

India-Kuwait Relations

Warm and friendly contacts between India and Kuwait go back several centuries. Geographical proximity, historical trade links, cultural affinities and presence of a large number of Indian expatriates continue to sustain and nurture this relationship. Kuwait's ruling Al-Sabah family too has longstanding ties with India. India has been a natural trading partner and a destination for higher learning for Kuwait. Until 1961, Indian Rupee was the legal tender in Kuwait. Till the discovery of oil, Kuwait's economy revolved around its fine harbour and maritime activities which included ship building, pearl diving, fishing and voyages to India on *dhow*s carrying dates that were traded for wood, cereals, clothes and spices.

VVIP visits from India to Kuwait: These have been made by Hon'ble Vice President of India Dr. Zakir Husain in 1965, by Prime Minister Indira Gandhi in 1981 and by Hon'ble Vice President of India Shri Hamid Ansari in 2009.

VVIP visits from Kuwait to India : These have included those by the Crown Prince and Prime Minister Sheikh Sabah Al-Salem Al-Sabah in 1964, the Amir Sheikh Jaber Al-Ahmed Al-Jaber Al-Sabah in 1980 and again in 1983 (for the NAM Summit), and the Amir Sheikh Sabah Al-Ahmed Al-Jaber Al-Sabah in 2006.

Recent High-Level Exchanges:

Minister of External Affairs of India Hon'ble Shri S. M. Krishna visited Kuwait during February 3-4, 2010, during which he met the Amir, the Prime Minister, and the Deputy PM and Foreign Minister of Kuwait. This stand-alone visit to Kuwait was EAM's first visit to the Gulf region since taking charge as Minister of External Affairs. EAM visited Kuwait again from February 25-27, 2011, to participate in the celebrations marking the 50th anniversary of Independence of Kuwait, 20th anniversary of its Liberation and 5th anniversary of the Amir's Accession to office. EAM also paid a transit visit to Kuwait enroute Sharm El Sheikh to attend the 15th NAM Summit on July 12-13, 2009.

Other recent high-level visits include those of Minister of State for External Affairs of India, MoS for Petroleum & Natural Gas and Corporate Affairs, MoS for Finance and MoS for Tourism. Hon'ble MoS for External Affairs Mr. E. Ahmed visited Kuwait from October 9-11, 2011 to represent India at the 10th Ministerial meeting of the Asia Cooperation Dialogue (ACD). He also visited Kuwait on May 15, 2008, to convey condolences on the demise of His Highness the father Amir; as also on a bilateral visit from January 29-31, 2008. MoS for Petroleum & Natural Gas and Corporate Affairs Shri R. P. N. Singh visited Kuwait on 17-19 April 2011 to attend the 4th Asian Ministerial Energy Round table Conference where he presented a paper on "Energy Price Volatility". He also met the Kuwaiti Oil Minister Sheikh Ahmed Abdullah Al-Ahmed Al-Sabah and discussed bilateral cooperation in the oil and gas sector. Hon'ble MoS for Finance Shri Namo Narain Meena visited Kuwait on December 14-16, 2010 during which he met the Minister of Commerce & Industry of Kuwait and discussed the strengthening of bilateral economic cooperation including insurance sector. MoS for Tourism Shri Sultan Ahmed made a visit of Kuwait from October 8-9, 2009 for a multi-product event with special focus on "Health Tourism".

From Kuwait, Sheikh Ahmad Al-Abdullah Al-Sabah, Minister of Oil and Minister of Information of Kuwait, visited India from September 25-28, 2010. He inaugurated the "Sabah

Cultural Library” at the India Arab Cultural Centre in Jamia Millia Islamia University, New Delhi – the first and largest cultural project by Kuwait in India. Mr. Faisal Al Hajji Bukhadour, Deputy Prime Minister and Minister of State for Cabinet Affairs of Kuwait accompanied by the Under Secretary of Civil Service Commission Mr. Mohammed Al Roomi paid an official visit to India to meet his counterpart, Minister of State for Personnel from February 3-7, 2009. He also met Minister of State for External Affairs, Shri E. Ahmed. Other visits to India include that of Mustafa Al-Shamli, Minister of Finance, from July 1-3, 2008; and by Kuwait-India Parliamentary Friendship Group led by Dr. D. Buramaiah, MP, from March 9-12, 2008.

Trade and Economic Cooperation: Historically, India-Kuwait relations have always had an important trade dimension. India has consistently been amongst the top ten trading partners of Kuwait. Kuwait is an important partner in India’s quest for energy security, annually providing 10-11% of India’s crude oil imports. Bilateral trade has been rising steadily in recent years. 2011 was a landmark year for trade between India & Kuwait, as for the first time, bilateral trade crossed US\$ 10 billion mark to reach its all time high of US \$ 12.27 billion. Exports from India to Kuwait in FY 2010-11 grew by 150% to over US\$ 1.95 billion, crossing US\$ 1 billion mark for the first time. Of the total trade, non-oil trade accounted for approximately US\$ 2.5 billion while petroleum exports from Kuwait to India were approximately US\$ 9.77 billion. Major items exported from India during 2010-11 were articles of iron or steel, nuclear reactors, boilers, machinery and mechanical appliances; parts thereof, cereals, meat and edible meat offal, electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers and parts. Major items (other than Petroleum & its products) imported by India during 2010-11 were mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes, organic chemicals, plastic and articles thereof, iron and steel, aluminium and articles thereof.

