engagement in the Global South, where innovation, sustainability, and institutional cooperation drive long-term collaboration. By fostering connectivity, technology transfer, and investment flows, India and Saudi Arabia are redefining bilateral diplomacy and contributing to a more inclusive and diversified international economic architecture.

**Keywords:** Make in India, Saudi Vision 2030, South-South cooperation, Economic diplomacy, India-Saudi Arabia Strategic partnership, Digital economy, India-Middle East-Europe Economic corridor.

### **Introduction**

The economic relationship between India and the Kingdom of Saudi Arabia has historically been guided by the twin pillars of energy trade and labour migration. However, the shifting contours of global geopolitics, coupled with transformative domestic policy agendas in both countries, are catalysing a transition towards a more diversified, strategic, and forward-looking partnership. At the heart of this evolving engagement lie two ambitious national blueprints: Saudi Vision 2030, which seeks to diversify the Kingdom's oil-dependent economy through innovation, investment, and social reform; and India's Make in India initiative, designed to position India as a global hub for manufacturing, infrastructure development, and foreign investment. This convergence of strategic visions offers a fertile ground for next-generation economic diplomacy, moving beyond transactional trade toward a more integrated model of bilateral cooperation. Saudi Arabia's focus on renewable energy, digital infrastructure, logistics, tourism, and human capital development aligns seamlessly with India's comparative advantages in technology, innovation, skilled talent, and cost-efficient manufacturing. Likewise, India's need for capital, energy security, and global market access resonates with Saudi Arabia's investment ambitions under its sovereign wealth strategy.

At a time when the global economic landscape is undergoing a fundamental realignment—driven by climate imperatives, technological disruption, and shifting geopolitical power centers—the India–

Saudi Arabia partnership emerges as a crucial vector in the emerging architecture of South-South cooperation. Both nations are shifting the focus of their foreign economic interactions toward sustainability, innovation, and resilience. In this context, their expanding cooperation benefits both parties and contributes to regional stability and global economic diversification.

Their convergence, as two major players in Asia and the Middle East, reflects a broader trend where developing economies are actively reshaping traditional approaches to international investment, commerce, and development. This article critically examines how a multifaceted, robust, and forward-looking economic partnership can be built by aligning Saudi Vision 2030 with the Make in India initiative. It explores key areas of synergy, evaluates the current trajectory of bilateral cooperation, and identifies the institutional processes and policy tools required to realize this potential. In doing so, it highlights the strategic value of economic diplomacy in strengthening ties between Saudi Arabia and India, while contributing to a more sustainable, multipolar, and balanced global economic order.

### **Reframing Next-Generation Economic Diplomacy through South–South Cooperation: Theoretical Framework**

The growing strategic alignment between India’s Make in India initiative and Saudi Arabia’s Vision 2030 signals a pivotal shift in the dynamics of international cooperation. This transformation can be most effectively understood through the theoretical perspective of South–South Cooperation (SSC), a framework that prioritizes mutual benefit, sovereign development choices, and co-created solutions among countries of the Global South. Unlike traditional North–South paradigms, which are often shaped by asymmetrical power structures and conditional aid, SSC emphasizes horizontal collaboration, where development is approached as a shared endeavour grounded in solidarity, equity, and innovation. India–Saudi Arabia engagement exemplifies this emerging diplomatic paradigm, especially in how both nations work together to address common developmental priorities through investment, technology, and policy convergence.

### **Development Compact and Mutual Empowerment**

At the heart of modern South-South Cooperation is the concept of the Development Compact, introduced by Sachin Chaturvedi (2016), which offers a five-pronged structure for cooperation: trade and investment, technology transfer, capacity building, concessional finance, and policy dialogue. This model captures the essence of India–Saudi Arabia collaboration. The bilateral relationship is no longer confined to oil trade or energy dependency; it has evolved into a comprehensive development partnership. Saudi investments in India's infrastructure, digital economy, and renewable energy sectors are matched by India's growing role in supporting Saudi Arabia's smart city vision and industrial diversification, notably in projects like NEOM. These exchanges reflect a model of mutual empowerment, where both partners align their national objectives through co-designed and sovereign-led development initiatives, avoiding dependency and fostering long-term resilience.

