



## Two Years after the Abraham Accords

The State of Middle East-Asia Relations

Gedaliah Afterman and Theresa Hoffmann



### Israel-Asia Relations: New Trends, Old Challenges?

Much of the scholarship on Israel's foreign policy focuses on its relations with countries in the West or with its Arab neighbours; the significant rapprochement between Israel and countries in Asia has been largely neglected. There have been many indicators in the past decade pointing to these burgeoning ties – from China's involvement in Israel's infrastructure (in particular, Haifa port), the rise of Israel-India economic and security cooperation, and the expanding trade between Israel and Indonesia to the recent establishment of a new quadrilateral forum, the "12U2", comprising India, Israel, the United Arab Emirates and the United States.

Against the backdrop of these burgeoning relationships, the Middle East Institute at NUS convened a two-day workshop in February 2023 gathering together scholars from across the world – including Israel, China, the United States, Turkey, Indonesia, France and Singapore – to explore the depth of Israel's partnerships across Asia. The seminar delved into the political and economic drivers of these relationships as well as their scope (and limitations). Particularly, it discussed the evolution of Israel's policy towards China, India and Japan. It also looked into lesser known areas, such as Israel-Azerbaijan relations and the development of Holocaust studies in China. Altogether, the seminar shed light on a research topic – Israel's Asia policy – that is likely to expand in the coming years. This is one of the papers based on the seminar.

Cover image: US President Joe Biden (L) and Israel's then caretaker Prime Minister Yair Lapid taking part in a virtual meeting in Jerusalem with leaders of the "I2U2" minilateral group, which comprises the United States, Israel, India and the UAE, 14 July 12022. Mandel Ngan/AFP.

# Two Years after the Abraham Accords

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The ground-breaking Abraham Accords have created new opportunities for Israel and Asia to overcome traditional obstacles and enabled smaller countries to increase their manoeuvre space amid growing superpower competition. While some, like India, Japan, South Korea and Singapore have taken the opportunity to deepen already existing ties with Israel, others, such as Indonesia and Malaysia, remain hesitant. The still untapped potential of a normalisation agreement between Israel and Saudi Arabia, seen as a gatekeeper to Muslim-majority countries in Southeast Asia, holds the potential to reshape both Asia and the Middle East.

oncerns over the United States' ability and appetite to uphold its security commitments in the Middle East, growing superpower competition and a rapidly changing regional dynamic have pushed countries in the region and beyond to try to find regional solutions to regional problems. While President Biden has reassured allies

that the United States "will not walk away" from the Middle East,¹ a perceived US disengagement has resulted in a severe confidence crisis, particularly among US allies in the region. This credibility problem, influenced by US failures in Iraq, its rushed drawback from Afghanistan, and most recently its absence from the normalisation agreement between Iran and Saudi Arabia, brokered by China, has pushed countries to seek to diversify their partnerships. While long-term security and economic commitments are becoming more complicated, the future will be marked by middle countries' need to diversify their partnerships and become more flexible to fill this looming power vacuum.

"The Abraham Accords ... were a direct reaction to the growing sense of regional insecurity and have ushered in a new reality in the Middle East."

The Abraham Accords – the series of normalisation agreements signed with Israel by the UAE, Bahrain, Sudan and Morocco – were a direct reaction to the growing sense of regional insecurity and have initiated a paradigm shift, ushering in a new reality in the Middle East. Realising the strategic importance of working closely with Israel in the face of regional uncertainty, some regimes have dropped their demand for a resolution to the Israeli-Palestinian conflict as a precondition for establishing diplomatic ties with Israel. Nevertheless, public opinion pressures for progress on the Palestinian issue remain. Those pressures also play a part in deterring others, such as Saudi Arabia, and have created challenges in reaching full normalisation with Israel. The Abraham Accords have nevertheless allowed Israel to reinvent itself –

<sup>&</sup>lt;sup>1</sup> "Remarks by President Biden at the GCC+3 Summit Meeting", White House Briefing, 16 July 2022, <a href="https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/07/16/remarks-by-president-biden-at-the-gcc-3-summit-meeting/">https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/07/16/remarks-by-president-biden-at-the-gcc-3-summit-meeting/</a>

from an unwelcome outlier to a sought-after regional player, especially in the Gulf.