Joint-Ministerial Commission (JMC): An India-Kuwait Joint Ministerial Commission on Economic and Technical Cooperation was set up in 1992. It is co-chaired by India’s MoS for External Affairs and Kuwait’s Minister of Finance. Its first meeting took place in Kuwait in 2006 and second in New Delhi in 2008. The first meeting of JWG on Hydrocarbons and second meeting of JWG on Labour, Employment and Manpower Development were held in Kuwait in 2009 and 2010 respectively. In order to move forward the process of this JWG, India and Kuwait signed a document on August 17, 2010 which aims at further strengthening bilateral cooperation in employment and manpower development. The 3rd meeting of the JMC is scheduled to be held in Kuwait in 2012.

Indian companies in Kuwait: Indian PSUs like TCIL, LIC (International), LIC Housing Finance, New India Assurance Company, Oriental Insurance Company, Bridge and Roof and National Aviation Company (Indian Airlines and Air India) have offices in Kuwait, while private companies like L&T, Punj Lloyd, Kalpataru, KEC International Ltd (subsidiary of RPG Group), Shalimar Valves, etc. are implementing major projects in Kuwait, including in petroleum and power sectors. TERI signed a soil remediation contract with Kuwait Oil Company worth US\$ 39.36 million in February 2012 while L&T currently has \$150 million worth of contracts in Kuwait.

Kuwaiti Investment in India: Kuwaiti investment in India has been largely indirect through portfolio managers. Much of it has gone to India through international investment companies or through Mauritius, Singapore or other countries providing tax breaks. Significant Kuwaiti presence in India includes those by Alghanim Group of Kuwait; the KAPICO group; NAS; Agility Logistics, Hasibat Holding Co, KGA Group, KCIC, KIPCO, Global Investment House,

Kuwait Finance House etc among others. India related funds launched in Kuwait include India Fund (October 2005); Tijari India Fund (December 2006); India Equity Fund (January 2007); Kuwait India Holding Company; Indian Private Equity Fund; India Private Equity Fund; 3rd Real Estate Islamic Fund (May 2007); and Mayur Hedge Fund (August 2008). On 23 July 2009, UTI Asset Management Co. set up a \$500 million private equity fund with Kuwait's Noor Financial Investment Company to invest in unlisted Indian infrastructure companies.

Civil Aviation: Air India, Jet Airways and Kuwait Airways have direct flights to Indian cities. National Aviation Services, Kuwait, has handling contracts for 15 Indian airports.

Culture: Regular exchanges take place in these fields. A “Festival of India in Kuwait” was held in Kuwait in 2009 which included exhibitions and performances by 130 Indian Artistes. Eminent artistes like Hari Prasad Chaurasia, Shiv Kumar Sharma, Rimpa Siva and Ranjana Gauhar participated in the event. A “Qawwali Evening” by the “Nizami Bandhu” group, sponsored by the ICCR, was held in the Embassy in 2010. Cultural entertainment programmes are regularly held in Kuwait involving well known artistes from India. The Embassy organized an Indian musical event on October 29, 2011, in which Sitar maestro Niladri Kumar and Tabla Maestro Yogesh Samsi enthralled a large audience. The Embassy participated in the Hala Festival of Kuwait on January 28, 2011.

Science & Technology and Education: An Agreement on Scientific and Technological Cooperation between India and Kuwait was signed during the visit to Kuwait of Hon'ble Vice President in April 2009. About 550 Indian doctors and 8,000 nurses are employed in Kuwait hospitals. An “India Study Centre” at the Faculty of Social Sciences of the Kuwait University was set up in December 2006. 19 Indian Schools in Kuwait are affiliated to our Central Board of Secondary Education.

India-Kuwait Agreements: Numerous bilateral Agreements provide a framework for promoting relations. Prominent amongst them are: on Reciprocal Protection of Investment (2001); on Mutual Legal Assistance in Criminal Matters (2004); Extradition (2004); on Juridical and Judicial Cooperation in Civil and Commercial Matters (2005); on Drug Demand Reduction and Prevention of Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and Precursor Chemicals (2006); on Avoidance of Double Taxation Agreement and Prevention of Fiscal Evasion with respect to Taxes on Income (2006); MoU on Labour, Employment and Manpower Development (2007); on Scientific and Technological Cooperation (2009); Cultural and Information Exchanges (2009); Education and Learning Cooperation (2009).

Indian Community in Kuwait: The Indian community of around 640,000 in Kuwait adds an important dimension to our ties. Indian nationals are the largest expatriate community in Kuwait. Indian nationals are present in practically all segments of society in Kuwait, and are known to be disciplined, hard working, talented and law-abiding. Their contribution to the development and prosperity of Kuwait is noteworthy. The total remittance from Kuwait to India is estimated to be about US\$ 3.5 billion annually. There are approximately 300 Indian community associations in Kuwait representing a variety of regional, professional and cultural interests, of which 143 Associations are presently registered with the Embassy. To keep pace with our expanding bilateral interaction and growing Indian community, the Embassy outsourced its passport and visa services in 2009. In order to enhance the support available to Indians in Kuwait, the Embassy set up an “Indian Workers Welfare Center” in September 2009, which provides a labour complaints redressal mechanism, accommodation and other facilities for domestic

workers in distress, a work contract attestation system, a toll free 24x7 telephonic helpline for Indian domestic workers, a free legal advice clinic, and a help desk to guide all Indian nationals.

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