### **Transformative Regionalism and Development-Led Connectivity**

The theory of Transformative Regionalism, as outlined by UNCTAD broadens the understanding of South-South Cooperation by focusing on development-driven regional integration. Unlike traditional regionalism driven by trade liberalization or political alliances, transformative regionalism emphasizes building value chains, sustainable infrastructure, and inclusive growth mechanisms tailored to regional needs. The India–Middle East–Europe Economic Corridor (IMEC) exemplifies this concept. More than just a logistical route, IMEC is envisioned as a multi-modal connectivity platform that links transport, digital infrastructure, and energy cooperation across the Indo-West Asian region and Europe. It shows how South–South frameworks are transforming into South–South–North models led by Southern countries, driven by the priorities of emerging economies.

For India and Saudi Arabia, IMEC boosts not only bilateral trade but also regional development, placing them at the forefront of a new development-led connectivity approach.

Networked Development Diplomacy and Institutional Pluralism

Another crucial theoretical innovation within SSC is the concept of Networked Development Diplomacy, which captures the increasingly pluralistic nature of South–South engagements. As noted by Chaturvedi and Fues (2016), SSC now involves a diverse array of actors, including sovereign wealth funds, private corporations, research institutions, and civil society organizations, working alongside governments. This pluralism is evident in the India–Saudi context, where the traditional state-to-state engagement is complemented by robust collaboration between Indian firms and Saudi Arabian institutions such as the Public Investment Fund (PIF). The Strategic Partnership Council (SPC) serves as a multi-sectoral institutional mechanism coordinating efforts across energy, digital infrastructure, defence, tourism, and cultural sectors. Such arrangements illustrate that India–Saudi Arabia cooperation is not simply a diplomatic alignment, but rather a multi-actor ecosystem of co-development, flexible, decentralized, and inclusive.

### **Rethinking Diplomacy in the Global South**

The evolving economic partnership between India and Saudi Arabia can be most effectively analysed through the framework of South–South Cooperation, which provides a nuanced, development-oriented perspective for understanding their joint efforts. The Development Compact underscores the structured, reciprocal nature of their engagement. Transformative Regionalism situates their cooperation within a broader regional vision that promotes infrastructural and economic integration. And Networked Development Diplomacy reveals the richness and adaptability of the institutions and actors involved. Together, these frameworks reveal a next-generation partnership—one that transcends transactional diplomacy and fosters shared sovereignty, co-innovation, and sustainable growth. As two rising powers of the Global South, India and Saudi Arabia are not merely participants but active architects of a more inclusive global development order.

Rooted in the theoretical foundations of South–South Cooperation, the India–Saudi Arabia partnership showcases both conceptual innovation and real policy changes along with institutional reforms. To understand how these ideas come to life in practice, this article

looks at key areas of bilateral engagement—such as energy, digital economy, logistics, and infrastructure—where collaborative efforts are actively shaping development paths. By examining joint projects, investment flows, and institutional mechanisms like the Strategic Partnership Council and the India–Middle East–Europe Economic Corridor, this analysis shows how next-generation economic diplomacy is being put into action.

### **Strategic Policy Convergence**

The emergence of Saudi Vision 2030 and India’s Make in India initiative marks a significant shift in the economic priorities of both countries, reflecting an ambition to reshape their growth trajectories through industrial modernization, investment facilitation, and global integration. The strategic convergence of these frameworks offers an opportunity for India and Saudi Arabia to evolve beyond a transactional economic relationship to one that is mutually transformative, synergistic, and future-oriented.