While Israel's burgeoning relations with its neighbours are creating more opportunities in the Middle East and North Africa region, the Abraham Accords have also opened up windows of opportunity beyond their initial scope. New power brokers, such as the UAE, and perceived lower risks of an Arab boycott have prompted countries in Asia, particularly India, Japan, South Korea and Singapore, to strengthen relations with Israel.

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The previous Netanyahu governments (from 2009 to 2021) initiated and drove forward relations with a number of key Asian countries, including commencing free trade negotiations with China, India, Vietnam and South Korea, and increased defence ties with several others. A free trade agreement with South Korea has since been signed, while another with Vietnam is expected to be signed by the end of 2023.<sup>2</sup> But it remains to be seen to what extent these efforts will persist under the new Israeli government, led again by Prime Minister Netanyahu, as domestic tensions are forcing the government to, at least for the time

<sup>&</sup>lt;sup>2</sup> Reuters, "Israel and South Korea to sign free trade pact", 9 May 2023, <a href="https://www.reuters.com/world/middle-east/israel-south-korea-sign-free-trade-pact-2021-05-09/">https://www.reuters.com/world/middle-east/israel-south-korea-sign-free-trade-pact-2021-05-09/</a>; Reuters, "Vietnam says to sign free trade pact with Israel this year", 3 April 2023, <a href="https://www.reuters.com/markets/asia/vietnam-says-sign-free-trade-pact-with-israel-this-year-2023-04-03/">https://www.reuters.com/markets/asia/vietnam-says-sign-free-trade-pact-with-israel-this-year-2023-04-03/</a>

being, look inward. In the long term, however, a closer look east towards Asia will be essential for Israel and holds enormous potential.

Israeli companies are already tapping into Asian markets and sources of investment. The most recent success is a US\$40 million investment by Japanese banking giant MUFG Bank in the Israeli fintech company Liquidity Group.<sup>3</sup> Nevertheless, increased strategic and more systematic cooperation and cross-regional partnerships will be essential to substantially strengthen such engagement.

#### Minilateralism as a Way Forward

The intensifying competition between the United States and China is fundamentally changing global dynamics, leaving smaller powers caught in the middle and exposed to growing pressure. While these countries lack the power of China and the United States, they possess enough influence to shape international events. As a reaction, they have developed new coping strategies to avoid being forced to choose sides and to protect their interests.

One of these strategies can be seen in the Middle East and beyond: minilateralism. This term refers to flexible, interest-based cooperation among a small group of countries on a specific topic or goal outside of traditional multilateral institutions. While traditional multilateral institutions like the United Nations aim to establish global norms, they are often characterised by slow decision-making processes. Minilateralism enables faster decision-making and allows countries to navigate the complex geopolitical environment despite strategic differences among its members.

Minilateral cooperation has become more attractive as diplomatic relations today tend to be more short-term, interest-driven or goal-based rather than long-term and "open". Moreover, due to great

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<sup>&</sup>lt;sup>3</sup> Golan Hazani. "Liquidity Group reaches unicorn status with new \$40 million investment from Japan's MUFG", Calcalist, 20 February 2023, <a href="https://www.calcalistech.com/ctechnews/article/rjhmtaeco">https://www.calcalistech.com/ctechnews/article/rjhmtaeco</a>

power rivalry, institutions such as the United Nations have increasingly been divided into competing camps and have not been effective in coordinating between the superpowers. Smaller, more ad-hoc coalitions can be more target-focused and can yield faster results, as seen in the example of the I2U2, an economic partnership established between the United States, India, Israel and the UAE in October 2021. Lastly, effective minilateral partnerships tend to be rooted in economic pragmatism rather than political or security concerns; this limits the potential for ideological constraints and allows for pooling resources and achieving overall growth.

This new spirit of the times appears to be filling some of the gaps left by multilateral organisations and has increased manoeuvre space for smaller countries within diplomatic frameworks. For Israel, the Abraham Accords have opened the door to a number of new potential minilateral partnerships that extend beyond its immediate neighbourhood and especially to Asia.

