

## **India-Saudi Arabia Bilateral 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 bin Abdulaziz Al Saud visited India on a 17-day trip during November-December, 1955 and Prime Minister Jawaharlal Nehru visited the Kingdom in September, 1956. The visit of Prime Minister Indira Gandhi to Saudi Arabia in April 1982 further consolidated bilateral relations.

The historic visit of King Abdullah to India in January 2006 was a watershed moment that resulted in the 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 from February 27 – March 01, 2010, and the 'Riyadh Declaration' signed during the visit, elevated the bilateral relationship to a 'Strategic Partnership'. The visit of the then Crown Prince (now King) Salman bin Abdulaziz Al-Saud to India in February 2014 further deepened the relations between the two countries, particularly in the area of defence cooperation.

The visit of Prime Minister Narendra Modi to Riyadh in April 2016 captured the spirit of enhanced cooperation in the political, economic, security and defence realms. During the visit, King Salman conferred the Kingdom's highest civilian honor on Prime Minister Modi, indicating the importance Saudi Arabia attached to its relations with India. The visit of Crown Prince Mohammad bin Salman to India in February 2019 further took forward this momentum. During the visit, it was announced that the Kingdom would invest approximately US\$100 billion in India and six MoUs/Agreements were signed in the fields of investment, tourism, housing, exchange of audio-visual programmes, and an agreement was signed to pave way for Saudi Arabia to join the International Solar Alliance (ISA), which was launched by Prime Minister Modi.

Prime Minister Modi visited Riyadh again on October 28-29, 2019, during which the Strategic Partnership Council (SPC) Agreement was signed, which established a high-level council to steer the Indo-Saudi relationship. Twelve MoUs/Agreements were signed during the visit across several fields, including energy, security, defense production, civil aviation, medical products, strategic petroleum reserves, small and medium scale industries, and training of diplomats. During the visit, PM Modi also delivered the keynote address at the

Third Future Investment Initiative Summit.

### **Strategic Partnership Council**

The Strategic Partnership Council (SPC) has two sub-committees – I) Committee on Political, Security, Social and Cultural Cooperation; and II) Committee on Economy and Investments. Both sub-committees have four functional levels of engagements – I) Summit level (Prime Minister & Crown Prince); II) Ministerial-level; III) Senior Officials' Meetings; and IV) Joint Working Groups (JWGs). Four JWGs have been formed under each sub-committee. The JWGs under the Political committee are I) Political & Consular; II) Legal & Security; III) Social & Cultural; and IV) Joint Committee on Defence Cooperation. The JWGs under the Economic committee are I) Agriculture & Food Security; II) Energy; III) Technology & Information Technology; and IV) Industry & Infrastructure.

### **Economic Cooperation**

Saudi Arabia is India's fourth largest trading partner. More than 18% of India's crude oil imports are sourced from Saudi Arabia. During FY22 (Apr-Dec), bilateral trade was valued at US\$29.28 billion. During this period, India's imports from Saudi Arabia were valued at US\$22.65 billion and exports to Saudi Arabia were worth US\$6.63 billion.

#### **Indo-Saudi Trade (in US\$ billion)**

Year	Imports from Saudi Arabia	% increase in Indian Imports	Exports to Saudi Arabia	% increase in Indian Exports	Total Trade	% increase in Total Trade
2015-16	20.32	-27.70	6.39	-42.71	26.71	-31.97
2016-17	19.94	-1.85	5.13	-19.70	25.08	-6.12
2017-18	22.06	+10.50	5.41	+5.88	27.48	+9.56
2018-19	28.48	+29.04	5.55	+2.61	34.03	+23.83
2019-20	26.84	-5.73	6.24	+12.18	33.07	-2.82
2020-21	16.19	-39.68	5.85	-6.25	22.04	-33.35

2021-22 (Apr-Dec)	22.65	-	6.63	-	29.28	-
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[Source: Department of Commerce, Ministry of Commerce and Industry, Government of India]

There are around 745 Indian companies registered as joint ventures/100% owned entities with investments worth approximately US\$2 billion in the Kingdom (October, 2021). These companies operate 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, TATA, Wipro, TCS, TCIL, Shapoorji & Pallonji, etc. have established a strong presence in Saudi Arabia.

Saudi Investments in India, as of March 2021, amounted to US\$3.13 billion. Major Saudi investment groups include ARAMCO, SABIC, ZAMIL, E-holidays, and Al Batterjee Group. Additionally, Soft Bank's 'Vision Fund' has invested in Indian Start-ups such as Delhivery, FirstCry, Grofers, Ola, OYO, Paytm and PolicyBazaar.

In June, 2020, Saudi Arabia's Public Investment Fund (PIF) announced a US\$1.49 billion (2.32% stake) investment in Reliance Industries' Jio Platforms, and in November, 2020, PIF announced another investment of US\$1.3 billion (2.04% stake) in Reliance Retail Ventures Limited. In the food sector, in May 2020, Saudi Agricultural and Livestock Investment Company (SALIC) acquired a 29.91% stake in Daawat Foods Ltd. with an investment of \$17.23 million. More recently, in July 2021, PIF invested in India-based healthtech Healthifyme's \$75 million Series C funding round.