Saudi Vision 2030, unveiled in 2016, is a comprehensive economic and social reform blueprint aimed at transforming the Kingdom of Saudi Arabia into a globally competitive, innovation-driven economy. Designed to reduce dependency on oil revenues, the plan promotes diversification through robust private sector engagement, foreign direct investment, and technological advancement. It identifies three foundational pillars: a vibrant society, a thriving economy, and an ambitious nation (Vision 2030, 2016). To achieve these, the Kingdom targets increasing private sector contribution to GDP from 40% to 65%, raising FDI from 3.8% to 5.7% of GDP, and expanding non-oil revenues from SAR 163 billion to SAR 1 trillion (Vision 2030, 2016). Additionally, Vision 2030 focuses on education reform, infrastructure modernization, digital transformation, and the empowerment of youth and women, all aimed at ensuring long-term socio-economic sustainability and global competitiveness.

In parallel, Make in India, launched by the Government of India in 2014, seeks to enhance the country's manufacturing sector and attract global investment. Its goals include increasing the share of manufacturing in GDP to 25%, creating 100 million jobs, and improv-

ing the country's rank in the World Bank's Ease of Doing Business index (Make in India 2014). The initiative identifies 25 priority sectors ranging from automobiles and electronics to defence and pharmaceuticals, and aligns with broader objectives of infrastructure development, digital transformation, and skill enhancement. Despite their unique national contexts, these two policy frameworks exhibit shared priorities: industrial diversification, FDI attraction, infrastructure development, human capital strengthening, and innovation. This alignment lays the groundwork for bilateral strategic engagement, offering both countries a platform for mutually beneficial cooperation.

A critical area of policy convergence lies in the complementary economic structures of India and Saudi Arabia. Saudi Arabia possesses substantial capital resources, particularly through its sovereign wealth fund—the Public Investment Fund (PIF)—and seeks attractive destinations for long-term investments. India, by contrast, is one of the fastest-growing major economies with a large consumer base, skilled workforce, and high investment needs in infrastructure, energy, and manufacturing. India's openness to foreign participation in sectors such as defence production, telecommunications, and energy dovetails with Saudi Arabia's strategic push for international collaboration under Vision 2030. This is evident in initiatives such as the Saudi National Industrial Development and Logistics Program (NIDL) and the establishment of special economic zones that mirror India's industrial corridor and smart city projects. Furthermore, both frameworks emphasize private sector empowerment. Saudi Arabia is actively reducing its reliance on state-led enterprises, while India has been liberalizing FDI norms and promoting public-private partnerships. These shared approaches to liberalization and competitiveness provide a solid policy foundation for cross-investment and joint ventures.

Another significant area of convergence is the transition toward sustainable energy and environmental responsibility, which has become a strategic priority for both India and Saudi Arabia in the face of global climate imperatives. Saudi Arabia, long known as a leading oil-exporting economy, is now undertaking bold reforms to reposition itself as a champion of renewable energy and green innovation. As part of its Vision 2030 goals, the Kingdom has pledged to generate

50% of its domestic energy from renewable sources by 2030. It aims to become a global hub for green hydrogen production, leveraging its vast desert landscapes and solar potential (Saudi Green Initiative 2022). Flagship initiatives such as NEOM1—a \$500 billion smart, sustainable city—and the Saudi Green Initiative<sup>2</sup> underscore this paradigm shift by integrating cutting-edge technologies with ecological stewardship (NEOM 2023; Saudi Green Initiative 2022).

These projects are not only intended to diversify the Saudi economy but also to lead by example in the transition toward carbon neutrality. Moreover, Saudi Arabia is investing in large-scale solar and wind farms, carbon capture and storage technologies, and regional cooperation on sustainable energy grids (Argaam, 2023). This green transition closely aligns with India's climate commitments under the Paris Agreement, including its goal of reaching 500 GW of non-fossil fuel capacity by 2030 (Ministry of New and Renewable Energy 2023). These shared priorities offer fertile ground for bilateral collaboration in renewable technologies, joint R&D, sustainable infrastructure, and environmental policy development. Both countries can accelerate their clean energy transitions and make substantial contributions to the global climate goals through such cooperation.