#### **New Opportunities between Israel and Asia**

A promising development in the geopolitical realignment between the Middle East and Asia is the establishment of the aforesaid **I2U2**, described as a "long-term strategic partnership". <sup>5</sup>As the first minilateral grouping to build on the Abraham Accords (followed later by the Negev Forum), the I2U2 symbolises a shift in the recognition and political acceptance of Israel and a convergence of interests in a changing Middle East.

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<sup>&</sup>lt;sup>4</sup> "The UN Turns Seventy-Five. Here's How to Make it Relevant Again", Council of Councils, 14 September 2020, <a href="https://www.cfr.org/councilofcouncils/global-memos/un-turns-seventy-five-heres-how-make-it-relevant-again">https://www.cfr.org/councilofcouncils/global-memos/un-turns-seventy-five-heres-how-make-it-relevant-again</a>

The agenda of the I2U2 is characterised by a flexible pragmatism to expand economic cooperation without a security overtone, at least to date, or interference through geopolitical differences. This distinguishes it from the Quadrilateral Security Dialogue, or Quad, involving Australia, Japan, India and the United States, to which the I2U2 is often misleadingly compared. Unlike the Quad, the I2U2 has outlined its focus beyond the traditional area of security cooperation, as stated in the joint statement issued by its members: "This unique grouping of countries aims to harness the vibrancy of our societies and entrepreneurial spirit to tackle some of the greatest challenges confronting our world, with a particular focus on joint investments and new initiatives in water, energy, transportation, space, health, and food security." The I2U2 members have launched a number of joint projects in the Indian states of Gujarat and Madhya Pradesh to develop integrated food parks and enhance the UAE's food security.

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The inclusion of **India** into the grouping is a result of its growing importance to the Middle East and especially the Gulf region. While India traditionally has been part of the non-aligned movement, bilateral relations between Israel and India have significantly improved since the Bharatiya Janata Party (BJP) led by Prime Minister Modi came to power in 2014. The robust Israel-India relationship has gained from

<sup>&</sup>lt;sup>6</sup> "Joint Statement of the Leaders of India, Israel, United Arab Emirates, and the United States (I2U2)", White House Briefing, 14 July 2022, <a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/07/14/joint-">https://www.whitehouse.gov/briefing-room/statements-releases/2022/07/14/joint-</a>

statement-of-the-leaders-of-india-israel-united-arab-emirates-and-the-united-states-i2u2/7 "Joint Statement of the Leaders of India, Israel, United Arab Emirates, and the United States (I2U2)".

the I2U2 India has also moved increasingly closer to the United States as a result of growing tension between India and China. Both dynamics show that India under Modi is taking a more pragmatic approach in its foreign relations.

"The agenda of the I2U2 is characterised by a flexible pragmatism to expand economic cooperation without a security overtone ... or interference through geopolitical differences."

While the United States has been the I2U2's "chief unifier", the three middle powers in the group can take the lead on cooperation. Indeed, several trilateral initiatives are already under way.<sup>8</sup> At the beginning of 2022, the UAE signed separate comprehensive economic partnership agreements (CEPA) with Israel and India, potentially paving the way towards a trilateral free trade agreement. The agreement with Israel, taking effect in April 2023, will reduce or remove 96% of tariffs in sectors such as agriculture and pharmaceuticals, which cover 99% of all trade between Israel and the UAE.<sup>9</sup>

A great opportunity would be the expansion of the I2U2 to add other partners, such as **Japan**, which already has shown its appetite for minilateralism by joining the Quad in 2007. Japan has intensified its military and defence cooperation with the United States and signed defence agreements with Australia and the United Kingdom, developments that have increased the prospect of Japan eventually

<sup>8 &</sup>quot;India and Israel can be pivots in reglobalising Asia", Observer Research Foundation, 28 March 2023,

https://www.orfonline.org/expert-speak/india-and-israel-can-be-pivots-in-reglobalising-asia/

<sup>&</sup>lt;sup>9</sup> "UAE-Israel Comprehensive Economic Partnership Agreement (CEPA) enters into force", PwC, 4 April 2023. <a href="https://www.pwc.com/m1/en/services/tax/me-tax-legal-news/2023/uae-israel-cepa.html">https://www.pwc.com/m1/en/services/tax/me-tax-legal-news/2023/uae-israel-cepa.html</a>

joining AUKUS, the trilateral security pact involving Australia, the United Kingdom and the United States. <sup>10</sup> The Abraham Accords have decreased Japan's concerns about a potential Arab boycott of Asian countries trading with Israel and have opened a new chapter in the Israeli-Japanese relationship, especially in the defence sector. <sup>11</sup> Reflecting Japan's evolving national security policy, the two countries signed a memorandum of understanding (MoU) for defence cooperation in 2022.

