

## **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 Prime Minister Jawaharlal Nehru visited the Kingdom in 1956. The visit of Prime Minister Indira Gandhi to Saudi Arabia in 1982 further consolidated the bilateral relations.

2. The historic visit of King Abdullah to India in 2006 was a watershed moment that resulted in signing of the ‘Delhi Declaration’, imparting a fresh momentum to the bilateral relationship. The reciprocal visit by Prime Minister Dr. Manmohan Singh to Saudi Arabia in 2010 and the ‘Riyadh Declaration’ signed during the visit raised the level of bilateral engagement to a ‘Strategic Partnership’. 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 further deepened the relations between our two countries, particularly in the area of defence cooperation.

3. The highly successful visit of Prime Minister Shri Narendra Modi in April 2016 captured the spirit of enhanced cooperation in the political, economic, security and defence realms. The conferring of the highest civilian honour on Prime Minister Modi by the Saudi King is an indication of the importance the Kingdom 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 took forward this momentum further. During the visit, announcements of Saudi investments in India targeting a value of US \$ 100 billion and increase in Hajj quota to 2,00,000 were made.

4. On the invitation of His Majesty King Salman, Prime Minister Shri Narendra Modi paid an official visit to Riyadh from October 28-29, 2019 during which the Strategic Partnership Council Agreement was signed, identifying India as one of the Kingdom’s Strategic Partner Countries under ‘Vision 2030’ with a high-level partnership council at the leadership level. Twelve MoUs and Agreements were signed during the visit in the fields of energy, security, combating trafficking of narcotic drugs, defense production, civil aviation, medical products, strategic petroleum reserves, small and medium scale industries, launch of Rupay card, cooperating in training of diplomats, cooperation between stock exchanges etc. PM also delivered a keynote address at the Third Future Investment Initiative Summit during the visit.

### **Commercial Relations**

5. Saudi Arabia is India’s fourth largest trade partner (after China, USA and Japan) and a major source of energy as India imports around 18% of its crude oil requirement from the Kingdom. Saudi Arabia is also a major source of LPG for India. In 2018-19 (as per DGFT), India-Saudi bilateral trade has increased by 23.83 % to US \$ 34.03 billion. During this period, India’s imports from Saudi Arabia reached US\$ 28.47 billion, registering an increase of 29.04 %

over the previous year (US\$ 22.06 billion) whereas India's exports to Saudi Arabia reached US\$ 5.55 billion registering an increase of 2.61 % over previous year (US\$ 5.41 billion). The bilateral trade for the period from April - December 2019 (provisional figures) is valued at US\$ 24.73 billion.

**India-Saudi Trade (in US\$ billion)**

<b>Year</b>	<b>Imports from Saudi Arabia</b>	<b>Exports to Saudi Arabia</b>	<b>Total trade</b>	<b>% increase in bilateral trade</b>	<b>% increase in Indian imports</b>	<b>% increase in Indian exports</b>
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
2019-2020 (April – Dec)	20.37	4.35	24.73	-	-	-

*Source: Department of Commerce, GOI.*

6. According to Saudi Arabian General Investment Authority (SAGIA), there are 322 Indian companies registered as joint ventures/100% owned entities worth US\$ 1.4 billion in the Kingdom as of December 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 and corporate groups such as L&T, TATAs, Wipro, TCS, TCIL, Shapoorji & Pallonji, etc. have established a 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.

7. Saudi Petrochemical Giant SABIC set up its R&D Centre in Bangalore with an investment of over US\$ 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 Kutchh. Saudi Aramco signed a MoU with the Mumbai based GumPro to set up a drilling fluids facility in 2018. On Aug 12, 2019, it was announced that Saudi Aramco plans to acquire 20 % share in the Reliance Industries Limited's 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

8. India successfully participated as 'Guest of Honour' in the 32<sup>nd</sup> 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.

9. 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. India Day was celebrated on August 17, 2019. The 150th birth anniversary of Mahatma Gandhi was marked by a series of events that culminated on October 2, 2019 with the unveiling of the Gandhi bust at the Embassy and mounting of a stamp and photo exhibition. For the first time, grand event was organized by Embassy of India to commemorate the 550th Birth Anniversary of Shri Guru Nanak Dev Ji on November 14, 2019. Constitution Day was celebrated on November 26, 2019. Dr. Abdullah Al-Harbi, Saudi Shura Council Member and Chairman of the India-Saudi Arabia Parliamentary Friendship Committee was the Guest of Honour. Pravasi Bharatiya Diwas and Vishwa Hindi Diwas were celebrated on January 9 and 16, 2020 respectively. As part of the 71<sup>st</sup> Republic Day celebration, an eight member ICCR sponsored Bhangra troupe visited the Kingdom and performed at Riyadh, Jeddah and Dammam.

### **Indian Community in Saudi Arabia**

10. The 2.6 million (as of August 2019) strong Indian community in Saudi Arabia is the largest expatriate community in the Kingdom and is highly respected due to its sense of discipline, law abiding and peace loving nature. The contribution made by the 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 get new jobs or leave the country without facing penal action. More than 1.4 lakh Indians availed the amnesty and returned home without facing penalty. Saudi authorities announced another amnesty period between April – November, 2017 during which around 70, 000 Indians were issued travel documents to return to India. The integration of the Indian e-Migrate system and the Saudi e-Thawtheeq system for the convenience of migration of workers was announced during the Prime Minister’s visit on October 29, 2019.

11. The Haj pilgrimage is another important component of bilateral relations. The Haj Quota was increased by 24,975 in 2019, enabling 2, 00,000 Indians to perform Hajj in August 2019.

**31 January, 2020**

### **Useful Resources**

Website of the Mission: [eoiriyadh.gov.in](http://eoiriyadh.gov.in)

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

Mission’s Twitter: [twitter.com/IndianEmbRiyadh](https://twitter.com/IndianEmbRiyadh)

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