There are clear opportunities for collaboration, given Saudi investment in India's renewable energy infrastructure and India's technical expertise in solar technology. To align their economic goals with international climate commitments, the two countries can also work together on carbon capture, storage, and environmental policy development. Strategically located between Asia, Europe, and Africa, Saudi Arabia sees itself as a regional hub for logistics and transportation under Vision 2030. This goal is reflected in the development of economic zones, smart cities (such as NEOM), and the modernization of ports and railways. Similarly, to improve connectivity, industrial output, and regional integration, India is investing in large infrastructure projects through initiatives like Bharatmala<sup>3</sup>, Sagarmala<sup>4</sup>, and the National Infrastructure Pipeline (NITI Aayog, 2023).

With a shared focus on infrastructure-driven growth, India and Saudi Arabia have significant potential for collaborative invest-

ments and knowledge exchange. Innovative projects like NEOM and The Line, part of Saudi Arabia's Vision 2030, offer opportunities for Indian engineering and construction firms to play a crucial role.

Meanwhile, Saudi Arabia's Public Investment Fund (PIF) can support large Indian infrastructure initiatives such as the National Infrastructure Pipeline and Bharatmala. The proposed India-Middle East-Europe Economic Corridor (IMEC) further strengthens this partnership by improving supply chain integration, trade, and energy cooperation (Krishnan, 2023).

Bilateral cooperation has been further strengthened through institutional mechanisms such as the establishment of the India–Saudi Arabia Strategic Partnership Council (SPC) in 2019. The SPC provides a structured framework for coordinating strategic collaboration across multiple sectors and comprises two main pillars: the Economy and Investment Committee and the Political, Security, Social, and Cultural Committee. This high-level platform reflects both nations' commitment to transforming their partnership from a primarily oil-based relationship to one that is multifaceted and strategic. By focusing on key areas such as digital technology, infrastructure, security, and the energy transition, the SPC ensures that India–Saudi relations evolve in line with global trends toward sustainability, innovation, and multipolarity.

Frequent ministerial visits, bilateral business forums, and leadership-level contacts have established a solid diplomatic basis for economic alignment. During Crown Prince Mohammed bin Salman's state visit to India in 2019, Saudi Arabia pledged over \$100 billion in investments across Indian sectors, including energy, infrastructure, and petrochemicals (Arab News, 2021). Moreover, Indian participation in Saudi Arabia's Future Investment Initiative (FII) forums and Saudi support for Indian start-ups through investment vehicles such as Soft Bank and the PIF further illustrate the deepening institutional synergy and growing private-sector interest that underpins this next-generation partnership (Arab news, 2025).

Human capital development is a key part of both Vision 2030 and Make in India. Saudi Arabia's effort to build a knowledge-based

economy relies on skilled professionals in fields like IT, healthcare, education, and green energy. India, with its large and skilled workforce, is well-equipped to meet this demand. India can help by creating vocational training partnerships, exchange programs, and educational collaborations that support the goals of the Human Capability Development Program under Vision 2030. Additionally, the Indian diaspora in Saudi Arabia—over 2.5 million people—can be up-skilled to help the country’s growing economic sectors. Bilateral agreements that promote labour mobility, recognize skills, and protect rights will be crucial for sustainable workforce collaboration.

While strategic convergence offers vast potential, several challenges must be addressed. Bureaucratic inertia, regulatory mismatches, cultural and legal differences, and geopolitical tensions in the wider Gulf region can hinder cooperation. For example, differences in taxation, labour laws, and business dispute mechanisms could affect the ease of doing business. Additionally, balancing strategic ties with other global powers—particularly the U.S. and China—could complicate policy coherence. To overcome these barriers, both countries must prioritize transparency, institutional capacity building, and legal harmonization. Creating fast-track mechanisms for investment approvals, business dispute resolution, and technology exchange will be essential.

### **From Factories to Future Cities: Industrial and Infrastructure Collaboration in the New Era**

The evolving strategic partnership between India and Saudi Arabia is increasingly defined by dynamic industrial cooperation, transformative infrastructure development, and forward-looking urban innovation.