"While the United States has been the I2U2's 'chief unifier', the three middle powers in the group can take the lead on cooperation."

Japanese investment in Israel reached an unprecedented high of US\$2.9 billion in 2021, a 190% increase compared to 2020, and has accounted for 15% of all foreign investment in Israel. While this increase has since slowed down, Japanese investment in Israel in 2022 still accounted for 12.8% of all foreign investment and has been focused on industries such as cleantech, agritech and foodtech. Negotiations for the signing of a free trade agreement were launched between the two countries in late 2022. Once signed, a free trade agreement is expected to give bilateral trade an additional boost. A Japan seeks to reposition

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<sup>&</sup>lt;sup>10</sup> Harley Dennett. "Japan welcome into expanded AUKUS 'when ready': Richard Marles", The Canberra Times, 9 December 2022,

https://www.canberratimes.com.au/story/8014132/marles-invites-aukus-role-for-japan/
11 "DM Gantz signs Defense Cooperation Memorandum with Japan", Ministry of
Foreign Affairs, Israel, 30 August 2022, https://www.gov.il/en/departments/news/dm-gantz-signs-defense-cooperation-memorandum-with-japan-30-aug-2022

<sup>&</sup>lt;sup>12</sup> Meir Orbach, "Japanese investments in Israeli startups reach record \$2.9 billion in 2021", Calcalist, 9 January 2022, <a href="https://www.calcalistech.com/ctech/articles/0,7340,L-3926790,00.html">https://www.calcalistech.com/ctech/articles/0,7340,L-3926790,00.html</a>.

<sup>&</sup>lt;sup>13</sup> Meir Orbach, "Japanese investments in Israel fall by almost 50% in 2022", Calcalist, 9 February 2023, https://www.calcalistech.com/ctechnews/article/bkidulfpi

<sup>&</sup>lt;sup>14</sup> Lahov Harkov, "Israel, Japan make strides towards free trade agreement", *Jerusalem Post*, 22 November 2022,

itself strategically, including in the Middle East, minilateral cooperation, including through the I2U2, could be a natural fit.<sup>15</sup>

Recent developments in Europe, and the Indo-Pacific, have highlighted the importance of the Middle East for Japan even more. Following Russia's invasion of Ukraine, Tokyo has joined US-led economic sanctions against Russia, including curtailing its much-needed oil and gas purchases. By giving up a decade-long effort by former Prime Minister Shinzo Abe to establish closer ties with Russia, Japan has become increasingly dependent on substantial oil and gas imports from the Middle East. In 2022, Japan imported 90% of its crude oil from the Middle East, and in December 2022 alone signed 15 new strategic investment agreements with Saudi Arabia. In 2021, In 2022, In

"Recent developments in Europe, and the Indo-Pacific, have highlighted the importance of the Middle East for Japan even more."

The new Japanese government under Prime Minister Fumio Kishida is reassessing Japan's regional and global positions. Increased

https://www.ipost.com/international/article-723057

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<sup>&</sup>lt;sup>15</sup> Michael Tanchum. "The India-Middle East Food Corridor: How the UAE, Israel, and India Are Forging a New Inter-regional Supply Chain", Middle East Institute, 27 July 2022, <a href="https://www.mei.edu/publications/india-middle-east-food-corridor-how-uae-israel-and-india-are-forging-new-inter">https://www.mei.edu/publications/india-middle-east-food-corridor-how-uae-israel-and-india-are-forging-new-inter</a>

<sup>16 &</sup>quot;Resolved: Japan should maintain investments in Russian oil and gas projects", CSIS, 15 June 2022. <a href="https://www.csis.org/analysis/resolved-japan-should-maintain-investments-russian-oil-and-gas-projects">https://www.csis.org/analysis/resolved-japan-should-maintain-investments-russian-oil-and-gas-projects</a>