Other proposed major investments include the US\$44 billion 'West Coast Refinery & Petrochemicals Project' in Maharashtra, which is being jointly built by Saudi Aramco, Abu Dhabi National Oil Company, and an Indian consortium, which includes Indian Oil Corporation, Hindustan Petroleum Corporation, and Bharat Petroleum Corporation. In the renewable energy sector, Saudi Company Al- Fanar has a controlling stake in 600MW Wind Power projects in India. Saudi Aramco is also in discussions with Reliance Industries to acquire a 20% stake in its oil-to-chemicals business for an approximate value of US\$15 billion.

## **Cultural Relations**

India participated as the ‘Guest of Honour’ at the 32<sup>nd</sup> edition of the prestigious Saudi National Festival of Heritage and Culture – Janadriyah from February 07 – 28, 2018. The festival was inaugurated by King Salman and the then External Affairs Minister Sushma Swaraj also visited the Indian Pavilion.

Yoga has also become a very popular activity in Saudi Arabia, particularly after it was recognized as a ‘sports activity’ in November 2017. Subsequently, the International Day of Yoga (IDY) 2018 and 2019 was celebrated by the Embassy in prominent areas of Riyadh, which witnessed participation from a large number of Saudi nationals, particularly the youth, in addition to the diplomatic corps, journalists and the Indian diaspora. On IDY 2021, an MoU on Yoga Cooperation was signed between the Saudi Ministry of Sports and India’s Ministry of AYUSH, which paved the way for the establishment of formal Yoga standards and courses in the Kingdom, marking the first time such standards were being implemented by any country in the Gulf region.

The 150<sup>th</sup> birth anniversary of Mahatma Gandhi was marked by a series of events that culminated on October 02, 2019 with the unveiling of the Gandhi bust at the Embassy. Further, a large event was organized by the Embassy to commemorate the 550<sup>th</sup> birth anniversary of Shri. Guru Nanak Dev Ji on November 14, 2019.

The year 2021-22 commemorates 75 years of India’s independence as ‘Azadi ka Amrit Mahotsav’. This celebration also coincides with 75 years of establishment of diplomatic relations between India and Saudi Arabia. As part of this celebration the Embassy is conducting a host of events from May 2021 till August 2023, which include cultural events, exhibitions, academic activities like quizzes, international film festival, and sports activities like golf tournament and cycle rallies.

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

The approximately 2.2 million strong Indian community is the largest expatriate community in the Kingdom and is highly respected due to its sense of discipline, as well as law abiding and peaceful nature. The contributions made by the Indian community to the development of Saudi Arabia are well acknowledged. Saudi authorities announced an amnesty period between April – November, 2017 during which around 70,000 Indians were issued travel documents to return to India. Further, during PM’s visit to Riyadh in October

2019, the two sides announced that India's e-Migrate system would be integrated with the Kingdom's e-Thawtheeq system to streamline the migration process for workers.

The annual Hajj pilgrimage is another important component of Indo-Saudi bilateral relations. During Crown Prince's visit to New Delhi in February 2019, it was announced that India's Hajj quota would be increased by 24,975 in 2019, enabling 2,00,000 Indians to perform Hajj in August 2019. India has also digitized the Hajj process by providing the Hajj mobile app, health facility - e-MASIHA, e-luggage pre-tagging, and linking the HGOs (Hajj Group Organizers) with the digital system, which has simplified the procedures for pilgrims.

### **Collaboration during COVID-19**

In order to deal with the unprecedented COVID-19 crisis in a coordinated and united manner Prime Minister Modi and Crown Prince Mohammed bin Salman held a telephone conversation on March 17, 2020, during which they planned to convene an extraordinary G20 Virtual Summit, which was held on March 26, 2020. King Salman and PM Modi held telephone conversations on September 09 and 29, 2020, to discuss G20-related matters and the strategies of the two countries to combat the pandemic. Most recently, on March 10, 2021, PM Modi held a telephone conversation with Crown Prince Mohammed bin Salman. The two leaders reviewed the functioning of the bilateral Strategic Partnership Council, expressed satisfaction about the steady growth in the India-Saudi partnership, agreed to continue supporting each other's efforts against the COVID-19 pandemic, and PM Modi reiterated his invitation to the Crown Prince to visit India at an early date.

Throughout the pandemic, both nations have been sharing national experiences and supporting each other to ensure continued flow of food, medicines and other essential items. In February and March, 2021, in two separate consignments, India provided 4.5 million COVISHIELD vaccines to the Kingdom, whereas, during the second wave, the latter provided India with COVID-relief material, particularly liquid oxygen. Further, during the pandemic, the Saudi authorities opened up the healthcare system for the Indian community and provided free healthcare services. The Mission has also been involved in a large-scale repatriation exercise of the community due to the pandemic, which has led to more than 8,00,000 Indians being repatriated through Vande Bharat Mission and charter flights. Since January 01, 2022, there is an air bubble agreement in place for air travel between the two countries. There has been

excellent cooperation by the Saudi authorities in this endeavor.

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*February, 2022*