Anchored in their respective national visions—India’s “Make in India” and Saudi Arabia’s “Vision 2030”—both nations are aligning their development trajectories to create a mutually reinforcing framework for collaboration. India brings to the table its vast and skilled workforce, thriving industrial ecosystems, and technological prowess. At the same time, Saudi Arabia offers deep capital reserves, abundant energy resources, and a rapidly modernizing economy eager to diver-

sify beyond oil. These complementary strengths are driving joint efforts in manufacturing, logistics, innovative infrastructure, and urban planning, shaping not only bilateral relations but also contributing to the architecture of a more integrated and technologically advanced global economy (PIF, 2023).

As India and Saudi Arabia reimagine their economic futures, industrial collaboration stands at the forefront of their strategic partnership, offering a bridge from traditional manufacturing to futuristic urban ecosystems. India's Make in India initiative aims to position the country as a global manufacturing powerhouse, while Saudi Arabia's Vision 2030 prioritizes the growth of high-tech and value-added domestic industries. Cooperation in key industries such as petrochemicals, pharmaceuticals, defense, and renewable energy has been made possible by this strategic alignment. Notable developments include SABIC's technology center in Bengaluru and its potential investments in India, while Indian companies like Larsen & Toubro and Tata Projects are engaged in major infrastructure projects in Saudi Arabia (Arab News, 2021). Deeper collaboration is enabled by Saudi Arabia's new industrial zones and India's drive for indigenization, particularly in the aerospace and defense sectors. Shared objectives facilitate co-development, joint ventures, and knowledge transfer, paving the way for a future industrial corridor.

### **Partnership in infrastructure development**

Infrastructure development has become a key component of the relationship between Saudi Arabia and India. India's National Infrastructure Pipeline5 (NIP) and National Monetization Pipeline6 (NMP), both of which call for substantial foreign direct investment, have consistently attracted Saudi Arabia's interest (PIB 2021). Saudi Arabia's Public Investment Fund (PIF) has committed investments in areas such as roads, ports, airports, and logistics parks (PIF 2023). In turn, India is participating in Saudi Arabia's large-scale infrastructure projects. NEOM, the futuristic \$500-billion smart city in northwest Saudi Arabia, has invited Indian companies to contribute in areas ranging from construction to IT solutions and smart utilities. Indian infrastructure giants are bidding for contracts related to The Line, Oxagon,

and Trojena—key NEOM sub-projects (Arab News 2025). Transportation and logistics infrastructure have also seen promising developments. Indian firms are providing engineering consultancy and construction services in Saudi Arabia’s expanding railway and metro systems. Saudi investment is being considered for India’s Dedicated Freight Corridors and the development of multi-modal logistics hubs.

### **Urban Innovation and Smart Cities**

Urban innovation is another promising area of convergence. Both countries are addressing rapid urbanization and the need for sustainable, liveable cities. India’s Smart Cities Mission and Saudi Arabia’s Vision 2030 urban transformation agenda share several commonalities, including the use of AI, IoT, clean energy, and sustainable mobility (Kingdom of Saudi Arabia 2016; Ministry of Housing and Urban Affairs 2015). There is considerable scope for knowledge exchange and collaboration in designing smart city infrastructure, water management systems, solid waste solutions, and green architecture.

India’s experience in creating cost-effective urban solutions can complement Saudi Arabia’s financial resources and appetite for futuristic development. Furthermore, start-ups and tech firms from both countries are beginning to collaborate on urban tech solutions. The integration of innovative grid systems, renewable energy optimization, and AI-based urban planning tools represents new frontiers in the bilateral agenda (Moshashai, Leber & Savage (2018)

The industrial and infrastructural synergy between India and Saudi Arabia is a vital component of their next-generation economic partnership. As they align their national strategies—Make in India and Vision 2030—opportunities abound in high-tech manufacturing, infrastructure finance, and urban innovation. With institutional backing, mutual political will, and growing private sector interest, the two countries are well-positioned to shape a resilient, diversified, and forward-looking economic relationship in the new global order.