<sup>&</sup>lt;sup>17</sup> "Japan's dependency on Middle East crude reaches 94.5% in August – METI", Reuters, 30 September 2022, <a href="https://www.reuters.com/business/energy/japans-dependency-middle-east-crude-reaches-945-august-meti-2022-09-30/">https://www.reuters.com/business/energy/japans-dependency-middle-east-crude-reaches-945-august-meti-2022-09-30/</a>

<sup>18 &</sup>quot;Agreement between Japan and the Kingdom of Saudi Arabia for the Promotion and Protection of Investment", Ministry of Foreign Affairs, Japan, https://www.mofa.go.jp/files/000004311.pdf

cooperation with Middle Eastern countries, with the active inclusion of Israel, could strengthen Japan's position in the region and afford it more space to manoeuvre in the region as China's influence continues to grow. Japan could also seek to use its strong relations with Middle East and Gulf countries to bring more countries, such as Kuwait or Saudi Arabia, to the table, including them in mutually beneficial cross-regional cooperation.

Another Asian democracy, already a step ahead of its regional neighbour Japan in formalising a free trade agreement with Israel, is **South Korea**. The new free trade deal between South Korea and Israel, having taken effect in December 2022, lowered prices for Korean products like cars, toys, video game consoles, and even soy sauce. The deal is expected to benefit Israel's economy by US\$141 million annually.<sup>19</sup> This first free trade deal with an Asian country could lay the groundwork for deals that Israel is currently negotiating with China, Vietnam and Japan.

Israel's relations with South Korea have long been focused on military security, with Israel exporting air defence systems, radar, missiles and other military equipment to South Korea since the early 2000s.<sup>20</sup> Preceding the free trade agreement, bilateral trade between South Korea and Israel increased 35% in 2021 to US\$3.5 billion.<sup>21</sup> As the Israeli ambassador in Seoul, Akiva Tor, explained, South Korea and Israel have enormous potential for cooperation, particularly in technology sectors such as artificial intelligence (AI) and cleantech, an umbrella term for goods or services aimed at environmental protection or reducing environmental degradation through energy efficiency technology and

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<sup>&</sup>lt;sup>19</sup> "Israel-South Korea free trade deal to take effect Dec. 1", Reuters, 28 September 2022, https://www.reuters.com/markets/israel-south-korea-free-trade-deal-take-effect-dec-1-2022-09-28/

<sup>&</sup>lt;sup>20</sup> A. S. Ningthoujam, "Israel–South Korea Relations: The Military Dimension", Contemporary Review of the Middle East 4, no. 2 (2017): 168–192. doi.org/10.1177/2347798917700767

<sup>&</sup>lt;sup>21</sup> "Israel-South Korea free trade deal to take effect Dec. 1", Reuters, 28 September 2022, <a href="https://www.reuters.com/markets/israel-south-korea-free-trade-deal-take-effect-dec-1-2022-09-28/">https://www.reuters.com/markets/israel-south-korea-free-trade-deal-take-effect-dec-1-2022-09-28/</a>

sustainable use of resources. Regarding AI, Korea is likely to incorporate Israeli mobility software into the new autonomous vehicles it is developing.<sup>22</sup>

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South Korea also has extensive relations with the UAE, celebrated by a January 2023 agreement during a state visit by South Korean President Yoon Suk Yeol to the UAE, which states that the UAE will invest a total of US\$30 billion in South Korea. These investments will focus on areas such as nuclear power, hydrogen, defence and solar energy industries.<sup>23</sup> These dynamics of business diplomacy are creating increased convergences of interests between South Korea and the UAE, and including Israel in the mix could be of great benefit to all. Successful trilateral cooperation could combine Israel's entrepreneurial spirit with South Korea's cutting-edge technologies, and investment resources and expertise from the Gulf state. A clear, goal-oriented minilateral alliance can also help tackle sustainability issues cross-regionally, transcending ideological rifts.

