

INDIA -SAUDI ARABIA BILATERAL RELATIONS

Political Relations

India and Saudi Arabia enjoy cordial and friendly relations reflecting the centuries old economic and socio-cultural ties. The establishment of diplomatic relations in 1947 was followed by high-level visits from both sides. King Saud visited India in 1955 and the Prime Minister Jawaharlal Nehru visited the Kingdom in 1956. The visit of the Prime Minister Indira Gandhi to Saudi Arabia in 1982 further boosted the bilateral relations.

The historic visit of King Abdullah to India in 2006 resulted in signing of 'Delhi Declaration' imparting a fresh momentum to the bilateral relationship. The reciprocal visit by Prime Minister Dr. Manmohan Singh to Saudi Arabia in 2010 raised the level of bilateral engagement to 'Strategic Partnership' and the 'Riyadh Declaration' signed during the visit captured the spirit of enhanced cooperation in political, economic, security and defence realms. The visit of the then Crown Prince, His Royal Highness Prince Salman bin Abdulaziz Al-Saud, Deputy Prime Minister and Minister of Defence of the Kingdom of Saudi Arabia (now King) to India in 2014 has further deepened the relations between our two countries.

The highly successful visit of Prime Minister Narendra Modi in April, 2016 has consolidated the domains of the existing partnership. The conferring of the highest civilian honour on Prime Minister Narendra Modi by the Saudi King is an indication of the importance it attaches to its relations with India. Further, the 'State Visit' honour accorded to the visit of the Saudi Crown Prince Mohammad bin Salman to India in February, 2019 cemented the ties in diversified fields. The announcement on Saudi investments of worth US \$ 100 billion in India; increase in Hajj quota to 2, 00, 000; release of 850 prisoners; proposal to set up a high-level mechanism at the leadership level; and identifying India as one of the Kingdom's 8 Strategic Partner Countries under 'Vision 2030' clearly earmarks the growing bilateral ties in an upward trajectory.

Commercial Relations

Saudi Arabia is our 4th largest trade partner and is a major source of energy as we import around 18 % of our crude oil requirement from the Kingdom. In 2018-19 (As per DGFT), the India-Saudi bilateral trade has increased by 23.83 % to US \$ 34.03 billion. During this period, our imports from Saudi Arabia reached USD 28.47 billion, registering an increase of 29.04 % over previous year (USD 22.06 billion) whereas our exports to Saudi Arabia reached USD 5.55 billion registering an increase of 2.61 % over previous year (USD 5.41 billion). The current bilateral trade (April - August, 2019 provisional figures) is valued USD 14.06 billion.

India-Saudi Trade (in billion USD)

Year (April – March)	Imports from Saudi Arabia	Exports to Saudi Arabia	Total trade	% increase in bilateral trade	% increase in Indian imports	% increase in Indian exports
2014-2015	28.10	11.16	39.26	-19.24	-22.79	-8.65
2015-2016	20.32	6.39	26.71	-31.97	-27.70	-42.71
2016-2017	19.94	5.13	25.08	-6.12	-1.85	-19.70
2017-2018	22.06	5.41	27.48	+9.56	+10.50	+5.88
2018- 2019	28.48	5.55	34.03	+23.83	+29.04	+2.61

Source: Department of Commerce, GOI. (www.dgft.gov.in)

According to Saudi Arabian General Investment Authority (SAGIA), there are 322 Indian companies as joint ventures/100% owned entities of worth USD 1.4 billion in the Kingdom till Dec, 2017. These licenses are for projects in diverse sectors such as management and consultancy services, construction projects, telecommunications, information technology, financial services and software development, pharmaceuticals, etc. Major Indian Companies such as L&T, TATAs, Wipro, TCS, TCIL, Shapoorji & Pallonji, etc. have established strong presence in Saudi Arabia. SAGIA is in talks with Indian Start-Ups such as OYO, Delhivery, Firstcry, Grofers, Policy Bazaar, Paytm to enter the Saudi market.

On the other hand, Saudi investment in India has so far been relatively modest at USD 228 million only from April 2000 to March 2019 (Source: DIPP). Saudi Petrochemical Giant SABIC had set up its R&D Centre in Bangalore with an investment of over USD 100 million in November 2013. Saudi Aramco and UAE's ADNOC are jointly participating in the development of US \$ 44 billion 'West Coast Refinery & Petrochemicals Project Limited' in Raigad, Maharashtra. Saudi Company Al- Fanar is currently executing a 300 MW power project in Kutch. Saudi Aramco signed a MoU with the Mumbai based GumPro for setting up a drilling fluids facility in 2018. Reliance announced that Saudi Aramco would take over 20 % share (US 10- 15 Billion) in the RIL Oil and Chemical business at an enterprise value of US \$ 75 billion. Several Saudi Companies have invested in India through their non-Saudi subsidiaries.

Cultural Relations

A cultural troupe from ICCR comprising of a Shehnai and a Qawwali group, performed in Jeddah and Riyadh from 25-29 January 2012, coinciding with the Republic Day celebrations. A 45-member Saudi youth delegation visited India on 10-day tour from March 22, 2012, to step-up efforts to promote understanding and friendship among the youth of the two countries. A 54-member cultural delegation visited the Kingdom to

participate in the 'Indian Cultural Week', organized in Riyadh in collaboration with the Saudi Ministry of Culture from November 3-7, 2012. In January-February 2017, an ICCR sponsored 5-member Qawwali troupe performed in Riyadh, Dammam, Jubail and Jeddah.

India successfully participated as 'Guest of Honour' in the 32nd edition of the prestigious Saudi National Festival of Heritage and Culture – Janadriyah from February 7 – 28, 2018. Former External Affairs Minister Smt. Sushma Swaraj jointly inaugurated the India Pavilion with His Majesty King Salman. The India pavilion comprised the friendship wall, traditional & contemporary India, business stalls, states part, flavours of India and information desk.

Yoga was announced as a 'sports activity' in November 2017. Since then, the Embassy has been organizing the International Yoga Day celebrations in an open area in the centre of Riyadh. The IDY 2018 and IDY 2019 witnessed participation of large number of Saudi nationals, particularly the youth, in addition to the Diplomatic Corps, Journalists and Indian diaspora.

Indian Community in Saudi Arabia

The 2.6 million (as of August 2019) strong Indian community in Saudi Arabia is the largest expatriate community in the Kingdom and is the 'most preferred community' due to their expertise, sense of discipline, law abiding and peace loving nature. The contribution made by Indian community to the development of Saudi Arabia is well acknowledged. In April 2013, His Majesty King Abdullah announced a grace period allowing overstaying expatriates to correct the status, get new jobs or leave the country without facing penal action till the end of the grace period i.e. November 3, 2013. More than 1.4 lakh Indians availed the amnesty and returned back to home without facing penalty. Again, Saudi authorities announced amnesty (April – November, 2017) during which around 70, 000 undocumented Indians were issued travel documents to return back to India. The Hajj pilgrimage is another important component of bilateral relations. The Hajj Quota was increased by 24, 975 in 2019, enabling 2, 00, 000 Indians performing Hajj in 2019. Around 7, 00, 000 Indians also visit the Kingdom to perform Umrah every year.

Useful Resources

Website of the Mission: eoiriyadh.gov.in

Mission's Facebook Page: <https://www.facebook.com/IndiaInSaudiArabia>

Mission's Twitter: twitter.com/IndianEmbRiyadh

(23 September, 2019)