### **Sailing into the Future: Port-to-Port Cooperation in a Strategic Maritime Era**

The maritime relationship between India and Saudi Arabia is undergoing a transformative evolution, propelled by deepening bilat-

eral trade, growing energy interdependence, and converging geopolitical interests. As two pivotal economies in the Indo-West Asian corridor, their port-to-port cooperation has emerged as a cornerstone of the broader strategic and economic partnership. This maritime synergy complements key initiatives such as the India-Middle East-Europe Economic Corridor (IMEC) and Saudi Arabia's Vision 2030, reflecting a shift toward integrated regional connectivity. India's expansive coastline and its well-established port infrastructure—particularly along the western seaboard—position it as a natural maritime partner for the Kingdom. Increased cargo traffic between major Saudi ports and Indian ports like JNPT, Mundra, and Cochin has improved trade routes by reducing transit times and costs, while also decreasing dependence on conventional transshipment hubs (PTI, 2023).

Energy remains a key component of this expanding maritime cooperation, with both nations investing in port infrastructure to manage oil and LNG flows. A prominent example is the West Coast Mega Refinery in Maharashtra, supported by ADNOC and Saudi Aramco. Maritime linkages now extend to sectors such as agriculture, pharmaceuticals, and machinery, with new cold chain corridors being explored to support Saudi Arabia's food security goals.

Indian businesses can benefit greatly from Saudi Arabia's larger goal of becoming a global logistics hub through its National Transport and Logistics Strategy (NTLS) (Arab News, 2025). Indian logistics firms are being encouraged to establish warehousing and transshipment operations in Saudi ports. Conversely, Saudi Arabia is poised to leverage India's port infrastructure to access emerging markets in Southeast Asia and East Africa, thereby enhancing its global trade footprint. Digital port integration has emerged as a new frontier in this cooperation. India's Unified Logistics Interface Platform (ULIPs) and Saudi Arabia's Fasah system offer potential for harmonized digital infrastructure, enabling seamless customs processes, cargo tracking, and port operations. This kind of technological implementation reduces administrative constraints while enhancing efficiency and transparency.

Another key aspect of cooperation between the two ports is

maritime security. Collaboration between the two countries has strengthened naval exercises in the Arabian Sea and the Red Sea, improved counter-piracy measures, and enhanced maritime surveillance. These efforts have promoted economic integration and strategic interdependence. India's Make in India and Sagarmala projects, aligned with Saudi Arabia's Vision 2030, have further increased bilateral trade and regional maritime cooperation.

### **Technological and digital economy cooperation**

In line with Saudi Vision 2030 and India's Digital India and Make in India programs, technological and digital economy collaboration has emerged as a major area of interest in India-Saudi Arabian ties. Both countries believe that global competitiveness and sustainable growth depend on a robust digital economy. India's drive to lead in digital innovation through programs like Digital India and Start-up India is complemented by Saudi Arabia's ambition to become a worldwide tech hub, offering significant opportunities for cooperation in the digital industry (Kingdom of Saudi Arabia 2016; Ministry of Information Technology 2020).

Artificial Intelligence (AI) is another area of cooperation. India's expanding ecosystem of AI-based start-ups and Saudi Arabia's strategic investments in AI, particularly through initiatives like the Saudi Data and Artificial Intelligence Authority (SDAIA), present opportunities for joint ventures, technology transfer, and co-development of AI solutions tailored to industries such as healthcare, logistics, and smart cities (Alshwaier & Abdullah 2025). Similarly, cloud computing and data centre development are emerging as key sectors. Saudi Arabia is positioning itself as a regional digital hub by investing heavily in data storage and processing capacities. At the same time, India is home to major cloud service providers and software expertise. Collaborative projects in this area could enhance cybersecurity, data management, and e-governance systems in both countries.

A promising dimension of India-Saudi Arabia cooperation lies in smart infrastructure and digital technology development, where both countries are pursuing ambitious urban transformation initiatives—Saudi Arabia's NEOM smart city project and India's 100 Smart Cities Mis-

sion. This opens avenues for collaboration in areas like Internet of Things (IoT), intelligent transportation systems, and energy-efficient urban solutions that promote sustainability and innovation (Kingdom of Saudi Arabia 2016; Ministry of Housing and Urban Affairs 2015).