The changing global dynamics and, in particular, the Abraham Accords have allowed another important Asian actor to move closer to Israel: **Singapore**. Traditionally wary of its Muslim-majority neighbours, Singapore has downplayed its close cooperation with Israel throughout the years. While the two countries established relations in the 1960s, it

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<sup>&</sup>lt;sup>22</sup> Sanjay Kumar, "Israel proposes new Western policy for Korea", *The Korea Herald*, 5 December 2021, <a href="https://www.koreaherald.com/view.php?ud=20211205000091">https://www.koreaherald.com/view.php?ud=20211205000091</a>
<a href="https://www.koreaherald.com/view.php?ud=20211205000091">https://www.koreaherald.com/view.php?ud=20211205000091</a>
<a href="https://www.reuters.com/view.php?ud=20211205000091">https://www.reuters.com/view.php?ud=20211205000091</a>
<a href="https://www.reuters.com/world/asia-pacific/uae-pledges-invest-30-">https://www.reuters.com/world/asia-pacific/uae-pledges-invest-30-</a>

was the growing rapprochement between Israel and its Arab neighbours that helped to pave the way for Singapore to take a significant step towards more active engagement through its March 2022 decision to open an embassy in Tel Aviv.

As two middle powers punching above their diplomatic weight, Israel and Singapore have much they can cooperate on, from technology to navigating the intensifying superpower competition. Singapore has displayed considerable diplomatic skill in manoeuvring US-China superpower competition and has successfully managed to avoid the numerous potential traps of its complex regional environment. The strategic experience of Singapore can be highly beneficial for countries in the Middle East, especially Israel. Certainly, Israel's closest strategic ally remains the United States, but relations with China are growing. The tensions between the two big powers have resulted in multiple escalations, ultimately leading to Israel's announcement that any major deal with China would be communicated with the United States and if necessary re-examined.<sup>24</sup> Such tensions require a balancing act that is not easy to manage.

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Singapore's solid regional partnerships as an active member of the Association of Southeast Asian Nations (ASEAN) and of several regional and cross-regional free trade agreements, such as the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive

<sup>&</sup>lt;sup>24</sup> "Israel will keep US in the loop on major economic deals with China – report", *Times of Israel*, 3 January 2022, <a href="https://www.timesofisrael.com/israel-will-keep-us-in-the-loop-on-major-economic-deals-with-china-report/">https://www.timesofisrael.com/israel-will-keep-us-in-the-loop-on-major-economic-deals-with-china-report/</a>

and Progressive Agreement for Trans-Pacific Partnership (CPTPP), have woven it tightly into its region's economic fabric. Given its solid standing, Singapore holds great potential to promote cross-regional partnerships with the Middle East, especially with Israel and the Gulf countries, including Saudi Arabia.

One opportunity for Singapore to engage would be a push towards expanding the Indo-Pacific Economic Framework and the RCEP to the Middle East. Including Israel and the UAE could be a great opportunity for those involved. Cooperation on technology, sustainability and green tech can chart a promising way forward for Israel, its new Middle Eastern partners and Asian nations.

Taking this approach, Israel, India, Japan, South Korea, Singapore and the UAE can truly carve a considerable amount of strategic autonomy, but this requires that they look beyond current structures and form new frameworks and groupings.

#### **Expanding the Abraham Accords to Asia**

The Abraham Accords and the cross-regional dynamic they have enabled, like the establishment of the I2U2, chart a promising path ahead, but much of the accords' potential remains untapped. Since their signing, one of the long-standing and unmet expectations of the Abraham Accords has been the establishment of diplomatic ties between Israel and Saudi Arabia. Saudi Crown Prince Mohammed bin Salman recently described Israel as a potential ally rather than an enemy,<sup>25</sup> but hesitancy remains in the leadership, deeply influenced by negative attitudes among the Saudi population towards official ties with Israel. Studies show that only 30% of Saudis support a commercial exchange with Israel.<sup>26</sup>

 <sup>25 &</sup>quot;Saudi Arabia says Israel is 'potential ally", Middle East Monitor, 4 March 2022, <a href="https://www.middleeastmonitor.com/20220304-saudi-arabia-says-israel-is-potential-ally/26">https://www.middleeastmonitor.com/20220304-saudi-arabia-says-israel-is-potential-ally/26</a> Shmuel Trigano, "The Abraham Accords: Contrasting Reflections", Begin–Sadat Center for Strategic Studies, March 2021, <a href="https://www.istor.org/stable/resrep29695">https://www.istor.org/stable/resrep29695</a>.