Indian IT giants such as TCS, Infosys, and Wipro are well-positioned to contribute to NEOM's digital ecosystem. In the fintech sector, Saudi Arabia's push for financial modernization under Vision 2030—through cashless payments and digital banking—aligns with India's leadership in digital payment platforms like UPI, mobile wallets, and online lending, offering scope for technology transfer and partnership. Additionally, as digital infrastructures expand, cooperation becomes essential; both nations can benefit from joint research, capacity-building programs, and knowledge exchange to safeguard critical networks. Educational collaboration further strengthens this partnership, with potential for joint training programs, academic exchanges, and R&D in cutting-edge fields such as AI, robotics, blockchain, and big data, building a skilled workforce to drive future technological advancement (Nereim & Bloomberg. 2021). The convergence of Saudi Arabia's Vision 2030 and India's Digital India strategy offers vast opportunities for deepening technological and digital economy cooperation. By combining Saudi Arabia's capital and infrastructure capabilities with India's technological expertise and innovative potential, both countries can foster mutual economic growth and secure a prominent position in the evolving global digital economy.

### **The India–Middle East–Europe Economic Corridor and the new geo-economic order**

The announcement of the India–Middle East–Europe Economic Corridor (IMEC) during the G20 Summit in New Delhi in 2023 marks a pivotal development in the evolving global trade architecture. This ambitious multi-modal connectivity project—linking India to Europe via the UAE, Saudi Arabia, Jordan, and Israel—is not just a commercial undertaking but a strategic framework that is redefining India–Saudi Arabia bilateral cooperation in the new era (Suri et al. 2024). At the heart of IMEC lies the vision of interconnected growth, with Saudi Arabia and India emerging as key nodes in a reimagined global

supply chain.

The corridor will feature a combination of rail links, shipping lanes, energy pipelines, fibre optic cables, and digital infrastructure, positioning Saudi Arabia as a regional logistics hub while enhancing India's access to the Middle East and European markets. For Saudi Arabia, this initiative aligns with Vision 2030, which seeks to diversify its economy beyond oil by investing in logistics, manufacturing, and digital infrastructure (Kingdom of Saudi Arabia 2016). IMEC offers the Kingdom an opportunity to channel its sovereign wealth into high-return infrastructure investments while securing long-term trade routes. One of the fastest-growing economies, India is viewed by Saudi Arabia as a reliable partner for goods, services, and technology.

From an Indian perspective, IMEC enhances the country's Act West policy and advances its flagship initiative, the Make in India strategy (Ministry of Commerce and Industry 2023). By establishing quicker and more cost-efficient routes to Europe, the corridor is expected to cut transit times by up to 40% (PTI 2023), bypassing traditional chokepoints like the Suez Canal. Additionally, Saudi Arabia is promising a steady supply of crude oil, LNG, and potentially green hydrogen, all of which can be transported through the corridor's supporting infrastructure. The corridor also opens the door for increased bilateral investment. Saudi Arabia's PIF and other sovereign institutions have already made significant investments in India's infrastructure, technology, and energy sectors. IMEC offers a strategic framework to expand this cooperation into digital infrastructure, smart cities, and collaborative logistics hubs, particularly in Saudi special economic zones and coastal regions of India.

IMEC positions Saudi Arabia and India as key links between the Global South and North, strengthening their geostrategic alignment beyond just economics. Through tourism, cultural exchange, and professional mobility, the corridor boosts people-to-people connections and promotes cooperation in trade, security, maritime safety, and digital standards.

By expanding infrastructure and simplifying travel, IMEC emphasizes both countries' roles in a more interconnected, multipolar

world, marking a shift from energy-focused relations to a broader strategic partnership.

## **Conclusion**

The deepening strategic partnership between India and Saudi Arabia signals a major shift in their bilateral relations, moving beyond traditional oil and energy ties. By aligning India's Make in India initiative with Saudi Arabia's Vision 2030, both countries are taking significant steps toward industrial diversification, technological advancement, and sustainable economic development. Institutions such as IMEC and the India–Saudi Arabia Strategic Partnership Council serve as platforms for long-term structural cooperation, not only in economic activities but also in infrastructure, defense modernization, and human capital development. These endeavors reflect their shared objective of gaining greater influence in the Indo-West Asian and global economies. Their collaborative efforts in digital economies, smart city solutions, and green energy demonstrate a commitment to growth strategies that prioritize environmental sustainability and technological self-reliance.

The geopolitical significance of Saudi Arabia and India's growing logistics, connectivity, and security collaboration in fostering regional stability and economic integration is highlighted. The partnership is a contemporary example of multipolar, mutually advantageous foreign relations, combining India's technological and demographic advantages with Saudi Arabia's capital and strategic location. This developing collaboration is expected to alter bilateral relations and have a lasting impact on international economic diplomacy moving forward.

India–Saudi relations are reframed as a sovereign, reciprocal partnership based on co-development and policy autonomy through South–South Cooperation (SSC). SSC frameworks such as the Development Compact facilitate conditionality-free cooperation in commerce, technology, and capacity-building, aligning with Saudi Arabia's Vision 2030 and India's innovation-driven aspirations. Platforms like the SPC and IMEC promote inclusive diplomacy, positioning both countries as key Global South leaders in shaping a balanced, multipolar world order.

For India and Saudi Arabia to realize the full potential of their developing partnership, they must institutionalize next-generation economic diplomacy through innovation-driven policies, strategic investments, and joint ventures in areas like advanced manufacturing, digital infrastructure, artificial intelligence, and renewable energy. Supporting start-up ecosystems, synchronized legislation, and strengthening supply chains will be essential for developing deeper ties. They can also influence global governance standards more effectively by collaborating in international forums on digital commerce, climate governance, and South–South Cooperation. As India and Saudi Arabia navigate the complexities of a rapidly transforming world, their next-generation economic diplomacy—rooted in shared aspirations and complementary capabilities—offers a forward-looking model for sustainable and inclusive global development.

### Endnotes

- 1 NEOM is a flagship mega-project in Saudi Arabia designed to create a futuristic and sustainable region entirely powered by renewable energy. As a central component of Saudi Vision 2030, it seeks to diversify the nation's economy and establish Saudi Arabia as a global hub for innovation and sustainability. NEOM comprises various distinct zones, such as THE LINE—a linear smart city; Oxagon—a floating industrial hub; Trojena—a mountain-based tourism centre; and Sindalah—a luxury island resort.
- 2 The Saudi Green Initiative (SGI) is a bold nationwide program aimed at addressing climate change, enhancing quality of life, and preserving the environment for future generations. Introduced in 2021 by His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince and Prime Minister, SGI serves as a comprehensive platform that brings together all of the Kingdom's sustainability efforts to significantly accelerate its climate action agenda.
- 3 The Bharatmala scheme was launched by the Government of India to bridge the gap in infrastructural development and improve the effectiveness of road traffic movement throughout India. The scheme is implemented by the Ministry of Road, Transport and Highways of India and aims to develop 24800 km of roads, to be constructed in a phased manner.
- 4 The Sagarmala programme, launched in March 2015, is the flagship initiative of the Ministry of Ports, Shipping, and Waterways, aimed at revolutionizing India's maritime sector. With a 7,500 km coastline, 14,500 km of potentially navigable waterways, and a strategic position on key global trade routes, India holds immense potential for port-led economic growth.
- 5 The National Infrastructure Pipeline (NIP) for FY 2019-25 is a first-of-its-kind, whole-of-government exercise to provide world-class infrastructure to citizens and improving their quality of life. It aims to improve project preparation and attract investments into infrastructure.
- 6 The National Monetization Pipeline (NMP) is a government of India initiative

launched in August 2021 to unlock the value of underutilized infrastructure assets. It involves leasing or transferring revenue rights of these assets to private entities for a specified period, generating upfront funds and future revenue streams.

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*Ishal Paithrkam, Peer-Reviewed, Issue-46, June 2026*

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