Although countries like Japan, South Korea and Singapore are already increasing their cooperation with Israel, others, such as Indonesia, Malaysia and Bangladesh, remain hesitant to establish relations with the Jewish state. A normalisation agreement with Saudi Arabia would mark a fundamental step, decrease the concern of an Arab boycott for Asian countries, and open several doors for new cross-regional cooperation.

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While there have been signs in the past that Jakarta was willing to move towards developing ties with Israel, including exchanging semipublic visits by officials, Indonesia's majority Muslim population and, in particular, a relatively small number of radical Islamist groups are holding back the establishment of diplomatic relations. More low-key opportunities for cooperation, such as joint projects in the agricultural sector, could pave the way towards fruitful economic cooperation, but the political climate in Indonesia would need to allow for such progress.

A normalisation agreement with Saudi Arabia could, for example, open the door for Israel to establish closer ties with Indonesia, but this should not be seen as the only avenue. The UAE is one of Indonesia's closest partners in the Middle East; significant investments by the Emiratis in Indonesia's energy sector, healthcare and port development have created strong ties. Bilateral ties have even strengthened during the COVID-19 pandemic, when Indonesia benefited greatly from UAE assistance in providing oxygen cylinders and

thousands of vaccine doses.<sup>27</sup> Israel, ranking first in Asia in the 2022 World Index of Healthcare Innovation, could use its cutting-edge health-tech solutions to make a significant impact on the Indonesian healthcare system.<sup>28</sup> An Emirati push towards trilateral collaboration with Israel and Indonesia on these issues could enable new partnerships and allow for a reassessment by the Indonesian government of its relations with Israel.

Another breakthrough would be the normalisation of relations between Israel and Malaysia. However, the Muslim-majority country has openly rejected the Abraham Accords and remains a strong and vocal opponent of Israel. Progress on this front may only be possible at a later stage, particularly once official diplomatic ties are established with Saudi Arabia.

## **Moving Forward**

While traditional diplomatic relations in the Middle East and beyond have focused strongly on a shared ideology and strategic concerns, new minilateral forms of cooperation could build bridges to thus far untapped territories. Israel's new partners in the Gulf, such as the UAE and, hopefully, in the future, Saudi Arabia, could enable interest- and issuebased partnerships that seemed unrealistic and out of reach until recently.

Israel, India and the UAE have already started to set a new path forward. Other countries can and should now follow to find new ways and strategies in an ever-more multi-networked world. Countries also must adapt to a changing Middle East and move away from the traditional diplomatic principle of prioritising their position on the Israeli-Palestinian conflict. Furthering regional and cross-regional, rather

<sup>&</sup>lt;sup>27</sup> "The UAE government sent oxygen and vaccines in support of the fight against COVID-19 in Indonesia", Embassy of Indonesia in Abu Dhabi, 16 July 2022, <a href="https://kemlu.go.id/abudhabi/en/news/14986/the-uae-government-sent-oxygen-and-vaccines-in-support-of-the-fight-against-covid-19-in-indonesia">https://kemlu.go.id/abudhabi/en/news/14986/the-uae-government-sent-oxygen-and-vaccines-in-support-of-the-fight-against-covid-19-in-indonesia</a>

<sup>&</sup>lt;sup>28</sup> Gregg Girvan and Avik Roy, "Israel: #6 in the 2022 World Index of Healthcare Innovation", FREOPP.org, 7 March 2023, <a href="https://freopp.org/israel-6-in-the-2022-world-index-of-healthcare-innovation-285aae221de">https://freopp.org/israel-6-in-the-2022-world-index-of-healthcare-innovation-285aae221de</a>

than bilateral, cooperation will increase mutual dependence and the cost of ideological stances. As such, it can benefit regional peace in the Middle East and contribute to a possible solution to the Israeli-Palestinian conflict.

In the zero-sum game of US-China superpower competition, middle powers are becoming pivotal in reshaping both the Middle East and Asia. A new inclusive, more independent approach will enable those willing to adopt it to build new partnerships beyond traditional constraints. Those willing to walk these new ways are more likely to become resilient enough to manoeuvre the complex and rapidly changing geopolitical landscape. •

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